Assessing Effectiveness and Efficiency of E-Services in Georgia

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2015

Contents

Definitions

E-Government - refers to the use by government agencies of information technologies that have the ability to transform relations with citizens, businesses, and other arms of government[1]. Also, the use of information and communication technologies (ICTs) and its application by the government for the provision of information and public services to the people.[2]

E-service – for the purpose of this study refers to the use of ICTs by the government to provide electronic *services* to the citizens, businesses, or other arms of government.

E-information – for the purpose of this study refers to the use of ICTs by the government to provide public information electronically to the citizens, businesses, or other arms of government. Assessing e-information services is not within the scope of this study.

About the Study

The study *Assessing Effectiveness and Efficiency of E-Services in Georgia was* prepared by Economic Policy Research Center (EPRC) in cooperation with the Estonian Praxis Center for Policy Studies. The study was co-financed by the Ministry of Foreign Affairs of Estonia.

The purpose of the report is assessment of effectiveness and efficiency of 5 e-services implemented in Georgia, namely – E-declaration (www.rs.ge), E-tenders (procurement.gov.ge), E-auction (www.eauction.ge), E-notary (www.notary.ge) and Information on entrepreneurial and non-entrepreneurial legal enterprises. The report provides recommendations based on the evaluated cases for improving the existing services and serves as good lessons learnt for future initiatives in this direction. Furthermore, the report serves as guidelines for the public sector as well as the civil society organizations and experts on the methods to design user-centered public e-services and evaluate their impact for users and government efficiency. The report sets the precedent of trying to evaluate impact of the e-services in Georgia, thus making this report a good starting point for further in-depth studies and analysis.

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1 The World Bank. http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIES/EX-
   TEGOVERNMENT/0,,contentMDK:20507153~menuPK:702592~pagePK:148956~piPK:216618~theSitePK:702586,00.html
2 Global E-Government Readiness Report, 2004.

I Introduction

The government of Georgia (GoG) has declared development of e-governance as one of its priorities in 2009. The aim was to reform state administration, increase access to public services, transparency and accountability of public administration. Information technologies were the means for achieving successful implementation of this reform. Since then, a wide range of projects were implemented, a number of them are still being developed. In 2010-2012, relations between the government and the private sector by means of information-communication technologies took a new step. In 2010, a new agency under the Ministry of Justice was created – Data Exchange Agency. It is responsible for supporting further development of e-services in the country. It supports e-governance development, creation and installation of unified Georgian Governmental Gateway (3G) and its monitoring. The agency is currently in the process of developing data exchange infrastructure, and enhancing information security. In the same year, Financial Analytical Service under the Ministry of Finance was created which is responsible for information technology support of the governmental organizations.

In 2012, a new agency operating under the Ministry of Justice was created – Public Service Development Agency. Its functions include supporting the development of state services. Under its mandate of development of public services, one of the goals of the agency is to introduce e-services in local self-governing entities. Even though the named two agencies operating under the Ministry of Justice are responsible for development of e-services in Georgia, they do not own all electronic state services. The Ministry of Justice of Georgia represents a leading entity in e-service development together with the Prime Minister's Office and other line entities. The initial idea was to unite all governmental services under the management of the Data Exchange Agency; however this idea was not brought into reality. As of now, the latter agency is responsible for the Citizen's Portal www.my.gov.ge which represents e-request for public information, and enables citizens to request information from public organizations online, without leaving an office or residence. Ownership, management and maintenance of all other e-services are under the relevant Ministries' information technology departments[3].

Development of e-government and e-services as a whole was guided by establishment of relevant legislative framework. Namely, the following laws were adopted: e-document and e-signature Law (2007), Law on Creation of Data Exchange Agency (2010), Law on Unified Information Registry (2011), Law on Information Security (2012), and Law on Personal Data Protection (2012).

In order to assess the overall level of e-services in Georgia, it is noteworthy, that since 2010, Georgia has advanced by 44 positions and according to the United Nations (UN) e-government survey 2014, ranks 56th among 193 countries in E-Government Development Index (EGDI). If compared to 2012, Georgia has advanced by 16 positions. It should be additionally noted, that Georgia is one of the few lower middle income countries that rank high in EGDI. In addition, the country is one of the top 50 performers on e-participation. In the situation where less than half of the population has access to the internet[4], this indicator is impressive. Georgia ranks 66th as of 2014 in e-participation index (as compared to 143th in 2008). Even though Georgia does not have a dedicated open government data portal, it was scored higher than 66.6 percent in data publishing. Moreover, Georgia ranks as one of the few lower middle income countries that reach the highest EGDI in relation to their gross national income (GNI) per capita. This means the biggest results with the smallest investment.

Some of the implemented projects include: property registration (e-abstracts); business registry; civil registry; e-ID and e-signature; e-filing system for taxpayers; e-treasury; national school exams; e-procurement; e-auction; e-notary and others. New initiatives include: registry of registers, e-voting, e-health, e-business, e-security, e-inclusion, etc.

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3 Personal Communication. Head of Data Exchange Agency. November, 2014.
4 (UN) e-government survey 2014. http://unpan3.un.org/egovkb/Portals/egovkb/Documents/un/2014-Survey/E-Gov_Complete_Survey-2014.pdf

II Methodology for evaluating e-services in Georgia

Purpose of evaluation

The purpose of evaluation is to assess *effectiveness and efficiency* of a selected list of 5 e-services implemented in Georgia, i.e. to carry out a mid-term evaluation of the e-services and assess their implementation so far. The findings therefore will be used to monitor the service implementation, provide feedback to the service owners on successes and possible areas for improvement.

In order to assess effectiveness, the study focuses on how the system or program is operating and the extent to which the pre-determined objectives were met. In terms of efficiency, the focus is on the cost-effectiveness of the initiative; the study addresses the issue of how much the e-services cost in relation to its former or parallel offline alternatives - simply put, whether the benefits received from implementing the initiative outweigh its costs.

The users of the evaluation results are mainly the policymakers who have defined the aims of e-services, and the study results enable them to make better decisions in their future activities and overcome weaknesses in the present practices. Since majority of the services are still being developed, the results of the study may be quite useful for the relevant agencies. The results help the service owners to make more informed decisions on planned future interventions. At the same time, since the development of the e-services is a relatively new phenomenon for Georgia, the study results bring more transparency to this sector, increase awareness among the stakeholders on the work that has been done, highlight the benefits of this investment from the side of the government, and identify areas for improvement.

What is being evaluated

The following e-service platforms were chosen:

- **Government to Business (G2B) - E-declaration – (www.rs.ge) - electronic filing of tax declarations by businesses.**
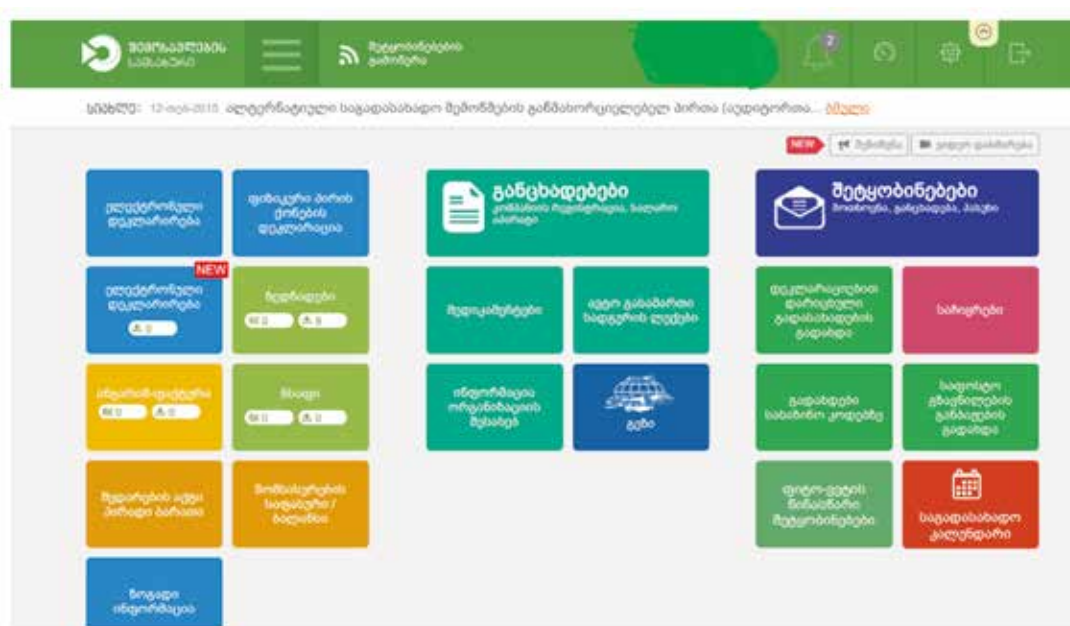
Authorized users can electronically submit tax declarations, tax returns, applications and complaints to the Revenue Service; issue and approve fiscal tax invoices, special fuel tax invoices, waybills; make money transfers, receive notifications from the revenue service, protocols and orders; in case of import of medication and Parcel Post submit list of goods. Authorized users can fill in and submit customs declaration. With the assistance of the service taxpayer can perform money transfer to cover relevant tax arrears. These services are performed electronically; in case an entrepreneur has difficulty in filling out the form, he/she can go to the office and the tax agent shall help him/her in the matter.

For the purpose of this study we concentrate on the electronic filing and submission of tax declarations by business representatives.

• **Government to Business (G2B) – Unified system of procurement (E-tenders www.tenders.procurement.gov. ge) – electronic participation in various governmental tenders.**

E-tendering envisages conducting governmental tenders electronically, which includes e-bargaining. E-Tendering includes activities such as advertising the requirements for goods or services, registering suppliers, issuing and receiving tender documents via the Internet, and automating the evaluation of responses to a tender. It contains a module for Questions/Answers, where suppliers may pose questions and post comments regarding a respective tender, and the procuring entity is obliged to respond. These answers are considered as official positions or explanations and can be used as such during potential disputes. E-Auction is the means by which a supplier bids in an open auction via the Internet for a contract.

E-PLAN refers to making and registering state procurement plans through a web application form. E-PLAN is accessible for any registered user, so the supplier is able to see and assess what is going to be purchased, when and for what price. The website contains Black List as well, where all dishonest suppliers are registered and debarred from the state procurement procedures for a one-year period. Participating in the tenders is only possible online. Since December 1st, 2010 the Georgian Government must trade electronically with suppliers and those companies who desire to trade with the Government must have E-Procurement capabilities. These rules do not apply to the so-called secret procurements (such as military equipment and other goods or services that affect the country's national security).

• **Government, Business and Citizens - E-auction – (www.eauction.ge) – electronic auction for sale of state and privately owned property (real as well as movable property).**

The service was created in 2010 by the Ministry of Finance - Service Department to sell state owned property online. Individuals are also able to sell their property through the website. The state agencies are obliged to sell their property only through the e-auction service.

Information on entrepreneurial and non-entrepreneurial legal enterprises

The service encompasses providing the detailed non-confidential information on a legal enterprise based on a request from any customer. The service users are mostly financial institutions that gain access to the information on the property owned by legal enterprises.

• **For businesses and Citizen – visiting public notary online. https://visit-notary.reestri.gov.ge**

Georgia is the only country in the world that has an online public notary service. One can make a power of attorney, a contract or any other type of public notary service online, via Skype connection. This service is also available offline.

Evaluation Framework and Questions

The evaluation takes into account the position of the state as a service provider from one side and, the citizens and businesses as service users from another. The effectiveness of e-services is measured through the improvements in the quality of the services provided that came from this transition into the online platform. The efficiency is measured as the time it takes different users to complete a task, the cost of accessing e-service and the quality of the provided service. *The time, cost and quality* are evaluated both from e-service users and providers' perspectives. In evaluating the impact of the e-services on the developers, the export potential and possibilities of the presented IT solutions is measured. The evaluation focuses on the comparison of e-service and offline service, i.e. when measuring time, cost and quality of a service an offline and online alternatives are compared and evaluated.

In order to reach the evaluation objectives, the following evaluation questions were applied to all the services studied:
- To what extent did the initiative fulfill its intended objectives - short and long-term?
- Who were affected and in what way by the initiative? (definition of target groups)
- What kind of unintended negative and/or positive effects appeared?
- To what extent the actual impact satisfied needs of the target groups?
- Did the initiative affect all planned target groups?
- How did the intervention work in joint effects with other actions?
- How did the impact emerge? How did the process go? (mapping out the process)
- What helped/hindered reaching the desired impact?
- To what extent the actual impact satisfied needs of the target groups?
- Was the process, implementation scheme and/or impact being monitored? If yes, to what extent have the monitoring mechanisms been focused on the results and helped to improve them?

Could you write a few sentences on how the evaluation questions and framework are connected

Table 1. Framework for evaluating efficiency and impact of the e-services

§Category of impact / Target of impact		Efficiency	Effectiveness
Users benefits	**Citizen**	Reduction of costs Saving in time	Customer-focus of service Customer satisfaction
	Business	Cost reduction in using state services Time reduction in using the services Improved quality of the services	• Enhanced productivity= same as saving in time, smoother information flows, better informed decisions; • Innovation, creating new products and services • Motivation to interact with government= better relationship with government
Provider benefits	**Government/ institution**	Reduction of costs Reduction of administrative burden for civil servants Reduction in corruption Reduction in mistakes/mis-handlings	• Staff motivation • Expanding the user scale = involving new user groups • Saving in time • Innovation, amending services of work procedures • More informed policy

For evaluation purposes 13 indicators were identified. The main indicator evaluating the efficiency of e-services to the users was the time and cost saving from the use of electronic services as compared to the previous offline alternatives. In terms of evaluating effectiveness of a service, improvement of the quality of public goods was measured by using four indicators: public service availability, simplicity of use, transparency, and reduction of corruption cases. User benefits are divided in two groups: citizens and businesses.

Provider benefits were evaluated by the following criteria: cost reduction in offering a service, improved administration, reduction of administrative burden for civil servants, reduced corruption, and reduction in mistakes/mishandlings.

Research methods

The data for assessing benefits for business users was collected through different research methods. As a primary data collection method: an electronic survey, face to face interviews and an observation was used.

An electronic survey

The electronic survey was run through the Google forms and was used to evaluate the e-declaration, e-tendering, e-auction and e-notary. The electronic survey was carried out during three weeks starting from the end of February through mid-March 2015. It was disseminated through business associations, social media and personal contacts. The survey was filled out by 141 respondents.

In-depth interviews

Five in-depth interviews with representatives of large companies were conducted. Based on the company specifics, in depth interviews touched upon a particular service and did not cover all of the chosen services. In terms of evaluating the service – information on entrepreneurial and non-entrepreneurial legal enterprises, we faced difficulties and reluctance from the side of the financial institutions to cooperate and disclose their opinion on this particular service. Therefore, the latter was partially evaluated based on the information provided solely by the service owner.

Information from the providers was gathered through conducting 6 semi-structured interviews. Additional follow-up questions and information was gathered through phone and e-mail interactions with the service providers. At the same time, annual reports of the service owner agencies were used for getting in-depth statistical information.

Observation

Four observations were done on using the e-declaration, e-auctioning, e-tendering and e-notary services. The observations helped experts in providing better analysis and calculations for time spent on receiving a particular service. This method was particularly helpful in identifying technical deficiencies of e-services.

Information on the benefits for the citizens was collected through the secondary data, i.e. statistics, reports on the topic done by international organizations and other non-governmental organizations.

The evaluation of financial benefit (or loss) arising from the development and adoption of the e-services was based on presenting costs associated with initiation of the transition to electronic platform, against the benefits of the transition. The financial costs of planning, developing, adoption and annual operating costs of e-services were collected from the provider. The benefits side was analyzed based on the information received from the service users and providers. The costs and time spent on developing and operating an e-service was differentiated from the cost and time spent in case of delivering the same service offline (document-based). In addition to the financial impact of the e-service, the working process and service quality was evaluated by using two indicators: acceleration of the work and the improvement in the working process and service quality. Additionally, export potential of e-services was measured. The data was collected through interviews with service providers.

Table 2. Indicators for evaluating the impact of e-services

	Field	Target group	Indicator
1.	Financial impact	Provider	E-service cost and benefit analysis (ΔGEL)
2.	Time saving	User	Time saving from the use of an e-service (Δ) Hours per case
3.	Time saving	User	Total time saving from the use of an e-service (Δ)
4.	Financial impact	User	Financial impact of the use of an e-service (e.g. transport costs) (ΔGEL)
5.	Public service quality	Provider	The acceleration of the work (timesaving)
6.	Public service quality	Provider	The improvement of the working process and service quality
7.	Public service quality	Provider	Better management of organization
8.	Public service quality	User	Better Access to the public service
9.	Public service quality	User	Simplicity and comfort of public service
10.	Public service quality	User	Decreasing number of errors in proceedings
11.	Public service quality	User	The improvement of the image of the service provider institution
12.	Public service quality	User	Increased transparency of procedures
13.	Impact on export	Developer	Public procurement leads to e-services IT-solutions export/interviews with the providers

III E-Services

E-Declaration

Description

The State Tax Department of Georgia created the taxpayers' electronic portal in 2005. The portal allowed a registered taxpayer to obtain information on his/her tax-related issues. At the same time the e-declaration creation had been planned, with the aid of USAID "Business Climate Reform" project (BCR). According to the research of BCR, the introduction of e-declaration would save around $8.5 mil and 70% of time, compared to paper-based declarations per year.

Initially less than 100 large taxpayers were included in the pilot real-time launch of the e-portal. However, around 60% of taxpayers were registered on the portal in 2006. In 2007 VAT declaration filling and submission were added (at the time this option was accessible to all 553 registered VAT payers). At the beginning, a declaration could be filled and submitted both online (through the web form on the web-page and offline (through a Windows application).

Prior to launching, the taxpayers were made aware of the service; USAID supported training for stakeholders (accountants, financial managers); taxpayers were invited to "open house" days at the tax department were the e-service was being presented.

At the moment the taxpayer can submit his/her declaration both online (option, taken by 96% of taxpayers) and on paper.

In order to register, the taxpayer fills in the registration form at the revenue service web-page. After submitting the form the RS activates the user, sending him/her the welcoming message and clarification of tax liabilities, according to his/her legal form. The picture below shows a registration form for the first time users and a form for filling a monthly VAT declaration.

Today the RS offers taxpayers around 20 different e-services, simplifying the fulfilment of duty for information provision to tax and customs authorities. The e-declaration service allows the taxpayer to submit electronically any tax declaration or calculation (monthly, quarterly and annual) provided for by the legislation in force – 34 forms in total. The declaration forms are organized by taxpayer category (VAT payer, small/micro taxpayer), legal form of business, tax period, submission deadline. After submission each declaration is given a unique number and the taxpayer is informed about the successful submission via phone and e-mail provided by him/her during the registration.

Log-frame

In order to provide a structured overview of the problem and general objectives of service introduction, information was presented in a logical frame for easing the evaluation process, in order to streamline the analysis, since each objective was assigned an indicator and sources of verification.

There were a number of problems, which necessitated the reform in the tax declaration submission process and in particular, move to the electronic service. First and foremost there was a very high level of bureaucratic barriers, making the process extremely lengthy (time wise) and uncomfortable. The process was also very human resource intensive, resulting in large costs for the government and suboptimal use of resources. The process itself was in a dire lack of modern standards and of low transparency. Therefore, the reform aimed at time/cost savings both for businesses and the government, increase in transparency and provision of a new platform for the users. Whether these general objectives were met can be easily seen in such indicators as number of service users (which must have increased in case of success), availability of public information (transparency measure), time spent on getting the service (must decrease drastically, if the reform has been a success), and number of employed at the Revenue Service (must decrease, indicating a more efficient use of resources). As a result of the reforms the agency should get a flexible, transparent, efficient and secure system of tax declaration with decreased bureaucracy, which will ensure that time and costs for declaring taxes will decrease. This must have been manifested in lower average and fixed costs per declaration both for users and for the government. The best way to find out whether the above objectives have been met is through user survey and requesting respective information from the provider.

In order to achieve the objectives above, the reform must have encompassed the following:

- Develop the required software platform;
- Prepare and adopt the respective legislative amendments;
- Ensure the widespread marketing campaign for the service and also provide relevant training for the service users.

To check if these activities have worked, one should look at the number of legislative changes directly related to the reform, the marketing campaigns and trainings conducted. The information from service providers as well as user survey should provide enough indicators for that, and it could be complemented by the existence of an accessible web portal and testing awareness among the service users.

Problem	General Objective	Indicators	Sources of verification	Other factors affecting the objective
Bureaucracy Timely procedures Human resource intensive Lack of transparency Lack of modern standards	Increased transparency Time and cost saving for businesses and the government	Number of service users, availability of public information Time spent on getting the service Number of employed at the Revenue Service	Information from the service owner User survey	Administrative/legislative changes
	Specific Objective (result)	**Outcome indicators**		
	Flexible, transparent, effective and secure system of tax declaration with decreased bureaucracy. Decreased time and costs for declaring taxes	Lower average costs per declaration both for users and for the government; lower fixed costs	User survey Information from the service provider	
	Activities	**Output indicators**		
	Developing the software platform Preparing and adopting the respective legislative amendments Marketing the service Providing training for the service users	Number of legislative changes Number of marketing activities conducted Number of trainings conducted	Information from the service provider Accessible web portal Awareness among the service users User surveys	

Analysis

Before implementing the e-service, the **taxpayers** could only submit declarations and other documents at the place of their registration in the regional tax offices, having to wait in long queues and thus lose time. Unfortunately, we are unable to quantify the decrease in costs for the users, however percentage wise decrease from 3 days to 30 minutes, given 8 hour working day is almost a 50-fold decrease in worktime and given the average monthly salary of 980 GEL in the business sector (GeoStat[5]), the average savings per person per usage would be around 40-50 GEL. This may not seem a large figure, however given the average number of monthly declarations in the last two years being around 180000, the overall savings for all users during one year could be estimated very roughly at 85 million GEL. According to the Doing Business Report 2013[6], that comprises paying taxes indicators for 2011, there was a decrease on the number of hours spent per year on paying taxes from 387 hours to 280 hours (a 27 percent decrease). According to the survey results, prior to introduction of these services, 45% of users had to visit the revenue service offices three times or more. For 55% of the surveyed it would take around one day and for 26% - more than one day to hand in the declaration. After the service was introduced, more than half of respondents need less than 30 minutes to send the declaration.

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5 http://geostat.ge/?action=page&p_id=148&lang=geo
6 http://www.doingbusiness.org/~/media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB13-full-report.pdf

Georgia's ease of paying taxes ranking has considerably improved since 2010. According to the Price Waterhouse Cooper's Paying taxes indices, Georgia now stands at 38th place among 189 economies, as compared to 64th place in 2010. The number of hours needed to comply still stands at the region's highest – 362 hours per year. For comparison, in Armenia the same indicator stands at 321 hours, while taxpayers in Azerbaijan only need 195 hours to comply[7].

E-filing resulted in substantial cost-saving for **service providers** as well. Even though the number of employed at the revenue service did not decrease, if we take an example of one declaration: electronic filing of one declaration by a tax officer took 30 minutes. If calculated for a month, this means at least 90 thousand hours of saved time. By taking into account that an average salary at the revenue service is 1045 GEL, meaning 26 GEL per hour, monthly cost saving for tax officers reaches up to 2,3 million GEL.

Introduction of the electronic services was not the only determining factor in reaching the objective of decreased bureaucratic barriers. The political will and introduction of the new tax code in 2005, determined the simplification of the procedural issues and eradication of corruption. The new tax code decreased the number taxes, and the tax rates, made the enforcement of the code much easier.

Before introducing the electronic filing, the submitted documents were not validated at the time of submission; the number of supporting documents would define the length of time needed to process the data, hence the information was entered into the system with delays and tax monitoring was hindered.

Results of the launch of the digital service:
- Modernized technologies:
  o Transition to Blade technology
  o Virtualization
- Data backup and business continuity
  o Database clusterization – improvement in stability and sustainability
  o Reduction in time needed to eliminate the system errors
  o Creation of an automated reserve server center for important and operational data and elimination of human factor
- Centralized management of the infrastructure
  o Efficient prevention of incidents – number of incidents was removed by factor of 5;
  o Efficient prevention of unauthorized attacks – no such interventions have been recorded
  o 3-fold reduction of time needed to eliminate system errors

The organizational model has been changed, regional centers were abolished, and service department was created within the revenue service, which inter alia is responsible for the e-declaration service development. The Revenue service IT center provides the technical support for the e-declaration service and its technological development, ensures integration of new requirements in the existing module; also studies the user requirements and satisfaction levels, which are the base of further service improvements.

Users' registration on the web-portal mainly took place at the end of 2009 and the beginning of 2010 (figure 2,3). Notwithstanding the fact that a number of regional offices were abolished (there are 4 service centers in Tbilisi, 12 in the regions), the operating costs for the revenue service has slightly decreased from 60.9 million GEL in 2009 to 50.3 million GEL in 2010, with another slight increase to 52,7 million in 2011 (figure 1). When it comes to the number of employed, in total 3249 were employed for the revenue service in 2009, decreased to 3329 in 2010 and remained unchanged in 2011.

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7 http://www.pwc.com/gx/en/paying-taxes/overall-ranking-and-data-tables.jhtml

Figure 1 Revenue Service Expenditures from the State Budget (2009-2011) www.mof.ge
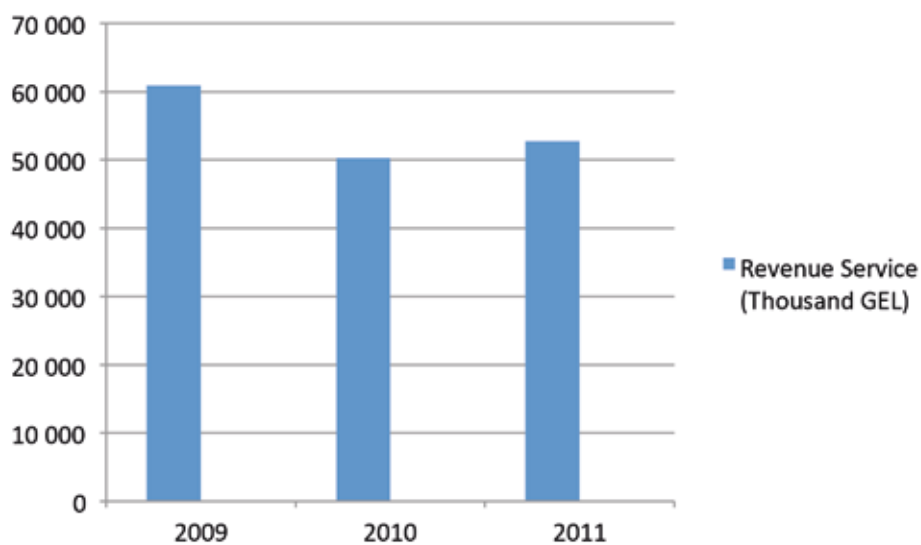
In 2009 Georgian IT Innovations Conference awarded the e-declaration system with the prize in the nomination "Most widely used state e-service".

Figure 2 Users' Registration on www.rs.ge, cumulative user registration volume during years 2008 – 2014.

E-declaration users' registration

	January	February	March	April	May	June	July	August	September	October	November	December
2008	11	28	46	1945	569	374	387	153	185	244	151	269
2009	113	319	332	260	284	287	225	199	291	689	707	20241
2010	24772	16369	49037	10503	3330	2143	1914	2091	2684	3676	4432	7043
2011	7805	8661	40951	10240	5143	3020	2957	2896	3064	3251	3870	4579
2012	5065	6495	25522	8321	5328	4265	3921	3243	3098	11631	4950	4580
2013	4281	5195	15340	5638	3770	3599	4213	3765	4314	7479	6710	5944
2014	4486	5095	11341	4988	4097	3859	4000	3165	4265	7286	2829	464,818 (total for all years (2008-2014)

Figure 3 Number of Declarations submitted via www.rs.ge

Number of declarations

	Annual Declarations	Monthly Declarations											
		January	February	March	April	May	June	July	August	September	October	November	December
2007	14639	553	572	668	634	660	675	690	736	781	795	815	1061
2008	27139	1109	1151	1223	1245	1392	1462	1548	1622	1786	1957	2037	2496
2009	272409	3222	3208	3402	3513	3755	4095	4473	4756	7252	9005	36111	58551
2010	393346	59999	64129	68381	69140	70382	71697	72222	72914	76256	78010	79136	83950
2011	457320	84448	85664	88836	89607	92044	94242	95388	96798	99173	100403	101659	109659
2012	402646	100863	100335	102879	103876	110011	185535	172928	169629	171681	172929	173057	184420
2013	394372	182351	184680	186684	189122	190158	192639	193405	192771	197952	200455	201565	210891
2014	69379	186572	184326	184619	185646	185700	186595	186735	186142	186831	159804	225	161

The online survey results shows that 83% of those using this service, use it for income tax purposes, 61% - for profit tax and 55% uses for VAT e-declaration service.

Large part of respondents notes that e-declaration is a huge step forward in the development of public services. Namely, 85% consider that this service has significantly simplified service provision, 54% also consider that the costs of service have significantly dropped. According to 53% of the surveyed the service quality has improved and 78% think that the procedures have become significantly faster.

Feedback on the usability of the service

It should also be noted that the majority of respondents agrees that further improvements are required and some of them have commented that there are certain problems with the speed of the service, namely close to the declaration deadline the system is somewhat slower than in other times. Also different declaration forms have different versions, causing some uncertainty. Some interviewees complain that the connection is often lost during the service usage. Part of the surveyed also has certain recommendations regarding system simplification and user-friendliness of the web-page. For some an auxiliary manual outlining service usage needs improvement and some also express the wish of having the ability to get consultations online. Currently, the web-page provides video tutorials available only in the official language (Georgian), however the service providers are working on introducing the e-declaration interface, as well as the tutorials in English.

The connection problems could be attributed both to client and server side. In any case given the relatively recent introduction of the service, no overhaul of the system is needed although efforts must be made to ensure that no connection problems are on the server side. Particular attention should be given to the transmission problems during the declaration submission deadlines, since most of the users are likely to use the service at that time.

The standardization of forms must be made a priority in order to ensure that no extra effort is needed on customers' side to submit a declaration of any kind. The manual must be regularly updated and be easily accessible. Given that the system is well set up the next step must be improvements in its usability and user-friendliness.

It should be noted that the survey was conducted during the period of technological update of the service, which aimed at standardization of the electronic filling forms. However, the service provider mentions that due to the legislative differences, standardization of e-filing forms becomes complicated.

Conclusion on evaluation findings

The desk research, the interviews and the survey results allow us to conclude that e-declaration can be considered a success. Introduction of the e-filing system has met the pre-set objectives of ensuring time and cost savings for both businesses and the government through decreased bureaucracy, elimination of timely procedures, and increased transparency of service provision. E-filing system has streamlined tax administration and tax collection process for taxpayers as well as tax collectors. At this stage, the service needs further improvement in terms of user friendliness and technological upgrade of existing platform.

Recommendations to improve

o Quantification of costs and benefits of the e-service introduction via surveys (user side) and internal audit (provider side);
o Ensuring the uninterrupted and fast connection with the user (at least on the provider side);
o The e-declaration forms for different taxes must be standardized as much as possible, so that the time needed to fill them in is minimized and a person who had filled one will have no problems filling in another;
o The declarations should be pre-filled to the most possible extent with the information that is already stored in the governmental data;
o All type of declarations should be filled out in the same version of the web-site;
o The web-site must include an easily accessible and regularly updated manual. The link to the manual must be clearly visible on the user page. The manual should be at least bilingual, but given the number of Russian/Russian-speaking physical and legal persons, the Russian version might be included as well;
o The web-site should have an online consultation option;
o Web-site/e-service should be regularly updated and its usability and user-friendliness ensured.

E-Tenders

Description

Reforming the public procurement system in Georgia started in 2010. As an essential part of the reform process, an electronic procurement system was created (Ge-GP). In line with the relevant legislative changes, the platform started functioning in October 2010, and in two months' time completely replaced its offline alternative. Currently, tendering is only available in digital mode.

The overall objective of introducing e-tendering was to decrease procurement procedures and to ease the procurement process as a whole, thus increasing competition. At the same time, increasing transparency and decreasing time spent for both a buyer and a provider, easy access to information by Georgian as well as foreign participants, decreasing time and costs of receiving necessary tender documentation. Major aim of the e-system introduction was reduced red tape, easy and cheap access to tender information, cost and time saving of participation in a tender, reduction of regional disparities and opening floor to equal opportunities for all interested parties.

The initiation of the service and replacement of its offline alternative was completed within one year. However, the service is still being developed and additional features are added. Namely, in 2011 service of electronic payments and the bilingual version of the website were launched. In 2012, a hot line was launched and the so-called "white list" for qualified providers was created, prerequisites for membership were established. In the same year, business intelligence system for data analysis was created together with a dispute settlement mechanism description.

In 2013 for easing the reporting procedures for providers, a unified model (EPLAN) was developed. The system is used for preparing annual plans of public procurements electronically. In order to additionally streamline tendering

procedures, a unified, standardized contract template was created for decreasing the risks of errors and therefore administrative resources. Dispute settlement electronic module makes it possible to "stop tender" in case of sufficient proof thus making the procedures more transparent by decreasing corruption risks. For the similar purpose, a new web-page – www.tendermonitor.ge was established by Transparency International Georgia that gives a possibility to easily monitor information regarding the public procurements.

Main target groups of the service are businesses and state entities.
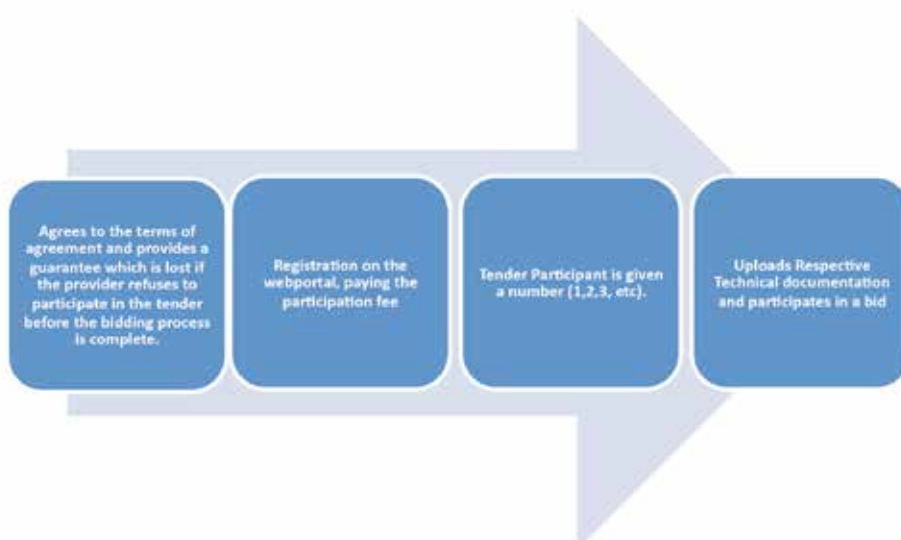
The tendering procedure is as follows:

For a procurer:
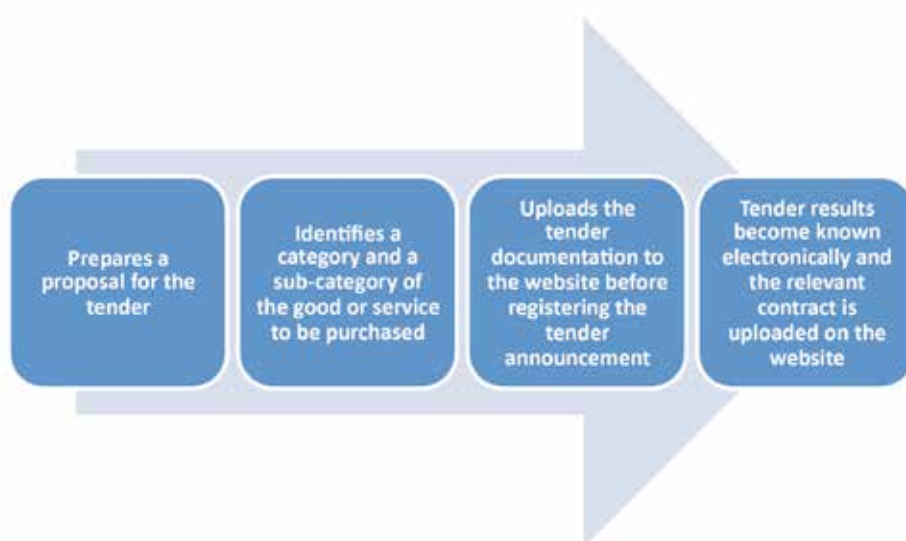
The procurer has the right to stop the tender any time before the contract is signed, disqualifies a provider if necessary.

A provider:

Real names of the participants, as well as their respective technical documentation are hidden until the bidding process is complete. Tender participation fee equals 50 GEL.

When implementing the electronic service back in 2010, the national procurement agency had two choices: to purchase an already existing foreign platform at the cost of 10 million USD, or to develop its own one, tailored to Georgian reality and needs. The choice was made in favor of the second choice, the cost of which was 1 million USD[8]. The platform was created in house by the LEPL National Public Registry IT department. The maintenance costs are currently covered by two LEPLs: the National Public Registry and the State Procurement Agency.

Log-frame

Public procurement system in the pre-electronic period was extremely inefficient, with the lack of transparency being serious risk for corruption and favoritism. Participation in tenders was costly and the access to tender information was hindered by various barriers and difficult in general. Therefore, the general objective of the reform was to increase transparency of the tender process, reduce corruption cases and save costs and time for the government and tender participants. Whether this objective was reached must be manifested in the increased number of tenders and/or tender participants, as described below. The government must also be able to verify the decrease in costs. The reform must have resulted in the reduced corruption (due to increased transparency), and lower average costs per tender. The information necessary to test whether the objectives have been reached must come from service providers and user survey.

The activities required to carry out the reform included relevant legislative changes, creation and marketing the web platform and providing trainings both for users and government officials. The indicators for these activities would include number of legislative changes, marketing activities conducted and number of trainings held; most of this information would come from the service provider.

Problem	General Objective	Indicators	Sources of verification	Other factors affecting the objective
Lack of transparent, effective public procurement system; Risks of corruption and favoritism; High costs of participation in tenders; Difficulty to access tender information.	Increased transparency and competition; Reduced cases of corruption; Cost and time saving for the government	Number of tenders; Number of tender participants; Saved time and cost for the government and the private sector	Information from the service providers Studies conducted on the topic	Administrative and legislative changes
	Specific Objective (result)	**Outcome indicators**		
	Increased transparency reduced corruption; Cost saving in public procurements	Number of registered users Number of tenders held Cost saving for the government	Information from the service providers	
	Activities	**Output indicators**		
	Relevant legislative changes; Creation of a web platform Marketing the service Trainings for the government officials to use the platform	Number of legislative changes Conducted marketing activities Number of trainings held	Information received from the service provider User survey	

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8 Annual reports of the National Procurement Agency of 2011, 2012, 2013. http://procurement.gov.ge/index.php?lang_id=GEO&sec_id=35

Analysis

Before introducing the e-tendering system, the process lacked transparency, corruption cases were not rare, due to the favoritism and other practices trust towards the system was low, access to tender information was limited, while the cost of participation was high, thus limiting the overall competition.

The reform set objectives to achieve the following: transparency, non-discriminatory treatment, fair selection, easy procedures, getting rid of the paper-based tendering.

At the implementation stage, trainings and seminars were held for more than 1000 users. Additionally, guidelines in Georgian and English languages were prepared for the service users.

Figure 4 User Statistics E-Tendering (2011-2014)

User Statistics

■ Procurer organization   ■ Provider
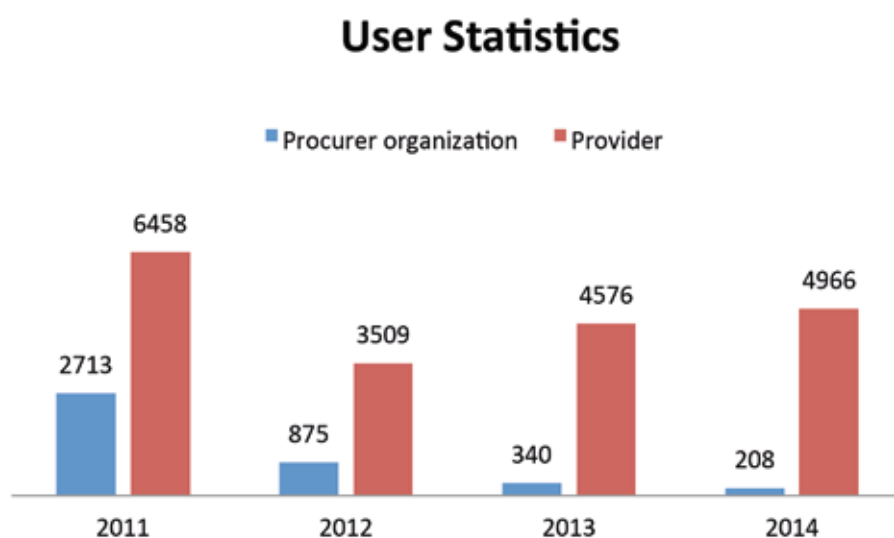
Georgia ranked first in the region among 26 countries by European Bank for Reconstruction and Development (EBRD) in terms of establishing an electronic system of state procurement[9]. EBRD's report on the Best Practice of State Procurement recognized Georgia's efforts taken towards reforming the system. Transparency International (TI) - Georgia, believes that procurement system of Georgia is in full accordance to international standards, is one of the most transparent and effective systems in the world. In 2012, the UN's annual report nominated Georgian procurement e-system second among 71 countries and 471 nominees in the nomination for Fight and Corruption Prevention in Public Sector.

Public interest in the e-system is proved by the web-site visitors –more than 2 million visits in 2013. However, the number could also include non-active visitors.

E-system saved more than 600 million GEL since 2011, that constitutes 14 percent of the total procurement value. Cost saving in the very first year exceeded 191 million GEL, in 2012 more than 155 million GEL was saved due to increased competition (f. 5).

After introduction of the e-tendering, the number of tenders increased 15 fold from 2375 in 2010 to 33598 in 2011[10]. The volume of tenders has currently been stable, as of 2014 in total 31103 tenders were conducted (f.6).

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9 EBRD. Turning Best Practice into Policy: Public Procurement Reform Agenda. 2013. http://www.ebrd.com/downloads/research/law/lit113.pdf
10 Annual reports of the National Procurement Agency of 2011, 2012, 2013. http://procurement.gov.ge/index.php?lang_id=GEO&sec_id=35

ASSESSING EFFECTIVENESS AND EFFICIENCY OF E-SERVICES IN GEORGIA

Figure 5 Savings of e-tender in million GEL (2011-2014) source: state procurement agency (annual reports)
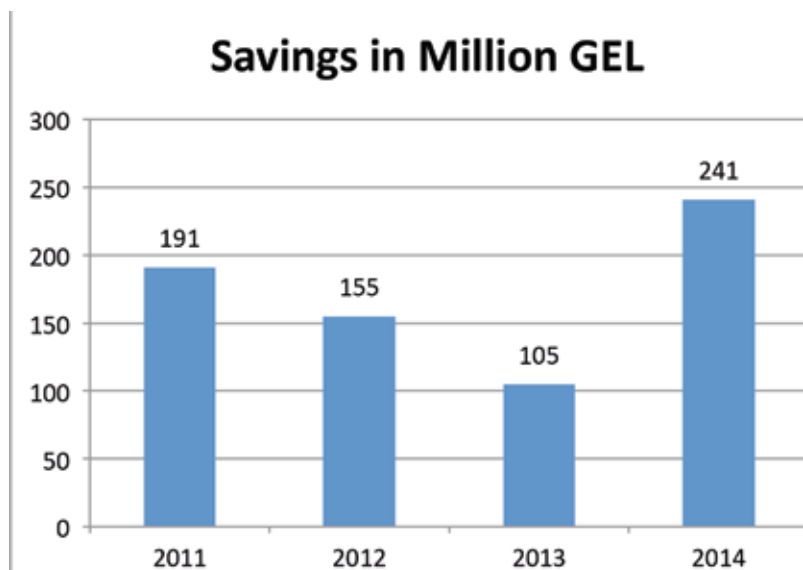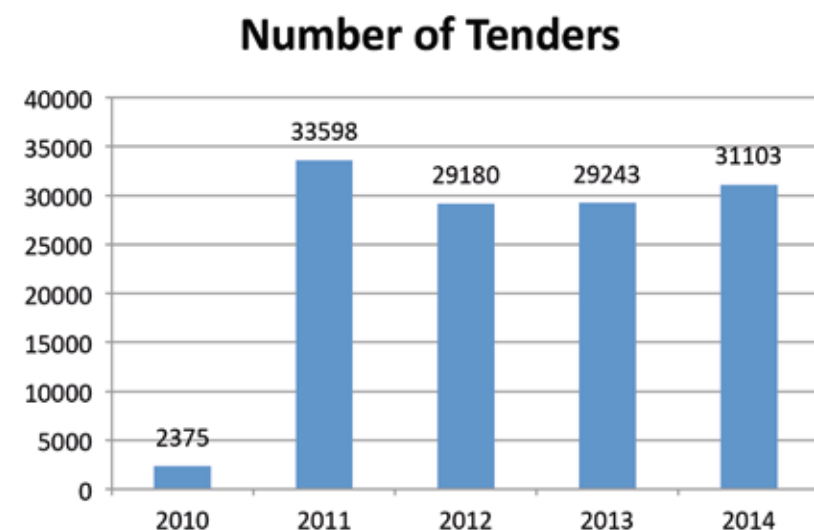

Figure 6 Number of Tenders held (2010-2014) source: state procurement agency

According to the survey conducted among businesses, 27% of the respondents regularly use the e-tenders service. Prior to service introduction 63% of surveyed had to visit the respective facility more than three times, and 42% needed more than two days to get the service. Since service activation more than 80% of respondents need less than an hour to get the same service. The absolute majority of the respondents consider that the introduction of e-procurement has significantly cheapened and simplified obtaining this service. According to 35% of respondents the procedures take significantly less time and 25% says that the state procurement service has become more transparent.

Despite overall positive attitude towards the reform, absolute majority of the surveyed considers that the service requires further development. Part of the surveyed considers that there is the need to develop unified requirements so that the business will be able to carry out investments with precision and to make itself fit for the requirements of state agencies (one of the largest procurers). Another cause of discontent is the lack of the experience requirement so that newly registered firms can win state tenders. One of the recommendations coming from the respondents is increasing the minimal term for certain procurement types so that all organizations are given equal opportunities and no unfair advantage is given to firms, helping them to win the tender before its announcement.

ASSESSING EFFECTIVENESS AND EFFICIENCY OF E-SERVICES IN GEORGIA

According to the provider, E-system saved more than 230 million GEL, that constitutes 14 percent of the total procurement value. Cost saving in the very first year exceeded 191 million GEL, in 2012 more than 155 million GEL was saved due to increased competition.

It is obvious that the introduction of the service has drastically decreased the time used by the tender participants, thus bringing down their costs. E-tendering has saved costs for the service providers as well: the most vivid one is the saving made on the elimination of the need of advertising the tenders in local newspapers: each advertisement cost ranged between 70 to 150 GEL, which translates into a cost saving of around 3,4 million GEL. Only this particular saving makes the investment into introducing e-tendering system worth the price.

A number of recommendations for improving the service include, technical problems (the platform is not automated enough, for example does not calculate total costs of purchase automatically). Respondents believe that the requirements towards the participants must become stricter in order to guarantee equal opportunities and ensure that the services provided by the tender winners conform to high standards. Major recommendations are related to streamlining the procurement legislation and are not directly connected with the e-service per se. For example, users of the service complain that low cost does not guarantee quality of the procured goods and services, since there is no proper quality standard in the country; therefore, it is a challenge to prepare a well-defined technical proposal. A substantial number of suppliers believe that transparency still remains a problem and has a special request of receiving a written answer justifying the reason for losing a tender.

Conclusion on evaluation findings

Major problem before introduction of the e-tendering system was lack of transparency, effective public procurement system. Therefore, the problems were linked with the corruption and favoritism risks, high costs of participation especially in the regions, information asymmetry. The gathered data indicates that the electronic system has solved these issues: it resulted in the increased number of tenders, increased turnover, increased competition and therefore increased revenues of the state budget. Access to information became free of charge and regional disparity problem was partially overcome. Challenging issues indicated by the respondents mostly concerns changes that are not directly linked with the e-system, but rather concern legislative and institutional arrangements. However, recommendation for further improvement of the service and its interface was highlighted by a substantial number of respondents.

Recommendations to improve

o Development of unified requirements to simplify matters for the businesses willing to deal with the government on regular basis;
o Include requirements on relevant experience to ensure that firms new to the process or registered especially for the specific tender will not get undue advantage;
o Introduce a minimal term for procurement process, to exclude the possibility of insider firms winning the tender;
o Streamlining the process of preparing tender documentation by introducing relevant quality standards;
o Further development of interface, and adding new features to it (such as automatic calculation of totals);
o Increase the transparency of the process (presenting more information on the bidding process, especially reasons for losing the bid).

E-Auction

Description

The provider for this service is the Service Agency of the Ministry of Finance. The development phase started back in 2009 and the service was officially launched in 2010. The initial objective was to streamline the auction of the property confiscated by the Service Agency of the Ministry of Finance. The goal was to ensure flexible, transparent, effective and secure system of auctioning. The new system has decreased bureaucracy. Several indicators were chosen by the service provider for measuring the result: easiness of the service, security, flexibility, accessibility, interest from the consumers. Afterwards an idea of assisting other state agencies, the private sector and individuals emerged. Therefore, since 2011 all state agencies and the National Bureau of Enforcement (NBE) among them sells property via www.eauction.ge.

Starting from 2012, a new feature was added to the portal, enabling individuals to set up their own auctions. For NBE, a separate service is created within the portal to streamline auction setup from their own programme.

The website user can buy, sell, lease property and acquire licenses. In case of buying, a user pays a guarantee sum (advance payment) and starts the bidding process. In case of selling a property, a user fills out the form, provides pictures of the object, and pays a fee (electronically or by other means). The fee is set by the Governmental Decree #141 of April 12th, 2012. At the final stage, an employee of the service agency double checks the filled in form and the payment and loads the announcement to the web portal.

The platform additionally offers the following services: auction alerts, electronic payments, electronic credit, and consumer opinion survey. The platform is still being developed: online consultations, electronic order of payment cards, mobile application are being added gradually.

For the purpose of this study, we concentrate on the property selling feature of the website. Within one year of after the launch of the service, 13396 lots were sold and 14640 active users were registered on the website (January – December 2011)[11]. As of the latest data, the website has in total 50445 users, therefore there is an upward tendency of user activity. Statistics show that e-auction has considerably increased the number of companies engaged in enforcement and state property buying and selling process. Only for the first two years: if in 2010 (when the service was launched), the website had 500 users, as of 2012, the number of registered users exceeded 21,700. More than 41 thousand auctions were held during the first two years and annual turnover equaled 57 472 251 million GEL.

The offline version of the public auction was accompanied by a number of bureaucratic barriers. The information on auctions was published in local newspapers, individuals interested to participate were obliged to collect documentation and address the property owner in a written form, register in advance, pay the fee and present it to the agency. In person attendance during the auction was obligatory, if unsuccessful, an individual could get back the money after written request within 10 days (via bank transfer).

Service Development – a visit to the US for experience sharing and amendments made to the law. The platform is developed by the assistance of the innovation and project management and marketing services of the LEPL Service Agency of the Ministry of Finance. The monitoring is carried out by the top management. Services are being further developed by the help of the LEPL Finance and Analytical Service. The service was developed in house by the IT staff of various agencies of the Ministry of Finance. The platform was later on outsourced to the NBE. Annually around 5000-7000 auctions are being held by NBE.

Annual maintenance costs for the service is 346,320 GEL which includes capital and operational expenses, as well as system update and support costs[12].

Export potential – the service owner does not have a copyright for the service.

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11 LEPL Financial Analytical Service. Ministry of Finance of Georgia. Annual Report 2011. http://www.fas.ge/Accounts

12 Financial Analytical Service, Ministry of Finance of Georgia

Log-frame

For number of years the government lacked an efficient system for managing state property, despite large-scale privatization that took place in 2003-2007. The auction procedures were not particularly transparent, creating corruption risks. The general objective of the reform was to increase both transparency and overall accessibility of the service (which must have manifested in the increased number of service users/transactions). The specific objective was therefore to create a flexible, transparent, effective and secure system of auctioning, with decreased bureaucracy which would increase competition, increase prices, and ensure time saving in administering process. The indicators which would prove that these objectives were reached would include lower average costs per auction/per transaction both for users and for the government; lower fixed costs; less time required to participate in the auction. These could be checked via users' survey, budget of the state entity before/after introducing the service; Interview with service owners; number of users per month accessing the service compared to number of people addressing the auction agency with questions/bids per month. The activities required included development of the respective software platforms, preparing/adopting relevant legislation and announcing/promoting movement to the e-service through media both printed and online.

Problem	General Objective	Indicators	Sources of verification	Other factors affecting the objective
Lack of efficient system for managing state property. Lack of transparency in the auctioning procedures, risks of corruption	Increased transparency, accessibility of the service	Increase in the number of service users and of transactions	Data from the service owner	Administrative/legislative changes
		Level of trust of the public	Users' survey	
	Specific Objective (result)	**Outcome indicators**		
	Ensuring flexible, transparent, effective and secure system of auctioning, with decreased bureaucracy. Increased competition, increased price, time saving in administering process	Users' reviews/comments (e.g. on FB)	Users' survey, Internet	
		Lower average costs per auction/per transaction both for users and for the government; lower fixed costs; probably lower participation fees as well?	Users' survey, budget of the state entity before/after introducing the service; Interview with service owners	
		Lower time required to participate in the auction.	Users' survey; probably number of users per month accessing the service compared to number of people addressing the auction agency with questions/bids per month	
	Activities	**Output indicators**		
	Developing the software platform	Moving the service online	Accessibility of online service/web-page	
	Preparing and adopting the respective legal documents	Official adoption of respective law by the parliament	Law Code	
	Announcing and promoting movement to the e-service	Announcement in media (both printed and online);	Archives	

Analysis

Respondents of the in-depth interviews have highlighted the following stages of service development:

Step one: property on sale was placed on the website; the auction was still conducted offline; this fact has partially increased transparency, since gaining access to information was limited before this change.

Step two: participation in an auction was made possible online. At this stage of development, time saving was reached. If for those living in Tbilisi, participation in an auction was associated with minimum 8 hours spent (travel, registration, advance payment, participation in an auction, paying the sum (two way travel), for those living outside the capital this meant at least one day, plus travel costs. After introduction of an e-auction service, a user only has an obligation to stay online from the start of the auction till it ends. Therefore, travel costs were saved completely. At this stage of development, the problem remained that in order to make an advance payment for large-scale purchases (real estate, cars) one had to make the payment by going to the bank.

Stage three: at this stage of development, making an advance payment, covering the sum of the purchased item could all be done online. At the same time, during the second stage of development in order to get back the prepaid advanced payment one had to write a statement, which at this stage was done automatically. Therefore, participation in an auction was only limited to registration plus an auctioning process itself maximum 10 minutes of time in total.

Online Consultation – adding an online consultation working from 10 am to 6 pm was an important step in streamlining the service provision process.

18% of the respondents use the e-auction service on average more than once a year. Prior to introduction of the services majority of the surveyed had to visit the respective office more than once and it took them more than one day to get the service. At the moment 65% of the survey respondents spend less than one hour for the same purpose. The absolute majority of the interviewees consider that the introduction of e-auctions has significantly decreased the costs and simplified obtaining this service. According to 40% of respondents the procedures take significantly less time and 28% says that the process has become more transparent.

Despite overall positive attitude towards the reform, absolute majority of the surveyed considers that the service requires further development. A certain share of the surveyed considers that this service needs popularization through sharing similar experience from other countries so that more people has information on and access to the e-auction. The users also think that the information on lots is imperfect and needs to be improved. Moreover, majority of property on sale is not in located in the warehouses of the Service Agency of the Ministry of Finance, nor at the National Enforcement Bureau storages, and are located at the premises of the initial owners of the goods; therefore, getting the goods purchased delivered remains problematic. The respondents bring in an idea of offering an additional delivery service which might even be associated with an additional charge.

Conclusion on evaluation findings:
The introduction of the electronic service was initiated for introducing a transparent, flexible and easily accessible service for managing state property sale. The study has found out that the service has considerably reduced costs for receiving the service, decreased chances of corruption and favoritism, and eroded the problem of asymmetric access to auctioning information. The service has contributed to increased competition, increased sale price and therefore more revenues to the state budget. The data presented above shows a considerable increase in the number of actions conducted, as well as overall revenues generated through e-auctions. The service has decreased bureaucratic barriers and streamlined the service provision process.

The respondents show positive attitude towards the reform, however the study shows that the service needs further improvement. Major recommendations include further popularization of the service and considering addition of a number of value-added services mostly connected with delivery of the purchased goods.

Recommendations to improve

○ Increase popularity of the service among the users; conduct information campaigns especially in the regions of Georgia;
○ Create standardized form for lots description, thus avoiding information asymmetry among the users;
○ Establish delivery service as a value-added to the e-auctioning process for streamlining access to the purchased goods.

Information on entrepreneurial and non-entrepreneurial legal enterprises

Description

The service was created within the framework of the Data Exchange Agency in March 2014. The service encompasses providing the detailed non-confidential information on a legal enterprise based on a request from any customer. The service is provided by the National Public Registry Agency, while the Data Exchange Agency plays the role of a mediator. A request on particular information must include an identification code or personal identification number of the enterprise in question. The information provided includes an ID number, state registration number, name of the subject, legal and actual addresses, etc.

The service was created as a public response to the requests of different state organizations and companies to be able to get real-time information on entrepreneurial and non-entrepreneurial legal enterprises. At the moment only 6 contracts have been concluded on the use of the services (on the whole around 50 contracts are concluded on the use of DEA services).

According to the head of DEA the initial investment, allocated by the DEA was 4 mln GEL. The service owners consider the exporting the service at least at a regional level quite plausible, given the political will and certain agreement between potential stakeholders.

Log-frame

Problem	General Objective	Indicators	Sources of verification	Other factors affecting the objective
Bureaucracy and timely procedures to receive information regarding the legal enterprises and individuals for the government and private companies	Simplify and streamline procedures for receiving information regarding the legal enterprises and individual's property	Saved time and cost by the government Easy access to information and time saving for private companies	Information from the service owners Interviews with the service users -private company representatives	
	Specific Objective (result)	**Outcome indicators**		
	Easing information access for the government and private companies to streamline their work	Time and cost saving for the users to access information electronically	Interviews with the service users -private company representatives	
	Activities	**Output indicators**		
	Development of the web platform Marketing the service	Number of contracts with the service provider Marketing activities conducted	Information from the service owners	

The important drawback in conducting the business was difficulty to obtain the information regarding both legal enterprises and individuals, mostly due to the bureaucracy and time needed to obtain such information. The general objective of the reform was therefore to simplify and streamline procedures for receiving information regarding the legal enterprises and individual's property. This would save time/cost for the government and ensure easy access to the information for private companies, which could be verified via the information given by the service owners and interviews/surveys of service users. Specific objective of the reform was to ease information access for the government and private companies to streamline their work, manifested in time and cost saving for the users to access information electronically. Activities required as in the cases before include development of the web platform and marketing it through various channels.

Analysis

The service was developed upon a request from a financial institution.

The fact that the financial sector worked proactively, cooperated with the relevant state authority and negotiated creation of this service, indicates that there was a problem of obtaining this information

Recommendations to improve

Main users of the service are financial institutions. Despite our countless efforts for cooperation, we were unable to gain information from these institutions. Therefore, analyzing this service was made impossible.

E-Notary

Description

Development of the service started in 2009 and was launched in 2010. The service envisages provision of the following public notary services online (via Skype): power of attorney, statement of consent, various types of contracts/ agreements. The service is limited for notaries registered in Georgia. During the service development phase, the Notary Chamber of Georgia organized a number of trainings for public notaries on the issues of conducting services via Skype. The aim of the service was simplifying/streamlining of public notary service provision. Main participants in the development process were the Notary Chamber of Georgia, public notaries, and the Ministry of Justice of Georgia. The target groups were the citizens of Georgia (since only the citizens or holders of the permanent residence permit are entitled to use the service), and especially those citizens who reside abroad, since they no longer have the need to address the Consulate, or travel to Georgia.

Development of the service was accompanied by a number of legislative and institutional changes. Namely, the amendments were made to the law of Georgia on Notariat, instructions on the provision of notary services, resolution of the government of Georgia #507 of December 29th, 2011 on the notary free, terms of payment and service. Introduction of the online version of public notary services, generated additional revenue – for example granting a power of attorney through an online service costs 50 GEL, while its offline analogue costs only 10. In case an individual residing abroad conducts this service offline, time needed for fulfilling all the necessary documentation is one month. For the public notary time spent on delivering the service online or offline is the same and is 15-20 minutes.

In terms of technological upgrade, all notary bureaus were equipped with necessary IT infrastructure (computers, video, audio devices). Together with Skype Programme, special software for recording the video calls were installed in each computer.
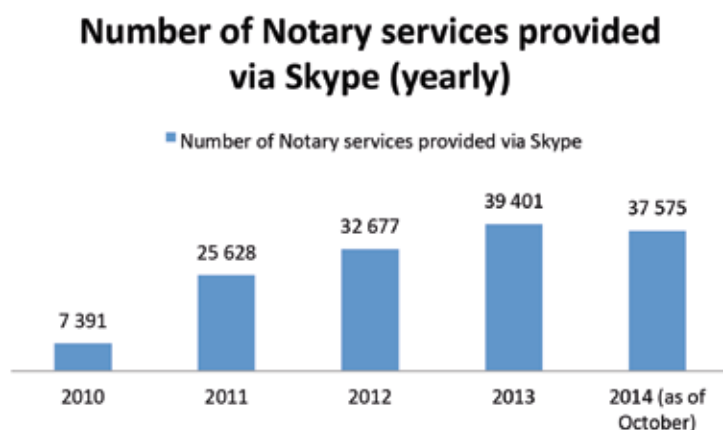
Log-frame

Problem	General Objective	Indicators	Sources of verification	Other factors affecting the objective
Low accessibility of public notary services for the citizens of Georgia residing abroad Corrupt image of the public notary system in the country	Simplifying/streamlining of public notary service provision Increasing transparency and trust of the society in the public notary system	Time and cost saving for receiving public notary service	Information from Chamber of Public Notary	
	Specific Objective (result)	**Outcome indicators**		
	Increasing access of public notary services for the citizens of Georgia residing abroad Decrease costs and time of receiving a service Increasing trust among the society in the public notary system	Number of service users Cost and time saving by the users Increased revenue for the public notary offices	Information from Chamber of public notary User survey	
	Activities	**Output indicators**		
	Relevant amendments to the laws and regulations Technological upgrade of the public service notary offices Marketing the service	Number of amendments to the laws and regulations Number of public notary offices were technological upgrades took place Number of marketing activities	Information from Chamber of public notary User survey	

Given that the number of Georgian residents legally living abroad has significantly increased, with those residing abroad illegally probably requiring better access to notary services in Georgia due to high economic development within the country, the problem faced by the notaries was the low accessibility of public notary services for Georgian citizens abroad. There was a problem of corrupt image of the public notary as an institution. The general objective of the reform was therefore the simplifying/streamlining of public notary service provision, which would result in time and cost savings when receiving notary services. Another objective was connected with increased transparency and improved image of the public notary institution. The result of the reform hence would be increase in accessibility of public notary services for the Georgians residing abroad and decrease costs and time needed to receive the service, increased transparency of the service. The respective indicators would be number of service users, cost and time saving by the users and increased revenue for the public notary offices, and perception of the society regarding the public notary services. The verification sources would be Information from Chamber of public notary and user survey. The required activities included relevant legislative changes and equipping the notary offices with necessary hardware and software.

Analysis

Figure 7 Number of Notary Services provided via skype (2010-2014) Source: Notary Chamber of Georgia
Statistical data shows a growing tendency in the demand for E-Notary services (f.7):

Number of Notary services provided via Skype (yearly)

■ Number of Notary services provided via Skype

Year	Number
2010	7 391
2011	25 628
2012	32 677
2013	39 401
2014 (as of October)	37 575

This service has most of all saved costs for the users: during the research we were unable to get information regarding the residency of the service users, however if we take into account that majority of Georgian Diaspora resides in Russia and Europe (based on the remittance transfer statistics), by rough calculations only travel costs savings (approximately 300-350 euros (up to 790 GEL) both ways) amount to more than 30 million GEL.

Only a quarter of surveyed individuals use the e-notary service. The reason for this is that the respondents of the survey were residents of Georgia, while the service is mostly used by the citizens of Georgia residing abroad. Those who have used the service state that prior to introduction of the e-service, 33% of users had to spend more than one hour to obtain the service, whereas after it has been introduced 45% require less than half an hour to get notary service. One fifth of the interviewees consider that the introduction of e-notary has significantly simplified obtaining this service and somewhat fewer (15%) consider that the service has become cheaper. Despite overall positive attitude towards the reform, absolute majority of the surveyed considers that the service requires further development.

Unfortunately, the number of the respondents using the e-notary services is quite low to make any statistically significant conclusions, however the satisfaction rate in the case of this service is notably lower than for the previous examples. Notwithstanding, financial effect of this service is significant, indirect impact of the service is the financial effect of those economic transactions that the citizens of Georgia were able to undertake while being abroad.

Conclusion on evaluation findings:
Main objective of the service was streamlining access to the service for the Georgian citizens residing abroad. At the same time, the e-service was introduced for increasing public trust in the notary system through increased transparency. The study showed that the service has definitely increased access to the notary services by the Georgian citizens residing abroad and resulted in considerable cost savings for them. However, the service lacks popularization among the citizens residing in the country. The study could not monetarize the effect of those financial and economic transactions that the citizens of Georgia were able to undertake while being abroad. The study results could not identify direct correlation of the service introduction with the perception of the public towards the notary system as a whole.

Recommendations to improve

o The countries of residence of service users should be recorded for overall statistical purposes.
o Due to different specifics of e-notary service, the survey of users could not be carried out by service providers (notaries), since it would take more time than the service itself. Instead, notaries could provide the link to survey via Skype chat, with the remaining procedure unchanged from that for the previous services.

ASSESSING EFFECTIVENESS AND EFFICIENCY OF E-SERVICES IN GEORGIA

IV General Conclusions and Recommendations

The study has showed that notwithstanding the technical and organizational challenges introduction of the electronic version of the services:

- Has considerably increased the number of public service users, for instance, increased the number of users of public procurement and auction services;
- Decreased costs and time of getting public services;
- Saved public resources and/or increased state revenues;
- Decreased corruption cases and increased satisfaction of the service users.

The study showed that:

- The impact assessment standards are not developed in Georgia; service providers do not collect necessary information for conducting full-fledged cost-benefit analysis. Therefore, research provides number of recommendations for improving economic efficiency and export potential of existing services;
- Recommendations are directed towards improvement of the service interfaces and usage simplicity (user-friendliness of services) also about introduction of additional services;
- The report serves as guidelines for the public sector as well as the civil society organizations and experts on the methods to design user-centered public e-services and evaluate their impact for users and government efficiency;
- The report sets the precedent of trying to evaluate impact of the e-services in Georgia, thus making this report a good starting point for further in-depth studies and analysis in the future.

General recommendations are the following:

(1) Working on the awareness increasing campaigns among the population, popularization of e-services, with special focus on the rural areas;

(2) Working on collaborations among state institutions in data pooling/data sharing into an interface that people use, thus avoiding duplication of information gathering by state agencies.

(3) Preparing government service design manual in order to streamline development of future citizen-centric e-services.

As mentioned, due to the lack of statistical data, it was not possible to conduct full-fledged impact assessment of the service. We believe that the first and foremost recommendation concerns the type of data that the service owners should be collecting in order to assess efficiency and effectiveness of service provision. The type of data to be collected for this purpose:

- Initial cost for developing the service;
- Monthly maintenance costs for running the service;
- Time spent on processing the data electronically vs. offline;
- Reduction in the number of errors in processing the data;
- Frequency of usage of the service;

Additionally, service providers should introduce optional small-scale surveys to be filled by users after being provided with the service. The surveys should include questions on experience of users both before and after e-service introduction as well as ask for suggestions on improvement, and cover both costs and benefits to users incurred/obtained after e-service introduction. Aggregated results of surveys must be readily available either through the respective web-site or at request.