



**Kronofogden**

**Final Project Report, 2010 - 2013**

**Partnership Project between the National  
Bureau of Enforcement, Georgia and the  
Swedish Enforcement Authority**

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**Partnership between the National Bureau of Enforcement, Georgia and  
the Swedish Enforcement Authority**

**Final Report 2010 - 2013**

**Background**

The project "Partnership between the National Bureau of Enforcement, NBE, Georgia, and the Swedish Enforcement Agency, SEA, started in August 2010 and ended the 31<sup>st</sup> of July 2013.

This report is a description of the project covering the entire project period of August 2010 through July, 2013.

According to the overall objective of the project the National Bureau of Enforcement of Georgia (NBE) shall provide quick and effective enforcement based on justice, equality before the law and transparency to the public by 2015.

**Objectives for the project**

**Project objective 1 – Capacity for development of the enforcement services**

- *Project objective 1 a:* NBE has increased its capacity to analyse its environment and operations in order to further develop its enforcement services to meet domestic expectations and international standards.
- *Project objective 1 b:* NBE implements new or revised regulations, work processes, technical systems and guidance for the enforcement services as well as carrying out regular monitoring, evaluation of the operations thereby promoting transparent and effective enforcement services governed by the rule of law and respect for human rights.

**Project objective 2 – skills in management of staff**

- *Project objective 2:* NBE managers have started to use modern management principles and established processes for continuous improvement of staff performance and management.

**Project objective 3 – Professional skills and culture of enforcement staff**

- *Project objective 3:* All enforcement staff has basic professional enforcement skills and a system and plan for development and the implementation of a certification scheme for enforcement officers is in place.



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*Inception phase; 4<sup>th</sup> quarter of 2010*

One of the first project activities which were carried out was a baseline study. The purpose of the study was to assess the current status of the perception and attitudes towards NBE among customers and other stakeholders as well as NBE managers and staff. The baseline study was also supposed to give the project a baseline from which activities could be outlined in order reach the project objectives. It can be noted from the survey that the work satisfaction among managers and staff were relatively high. However, the customer relations, attitudes and trust towards the NBE, its staff and the enforcement proceedings seemed to be areas which had a potential for improvement.

During the inception phase the activities on mapping of the enforcement process and the elaboration of the enforcement policy kicked off.

*1<sup>st</sup> through 4<sup>th</sup> quarter of 2011*

At the outset of 2011 the NBE changed components of its leadership. Mr Nika Melia became the new chairman in the end of 2010 and Ms Guranda Goglidze was appointed new deputy chairman in early 2011 and assumed responsibility for international relations among other tasks.

As mentioned in the paragraph above a baseline study was conducted in 2010 but since a need to get a deeper understanding of the NBE as an organisation and its challenges was detected, a large group of STE:s made a visit to NBE in February 2011. During this week the Swedish experts got to meet with managers, enforcement officers and administrative staff of the NBE. Important effects of the visit were higher engagement to the project from all concerned parties and the formation of stable relationships.

During 2011 the activities concerning mapping of the enforcement process, the elaboration of the enforcement policy and code of conduct were performed and concluded. One study visit to SEA head office in Sundbyberg took place during the year.

In 2011 the NBE took over some responsibilities in the bankruptcy procedure and was made a viable alternative on par with private lawyers concerning the winding up of the bankruptcy estate and acting as trustee. In addition the NBE also started to prepare a draft for a law on summary proceedings influenced by the Swedish model.

An announcement for interested parties to apply for a Twinning grant within the framework of The European Neighbourhood Policy Action Plan was made in late 2010 and the Twinning project "BESTT" was established in 2011. Georgia chose the



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Netherlands (CILC) to lead the project with Sweden (SEA) as its project partner for the indicated activities laid down in the Twinning Contract. The reasons for the SEA getting involved in the Twinning project as a junior partner was to get full insight into what was being done and being able to coordinate activities between the two projects and of course also to benefit from findings and information that would surface in the Twinning project. Looking back it can be noted that due to the SEA involvement in both projects have resulted in avoiding overlapping effects and increased project efficiency.

*1<sup>st</sup> through 4<sup>th</sup> quarter of 2012*

The new legislation concerning summary proceedings was approved by the Parliament of Georgia as well as the one regarding statement of facts. Operations on summary proceedings started during May 2012 and the procedure regarding statement of facts was launched during the summer of 2012.

During May 2012 a qualitative and quantitative research of attitudes towards the NBE was been performed by ACT Research. The research was among other things aimed at trying to find out the public attitudes towards the NBE in reference to its services, name, logo and slogan. The results of the search were in general quite positive.

A midterm review which was initiated by Sida and carried out by the Swedish company "Indevelop AB" during the 2<sup>nd</sup> quarter of 2012 presented its findings and conclusions in a report in June 2012. The result of the midterm review was positive for the project as a whole as well as for the participating parties. The primary recommendation from Indevelop to SIDA was that it should support a possible second phase of the project. Furthermore the report listed a number of recommendations to the NBE and the project which could constitute a foundation for the future development of the NBE. The recommendations which focus on the partnership project include among other matters to give high priority to activities on strategic planning, management and organisation; devote attention to methods for monitoring reforms and implementation of the strategic plan and grant high priority to HR matters.

A parliament election was held in Georgia on the 1<sup>st</sup> of October 2012. The opposition coalition "Georgian Dream" with Bidzina Ivanishvili as the front runner was declared as winner of the election, requisitioning approximately 85 seats in the parliament, while the former ruling party United National Movement gained 65 seats. The results of the election led to a change in government. The new appointed Minister of Justice is Ms Tea Tsulukiani. As a consequence of the election and the change in powers a new chairman of the NBE, Mr Mikheil Sarjveladze, was appointed in November.



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A need assessment regarding the future needs and demands of the NBE which could constitute the foundation for a possible continuation and second phase of the project became reality and was performed in mid-October 2012 with participants from NBE and SEA and supervised by a consultant from Indevelop.

Two study visits were carried during 2012; the first one went to the head office of the SEA and the other one to the Portuguese Tax Administration in Lisbon. The visit to SEA took aim at the management objective and different aspects of management. The visit to Portugal focused on issues regarding e-government, electronic services and communication.

The activities concerning mapping of the bankruptcy process and supporting NBE in developing a strategic plan was performed and concluded during 2012. Other activities which were carried out concerned organisational matters, legal and human rights in relation to the code of conduct, management issues as well as safety and security topics.

### *1<sup>st</sup> through 2<sup>nd</sup> quarter of 2013*

A request for proposals was announced by the project in early 2013 in order to purchase consultant services for conducting a survey regarding the NBE. The survey has studied the stakeholders (debtors, creditors and the public) attitudes trust towards the NBE. The survey also aimed at establishing whether the overall project objectives have been reached or not. The findings and conclusions of the survey were presented in a report delivered to the project in mid-June.

The discussions regarding a potential continuation of the project (August 2013 through December 2015) have been further developed and a project proposal together with a result framework document stating the overall objectives as well as desired outcomes, outputs and activities has been developed with the assistance from consultants at Sida International. The focal points for a second project phase will be to promote efficiency and effectiveness in the NBE operations and to establish the NBE as a social responsible authority which plays a significant role in preventing indebtedness in the Georgian society.

The Twinning project was concluded the 31<sup>st</sup> of April and a closing conference took place on the 24<sup>th</sup> of April where the project results and accomplishments were presented.

A study visit to SEA took place during the first week of June and was devoted to management issues.



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The closing conference of our project took place at Marriott Courtyard Hotel on the 26<sup>th</sup> of June 2013 and was a great opportunity for the NBE as well as the project to show and talk about the developments, results and effects which have been achieved during the last three years.

### 1. Objective number one

The first project objective has been considered to be the most important one and also the most comprehensive one. Hence, the vast majority of the project activities have been connected to this objective. The activities performed relates to areas such as support for mapping of processes, elaborating an enforcement policy, strategic planning, organisational issues, legal and human rights, monitoring and follow up procedures and preventive communication. A couple of study visits have also been accomplished in reference to project objective number one.

#### *Support for mapping of processes*

The project has supported the NBE in mapping of the enforcement and bankruptcy processes during 2011 and 2012. The main reasons for undertaking the work of defining these processes both verbally and visually have been to create a uniform description of the processes which consequently can be used in different contexts such as strategic business planning, training of staff and also constitute a platform and baseline for improvement and development of the processes. Furthermore the process descriptions make it easier to unify routines, procedures and common practices. It should moreover be mentioned that development of the bankruptcy mapping document was performed in an appropriate period since the NBE during 2011 was given the responsibility to act as a trustee in bankruptcy proceedings. Therefore, it was an important objective to visualize the procedures at an early stage in order to have an overall picture of the whole process and initially agree on the common practices.

#### *Enforcement Policy*

One of the first activities which were launched within the project was the one concerning the elaboration of an enforcement policy. The enforcement policy is a strategic steering document which defines main guidelines, governing principles and attitudes of the NBE. The aims of the policy are among others to set priorities, ensure that the enforcement officers and other employees carry out their tasks according to the rule of law, encourage them to be proactive, to support preventive actions and smooth conflict solving. Through the enforcement policy the NBE has established rules and principles and communicated them with the creditors, debtors and other stakeholders in order for them to know what can be expected from the NBE when getting involved in the enforcement proceedings.





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### *Strategic planning*

As mentioned in previously the main objective of this project is that the NBE should increase its capacity to analyse its environment and operations in order to further develop its enforcement services. One way of achieving this objective is by giving more attention and devotion to areas regarding strategic planning. Without a solid strategic planning an organisation is more inclined to act unpredictable without clear views of its needs and demands. By giving strong consideration to strategic planning and setting up long and short term objectives together with adequate activities and follow up indicators the better prospects an organisation has to reach its desired results.

The NBE has since the start of the project expressed a wish to create more stability in the planning of its operations and businesses. The prevailing perception within the NBE has been that the strategic planning has been slightly defective. During 2012 a couple of workshops have been carried out which have aimed at showing the NBE models and methods for strategic planning. Matters such as the NBE overall mission and vision and the basic values of the authority have been discussed and analysed. Society tendencies and trends which may have an impact on the NBE in a long term perspective have also been listed and furthermore the importance of designing a strategic planning process for the NBE has been emphasized. In addition, the SIDA-project and the NBE have fulfilled - with support from a local consulting company (Synergy Group LTD) - the task of actually developing a strategic plan. In the summer of 2012 the consultants worked closely with the management of the NBE in order to develop a strategic 3-year plan. The task was completed in July the same year when the final draft plan was presented. Long term goals and strategies as well as activities are presented in the strategic plan which should guide the NBE until the year of 2015. During the final workshop in Lopota Lake the 21<sup>st</sup>-22<sup>nd</sup> of May 2013 the strategic plan was further analysed and discussions were held on how to take additional steps in order to implement the plan and make it the guiding tool and road map for future developments which it is meant to be.

### *Organisational issues*

Early on in the project the NBE expressed a will to revise its organisational model since doubts had risen whether the existing organisational model of the NBE was adequate in view of the challenges which it will face in the future and with regards of the new functions/business processes it had or was about to undertake. The NBE is in need of an organisational model which is flexible and dynamic and sets the working processes in focus. In order to support NBE in this task a project activity regarding the future organisational model of the NBE has been carried out during 2012 and 2013. Four workshops have been completed during these years. An evaluation of the present organisational model of the NBE has been made and



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managers from top and middle management have shared experiences about the pros and cons of the existing organisation. The findings and conclusions from this evaluation were compiled in a report which formed the foundation for the next step in the activity. A workshop devoted to discussions and analyses of existing problems within the NBE organisation has also been achieved.

One problem within the present structure is how to distinct strategical respectively operational tasks from each other in order to find more effective ways to organise the strategic tasks. Many managers at NBE have pointed out that the operational tasks gets the upper hand of the strategic tasks and that it would be desirable to find a model of organisation which would allow at least some of the managers to give more attention to strategical matters. The third step in the activity consisted of a theoretical presentation of different organisational models with a special focus on the process based organisational model which the SEA has vast experience from and of which the NBE has expressed interest in. The input received from the theoretical presentation together with additional help from the SEA experts have been used by the NBE to further revise the organisational model. A proposal for a new organisational model has been presented by the top management during the spring of 2013. The proposal has been discussed internally within the NBE and communicated with the Ministry of Justice which will make the final settlement whether to approve of the proposal or not. One aim of the proposed organisational model is to make a clearer division of tasks and responsibilities between different departments and managers. The distinction between strategical and operational tasks is also supposed to be strengthened through the draft organisational structure.

### *Legal and Human Rights*

The activity concerning Legal and Human rights was performed during two workshops in late 2012 respectively early 2013. NBE has through the Code of Conduct (CoC) agreed to build a common moral platform for the entire organisation. The activity on ethical and moral issues concerned the implementation of the CoC within the NBE among all levels of staff. The first workshop was targeted towards top and mid-level managers and the second towards enforcement agents. The focal point of the workshops was to discuss and analyse how legal and moral norms, as expressed in the CoC are reflected in the daily work of the NBE staff. The managers also discussed what tools and measures the management of the NBE could use in order to further implement the ideas and statements expressed in the CoC. The enforcement agents were on the other hand more focused on discussions on various practical cases involving moral dilemmas in order to reflect on how they would or should act. Topics which were touched upon in relation to the practical cases were bribes, conflict of interest, interaction with colleagues and discrimination.





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At this stage the NBE, having the CoC approved and disseminated to all staff member and considering the moral and ethical issues as an important aspect within the organization, takes responsibility and presenting a strong will to keep the subject as a high priority. NBE management acknowledges on one hand the norm and principles established, and on the other hand the dilemmas and realize the importance of keeping the moral aspect as an active subject in managing and coaching the subordinates. Managers are fully aware of their role and high need of their involvement in further actions to transform the norms and principles of CoC in sound basic values of the NBE.

### *Behavioural economics and Preventive communication*

An emerging issue noted by the NBE is a perceived lack of knowledge in society of the consequences that follow if bills are not paid or if you sign as a guarantor for someone else. NBE has during 2012 started, modelled on the Swedish experience, to support trainings in secondary schools to teach young people about the need to avoid onerous debts. In addition interest has been raised at the NBE about the subjects of behavioural economics and preventive communication, of which the latter one is something the SEA has practised for the last ten years. Preventive communication can consist of many aspects meaning that different problems and situations must be managed through different course of actions. The SEA preventive approach includes both strategic work such as influencing legislators as well as operational efforts as providing the public with a web application tool for setting up budgets etc. Raising the awareness of economic issues in general and indebtedness in particular in Georgia are areas in which NBE could play a major part due to its knowledge, competences and responsibilities.

The topic of behavioural economic was studied during a visit to United Kingdom (UK) and Her Majesties Revenue and Customs (HMRC) in March 2013. The participants learned that the HMRC have cutting edge experiences and knowledge in this field and we received some interesting information which the NBE can make use of if and when it is decided that this approach should be developed.

As a clarification it should be mentioned that the subjects of behavioural economics and preventive communication are considered to be two sides of the same coin. Behavioural economics is about what one can do to make people who have debts or other obligations to a larger extent comply with their obligations and e.g. pay their debts in due time. The preventive communication however relates to matters on what one can do to prevent people from taking on more debts than they can carry.

During a second project phase the project will support the NBE in developing a preventive approach and finding useful methods which can be applied in a Georgian



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context. Strategies on how and what the NBE should do to become an organisation which works with preventive measures should be elaborated, as well as how the NBE should communicate its new task. But before such work can be initiated the NBE needs more in depth information about the subject of preventive communication and how this matter is managed by the SEA.

A workshop on the subject of preventive communication was held in late May 2013 which aimed at giving the NBE a fundamental knowledge of the SEA approach in relation to preventive communication including a historic resume, the Swedish government objectives and the different preventive activities which the SEA have developed over the years. A NBE working group was also established which will help the organisation to set up strategies and discuss how the preventive approach can be applied in a Georgian context. Furthermore the working group needs to establish contacts with the MoJ in order to receive approval and mandate to further strengthen this area of businesses within the NBE and Georgian society.

### *Monitoring and follow up procedures*

NBE lacks systematic monitoring and follow up procedures and it is not clear, what, why and how the businesses processes as well as the overall strategies and long term objectives of the organisation should be monitored. This means that there is a knowledge gap in the organisation regarding the authorities' perception of how the business processes are running or the fulfilment/achievement of objectives and the actual situation.

A separate bridging outcome for a second phase of the project is an improved planning and monitoring system. The culture of planning within the NBE is an area for improvement. As an example it should be noted that there is no proper project cycle management that monitor standards and results and feedback from customers in a systematised way. Special focus should also be directed towards matters regarding quality aspects of the NBE business processes during a second project phase. Quality standards for the processes and the products they deliver to the customers must be elaborated and a system and cycle for monitoring of the quality may be introduced during a second period. Hence, this is an area which is crucial to develop in order for the NBE to become a more effective and efficient authority working in accordance with strategic objectives. Without a solid monitoring system which provides the managers of NBE with quantitative and qualitative information on how the business processes are performing and if the objectives of the organisations are reached or not, the authority cannot be properly governed and resources not adequately allocated.



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In 2012 a workshop on monitoring and follow up issues was carried out within the activity of strategic planning. During this workshop the STE:s presented the monitoring model and follow up cycle used by the SEA for the enforcement process. To support the NBE in developing and improving its monitoring systems it is however essential for the project to understand how the monitoring procedure for the business operations within NBE works, what NBE follow up, how often and by whom and also how the results from the monitoring activities are utilized. The first step in the process of establishing an improved and more structured monitoring system was to identify how the monitoring and follow up procedure is carried out today. Two SEA experts performed a fact finding activity in mid-June 2013 and tried to find out and understand what the NBE is monitoring in the business processes (above all the enforcement process), how the monitoring process is carried out, by whom, how often and why. The fact finding was achieved through interviews with NBE managers and other key persons at NBE who is familiar with the organisations' monitoring of businesses. The findings and conclusions made by the experts will constitute a platform for coming project activities in this area.

### *Study visits*

Three study visits connected to objective number one has been performed during the project period. The first visit went to SEA in Stockholm, the second one to the Portuguese Tax Administration in Lisbon, Portugal and the third one to HMRC and Marston Group in London respectively Birmingham in the United Kingdom.

During the first visit at SEA the NBE representatives got an introduction to the areas of summary proceedings, debt relief, preventive communication, case management, development of IT-systems and much more. One direct effect of the visit was that NBE just a few months after the visit started elaborating a legal framework for a Georgian law on summary proceedings.

At the HMRC the group got an introduction of the subject of Behavioural Economics which is an emerging area within the field of economic science. The HMRC uses Behavioural Economics to persuade and influence the tax payers to comply with the tax debts but also make them more inclined to act in a way which benefits the tax system and procedures. Just by changing how and what how the HMRC communicate with the tax payers in letters or through phone calls have shown to have a major impact on the tax payers will to pay tax debts which is overdue. During the visit at Marston Group information about the company organisation, its objectives, values, tasks and results were presented. Although the UK enforcement system seems to be rather complicated the group got a pretty good overview of how the process regarding enforcement of monetary claims works. The group was quite impressed with the technical systems and tools that the enforcement agents and the



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company make use of and the explicit focus the enforcement agents have to trace and meet with all debtors.

The focus for the visit at the Portuguese Tax Administration was the managing of tax debts in relation to working methods and e-government/services. The visiting group got in depth presentations of the Portuguese tax administration and its legal framework as well as different systems used for recovery of tax debts; enforced sales of property through e-auctions; automatic and electronic attachment of property; publishing information on the internet regarding debtors ("blacklisting"); integrated management of strategic taxpayers. The presentations and following discussions gave cause to many thoughts and ideas on how the NBE can develop and improve its electronic services and communications.

### 2. Objective number two

The second project objective is clearly defined and quite demarcated to its content and that's why only one, though comprehensive, activity has been performed in connection to it.

#### *Management*

The project has dedicated four workshops and two study visits to different management issues. In brief the activity can be summarised as follows:

*Workshop 1:* The purpose of the workshop was to identify the need of transition of management principles and approaches at the NBE. Different management trends were presented and the participants got to describe what they actually do during a working day. A discussion followed on how the actual tasks the managers perform relates to the tasks they actually need or want to carry out. Finally the participants got to express individual and group development needs in order for them to grow as managers.

*Workshop 2:* The tasks of the managers were listed in categories of importance and urgency for the purpose of deciding which tasks must be taken care of immediately respectively postponed, delegated or dropped. Time management tools were introduced as well as the methods of coaching and delegating. The participants were presented to a home assignment and given instructions to apply one or several time management tools as well as delegate a task or responsibility to a subordinate.

*Workshop 3:* Lessons and experience learned from the home assignment were shared among the managers. Many managers expressed satisfaction with the results received by using the methods and a desire to apply those more frequently henceforth. The coaching approach was further developed and discussed also



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looking into the method of self-coaching and horizontal coaching. The benefits of team work and the process of team development was introduced and finally the participants was presented to a new home assignment, this time the mission was to coach a colleague and vice versa.

*Workshop 4:* The fourth workshop was dedicated to the management methods of coaching and feedback, the approach of Change management and finally a summary of all four workshops. During the workshop the participants presented their experiences and lessons learned about the coaching assignment they were presented to after workshop 3. A dialogue regarding how to use self-coaching methods and coaching colleagues and consequently also to understand the effects such methods could bring among managers and staff at NBE was carried out. This was followed by a short presentation of how to use feedback as a tool to enhance employees' performance. The approach of Change Management (in other words Management of Changes) was presented. Change Management is an approach to shifting/transitioning individuals, teams and organisations from a current state to a future state. Since there are a lot of changes going on at NBE it is important to know how change affects the organisation as well as the persons in the organisation, both managers and employees. The STE showed the different steps an organisation and staffs goes through when faced with change and also gave examples on how to help and coach staff through the process of changes.

Based on the theoretical knowledge and practical experiences shared by the STE:s regarding management tools and techniques NBE management team has acquired complex information on improved management methods. The series of the management sessions allows NBE managers to use the effective management toolkit in their everyday work practice. Improved skills concerning time management, delegation of responsibilities, coaching, feedback, team building and change management will become the sound platform for professional growth of NBE managers. The participants of the sessions have agreed to work out methods for dissemination of acquired knowledge and experience among the other managers of NBE, who were not present. It was also agreed to distribute the topics and prepare to transfer the information to the others.

### *Study visits*

In 2012 respectively 2013 study visits to the SEA head office in Stockholm have been accomplished with management matters as focal points. In 2012 presentations regarding different leadership roles and how to apply them in the daily work were held. Other topics which were touched upon were related to effective management and the basic theory behind this subject as well as the development process of groups and teams and how to increase the employees' ability to take initiative and responsibility for results. In the beginning of June 2013 the last project study visit was



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realised. The three following days were devoted to different matters regarding management. The strategic management approach of NBE such as it is today and the desired state in the future was discussed. The method of coaching and how coaching management can be used in an organization were subjects which also were in focus. The managers of NBE got a deeper understanding of the basic elements of coaching and how a successful coaching relation is established. Matters regarding remuneration of staff were also discussed and useful insights of the human driving forces were obtained.

#### **3. Objective number three**

Project objective number three coincides to a big extent with one of the Twinning objectives. A natural division of responsibilities and tasks between the SIDA- and the Twinning-project was crystallized during early 2012 leaving matters which could be regarded as of more strategical nature to the SIDA-project and matters of more practical nature such as trainings and development of professional skills to the Twinning-project. The activities performed in connection to objective number three can due to these reasons be considered to have a bit more of a strategic perspective rather than focusing on the actual development of staff.

#### *Code of Conduct*

The work with forming and establishing a code of conduct was been finalised during the beginning of 2012. This strategic document has been published on the NBE website and as a printed paper and promoted to the public. The NBE has also promoted the code of conduct internally in the organisation. This document is an essential tool for the staff members of the NBE when performing their duties. The code promotes professionalism and international standards such as respect of human rights, impartiality, efficiency and high ethics. Initially the project aimed at having the Code of Conduct to be approved by the Ministry of Justice in order for it to be a binding policy document also for the private enforcement agents. This criterion has not been achieved but NBE has shared the document with the Association of Private bailiffs to use it as guiding principles for its members.

#### *Safety and security*

When planning the project activities for 2012 it was noticed that the NBE lacked a strategy regarding physical safety issues, such as individual safety for personnel (e.g. enforcement agents), safety in the premises of the NBE and tools for reporting safety incidents etc. Due to these realities an activity facing these issues was established. The activity has primarily focused on strategical issues of the concerned safety issues promoting NBE to create and develop a strategic direction in these matters.





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In late March 2012 a first workshop concerning this subject was performed. Two STE gave NBE managers and enforcement agents presentations and insights of the SEA approaches to safety and security issues. Matters which were presented and discussed related to organisation, trainings, physical safety of the staff, risk management and incident reporting. The first workshop aimed at giving the NBE participants important input in how to develop, strengthen the safety and security attitudes within the NBE but also to begin creating its own strategic plan in this area. A second workshop was then carried out in June the same year. On the basis of what was presented during the first workshop the STE and the NBE participants started the work to actually create a strategic plan for safety and security and a draft of such a plan was developed. A long term goal and several short term goals were outlined together with numerous concrete actions and activities which supported the short term goals.

As a result of the work to develop the mentioned strategic plan it was noticed that the NBE was in demand of support from the project to elaborate trainings in conversational techniques and behaviourism. A workshop devoted to this matter was carried out in the beginning of November 2012.

The fourth and last workshop relating to safety and security questions was performed in May 2013. On the basis of the previous three workshops the NBE has developed a draft strategic document on safety and security issues. The purpose of this document is stated to be the establishment of general principles regarding the safety of the employees and security of the premises of the National Bureau of Enforcement, as well as development of the crisis management concept and activities to be carried out. The document is also aiming at determining the scope and main principles of the employee and customer safety. Since it was a draft document it needed further elaboration and the workshop constituted a forum for discussions and analysis of it in order to support the finalisation of the document.

#### **4. EU-Twinning Project**

The EU-Twinning project was active for 18 months and was concluded in April 2013. The activities in the Twinning project related to strengthening and amending the legal frameworks connected to the operations of the NBE as well as matters regarding training of trainers (ToT) and public relations. Due to some unfortunate circumstances the Twinning project was without a RTA for several months during 2012 but with the appointment of the new RTA in June 2012 the Twinning project gained more stability and force to further develop and complete the remaining activities of the project.

As been mentioned previously a natural division of responsibilities and tasks between the SIDA- and the Twinning-project was crystallized during 2012 leaving matters



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which could be regarded as of more strategic nature to the SIDA-project and matters of more operational nature to the Twinning-project.

The activity relating to strengthening and amending the legal frameworks has, among other things focused on amending the draft law of summary proceedings. Operations on Summary Proceedings started in Georgia during May 2012. The Twinning project was also active in assisting the NBE in developing procedures concerning statement of facts. This procedure was opened for business in June 2012. Furthermore the last few months the project was involved in supporting the NBE in drafting a framework for a possible future enforcement code. The aim was to add regulations on enforcement from different laws and decrees etc and assemble them all within one legal framework. A collected enforcement code would benefit all stakeholders and make the laws on enforcement more lucid. A possible future cooperation between some of the Twinning experts and the NBE in order to complete the drafting of the enforcement code have been discussed but the final decisions in this matter is still to be made.

It should also be mentioned that the Twinning-project supported the NBE in drafting the first Georgian textbook ever concerning enforcement laws and procedures. The textbook will constitute a significant contribution to Georgian law students specialising in the subject of enforcement.

As for the component regarding ToT the project together with the NBE has targeted five subjects which were essential to develop training for. These subjects related to e-auctions (property sales), bankruptcy procedure, summary proceedings, statement of facts and administration of the IT-systems. By the end of the project ToT had been performed in all the mentioned areas. In addition trainings on how to elaborate trainings had been realized.

The third component in the Twinning project referred to Public Relations. An activity which looked in to matters on branding (or rebranding) of the NBE was effectuated. A private PR consultant company was also engaged in order to develop and elaborate the NBE brand.

Since the SEA has played a significant part in both the SIDA-project as the Twinning-project some synergy effects between the two projects have emerged. As an example it should be mentioned that resources and budget funds was relocated within the SIDA-project when it was agreed that the Twinning-project should take the primarily responsibility for the subjects related to training of staff. Consequently the SIDA-project could give stronger attention to the first and second project objectives and reduce its focus on objective 3. This step is an important reason for reaching good results, project outputs and outcomes related to the first and second objectives. The coordination of activities and tasks between the projects have also benefitted



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from the fact that the projects have been in close cooperation with each other and integrated through their structure and constitution.

### **5. Other stakeholders**

During 2011 quite a few meetings with external stakeholders relevant for the project was held. Meetings were completed with representatives for the Association for private enforcement officers, the Training Centre at the Ministry of Justice and the GIZ (former GTZ). Contact persons for each of these stakeholders were appointed and meetings were supposed to be held whenever it was called for.

Since these initial meetings there have however only been sporadic contacts between the project and external stakeholders. The Ministry of Justice (MoJ) has been informed about the progress of the project and at occasions also been invited to different meetings with NBE and SEA representatives. The training Centre at the MoJ have participated during one workshop concerning safety and security in order to provide support to the NBE in elaborating a training in conversational techniques and behaviourism.

Some interactions have been carried out with the Association of Private bailiffs, especially regarding the implementation of the Code of Conduct since the NBE agreed to share the document with the Association of Private enforcement officers to use it as guiding principles for its members.

Apart from the project but in reference to different stakeholders it should be mentioned that a qualitative and quantitative research of attitudes towards the NBE was performed in May of 2012. The research was among other things aimed at trying to find out the public attitudes towards the NBE in reference to its services, name, logo and slogan. The results of the search were in general quite positive. However, the survey shows that NBE is a relatively unknown authority in Georgia. 80 % of the respondents were in principal unaware of the NBE and had never received or been informed about its task and duties through commercial campaigns or suchlike. Hence, the area of public relations and raising awareness of the NBE as well as branding activities is an area in which the NBE could develop and improve. 57 % of the respondents could pinpoint the main purpose of the NBE – enforcement of court decisions –. On the other hand 16 % of the respondents confused the NBE with penitentiary institutions mainly due to the similarity in names of these institutions in Georgian. On a 4-level scale the respondents gave the NBE and the Ministry of Justice (MoJ) the grade of 2,9. The general positive attitude is to some extent due to the fact that the MoJ is a very active ministry which has launched and implemented many different reforms over the past few years. This positive attitude towards the MoJ also reflects on the public attitude towards the NBE.



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A Swedish trade delegation led by the undersecretary of state from the Ministry of Foreign Affairs Mr. Gunnar Oom and Head of Development Co-operation in Georgia Ms. Eva Gibson Smedberg visited the NBE in September 2012. The delegation which also consisted of representatives from several Swedish enterprises got a presentation of the NBE, its tasks and achieved results etc. The SIDA-project was also briefly introduced. The delegation was impressed by the NBE and its achievements over the past years and understood that the enforcement procedure in Georgia is in many aspects as fair, fast and transparent as the Swedish one. The delegation also emphasized the importance of solid structures for enforcement, based on Rule of Law, for market development.

### 6. Achieved outputs, outcomes and effects

Many activities have been carried out throughout the project period and quite a few outputs have been delivered such as the Enforcement Policy, the Code of Conduct, process maps of the enforcement and bankruptcy processes and an overall strategic plan for the years 2012-2015 as well as a draft strategic plan for safety and security issues. This section will in short describe the different outputs as well as the outcomes and effects these outputs have brought about for NBE. However, the possible outcomes and effects could sometimes be hard to spot and evaluate in a short term perspective and in certain aspects it is better to try to identify tendencies and adaptation of ideas and mindsets at the NBE rather than hard facts.

An external and internal customer survey was performed in the spring of 2013 with the objectives to study the image of the NBE as well as the customers attitudes towards the authority but also to establish the conceivable effects and impact the project and its activities have had on the organisation. The survey has been conducted among three major target groups; external stakeholders (primarily debtors and creditors); internal stakeholders (NBE employees) and the general public. The study consists of both quantitative and qualitative parts. The quantitative part comprise of responses from 210 debtors, 150 NBE employees and 1050 citizens of Georgia and a few other stakeholders such as private enforcement agents, representatives of the Ministry of Justice, major banks and the Revenue Service.

#### *The Enforcement Policy*

The Enforcement Policy (EP) has been printed, published and promoted both externally towards the public and internally within the organisation. The document can also be found on the website of the NBE. The EP is considered to be a strategic steering document and as such an important instrument for the NBE in its efforts to manage, prioritise actions and uniform different aspects of the enforcement process but also an important practical tool for the enforcement agents to use in their daily enforcement tasks. It is still hard to measure the impact the policy has made on the



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NBE, its staff and operations but the document displays an important foundation for the NBE in its efforts to evolve transparency, clarity and efficiency in the enforcement procedure.

In the survey referred to above the staff and managers of NBE got to answer to what extent they knew of the policy and applied it in their daily work. The respondents were asked to rate different statements using a scale from 1 to 5 where 5 meant completely agree and 1 completely disagree. The table below clearly shows that the EP is a well-known policy which is used and applied by many NBE employees in their daily work.

Table 1

| Employees                       | Mean |
|---------------------------------|------|
| I know of the EP                | 3,7  |
| The EP is a useful document     | 3,7  |
| I apply the EP in my daily work | 3,3  |

The EP is to some extent to be considered as a service declaration stating what the customers of NBE (primarily creditors and debtors) can expect from the NBE when getting involved in the enforcement proceedings. The EP focuses among other things on issues regarding information/communication, transparency, efficiency and fairness. The survey consists of a section in which the customers have reviewed the enforcement process and its different components which are emphasized in the EP. Some of the statements the customers got to review are shown in the table below using a scale which is the exact opposite of the one used for rating the EP. In the table below 5 means completely disagrees and 1 completely agrees.

Table 2

| Creditors and debtors   | Baseline survey<br>(Mean) | New survey<br>(Mean) |
|---|---------------------------|----------------------|
| Enforcement process is not prolonged  | 4,47                      | 1,7                  |
| Legislation regulating the enforcement process<br>equally protects the rights of the debtors and<br>creditors | 4,2                       | 2,1                  |
| I trust the information provided by the NBE   | 4,5                       | 2,2                  |



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|   |     |     |
|---|-----|-----|
| NBE is unbiased in the enforcement process      | 4,6 | 2,0 |
| Employees of NBE act in conformity with the law | 4,8 | 1,9 |

As can be noticed from the survey results the customers think that a major improvement has occurred during the last three years concerning various aspects of the enforcement procedure. If these improvements to some extent could be related to the elaboration and implementation of the EP is difficult to know, but the survey shows that the customers are quite satisfied with the enforcement procedure and implies that NBE is performing well in this area.

*The Code of Conduct*

The work with forming and establishing a Code of Conduct (CoC) was finalised during the beginning of 2012. This strategic document has been published and promoted to the public. The document can be found at the website of the NBE. The NBE has also promoted the CoC internally within the authority. This document is an essential tool for the staff members of the NBE in order to perform their duties under Georgian law in a professional way and in accordance with international standards such as respect of human rights, impartiality, efficiency and high ethics etc.

An evaluation of the impact of the CoC should first and foremost be targeted towards the stakeholders of NBE in order to get their opinion of the outcome and results of the code of conduct.

If something is to be said from an internal point of view about the effect of the CoC it would be that it has raised the level of awareness of both managers and subordinates at the NBE on the ethical and behavioural standards set for the whole organization.

As for the internal knowledge, awareness and use of the CoC it should be mentioned that the document seem to have had a big impact on the NBE and its staff as can be seen in the table below. The scale used is the same as for the rating of the EP, that is to say that 5 means completely agrees and 1 completely disagrees.

Table 3

| Employees         | Mean |
|-------------------|------|
| I know of the CoC | 4,5  |





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|                                  |     |
|----------------------------------|-----|
| The CoC is a useful document     | 4,5 |
| I apply the CoC in my daily work | 4,4 |

Of course it is ultimately the NBE customers who can say whether the staff of the NBE is acting in accordance with the standards set in the CoC such as professionalism, respect of human rights, impartiality, efficiency and high ethics. The creditors and debtors have been asked to evaluate the performance, professionalism, competences and attitudes of the NBE staff and the results are remarkable. The scale used ranges from 1 to 5 where 1 indicates completely agree and 5 completely disagree.

Table 4

| Creditors and debtors  | Baseline survey<br>(Mean) | New survey<br>(Mean) |
|--|---------------------------|----------------------|
| I am treated well in the NBE                                   | 4,8                       | 1,7                  |
| The enforcement officer treats me with respect                 | 4,65                      | 2,1                  |
| Employees of NBE possess required competence                   | 4,65                      | 1,85                 |
| Language of personnel is understandable                        | 4,85                      | 1,8                  |
| Personnel's writing is understandable                          | 4,8                       | 1,7                  |
| Employees of NBE who I have contact with answers all questions | 4,7                       | 1,75                 |
| Officer knows my case very well                                | 4,65                      | 1,8                  |

The attitudes of NBE employees towards the customers which are reflected in the survey results on a general level seem to be characterised by respect for the individual, professionalism and clarity which are all crucial factors for a public administration. The CoC supports the NBE in mentioned areas and must be regarded as a significant tool to ensure that the standards are kept high.



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*Mapping of processes*

One of the major effects of the activity concerning mapping of processes is that the NBE has become acclimatized with the method of process mapping and is now able to use this methodology to carry on with further mapping exercises on its own. The NBE has well prepared staff that can independently develop mapping documents for various business processes based on the skills acquired during the sessions supervised by SEA experts. This has also become reality since the NBE used the method of mapping when designing and elaborating the processes of summary proceedings and statement of facts.

The dynamic sessions of the working group recruited by representatives of different structural units of NBE has also given way to identification of common practices to be followed in enforcement proceedings and to be shared by the territorial bureaus. The sessions once again proved that more works are to be done to establish common practice in each territorial bureau of NBE. Hence, through the activity and the shared knowledge and experience from the STE the NBE has come in possession of a uniform description of its business processes which can be used in various contexts such as strategic business/operational planning, training of staff and as a basis for further improvement and development of the process.

Just as the EP and the CoC was rated in the survey, the map of Enforcement Process was also reviewed by the employees. The results show that this document is not as well know and used as the other ones but still the results is promising and must be considered acceptable.

Table 5

| Employees  | Mean |
|--|------|
| I know of the document "Map of Enforcement Process"  | 3,5  |
| In my opinion the document "Map of Enforcement Process" has improved efficiency and/or uniformity of the enforcement proceedings | 3,5  |

*Strategic plans (overall strategic plan and regarding safety and security)*

Two strategic plans have been elaborated during 2012 and 2013 of which one is completed and in force and one still in progress.



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The overall NBE strategic plan for the years of 2012 – 2015 which was developed in cooperation between NBE, the project and consultants from Synergy Group Ltd is in effect. The plan is still considered to be new and it may take a bit longer than expected before the plan, its objectives and activities are well known within the organisation and has become an integrated part in the development of the authority. One problem which has been detected is that the vision elaborated by the NBE may not be in full harmony with the overall mission and expectations from the Ministry of Justice. The management of NBE must therefore involve itself in deeper discussions with its principal ministry in order to resolve these issues. Still, the strategic plan must be considered as an important factor in the further development of the NBE and its businesses. Additional work must be made to implement the strategy but also designing a structure on how to constantly evolve, revise and monitor strategies and objectives. One recognised effect of the project activity on strategic planning is that NBE has acknowledged the necessity of having such plans in order for the authority to gradually grow and develop according to the needs and demands of the society. This acknowledgement is an essential prerequisite in order to have strategic focus and avoiding having too much of an ad hoc approach.

The implementation of the overall strategic plan of the NBE is very much depending of the vision of the top management and as well as of the controlling body. Although NBE is autonomous organization, which is fully in charge of its operational tasks, Ministry of Justice of Georgia is the main policy maker in the area. Due to the change of the management of the MoJ as well as the chairperson of NBE there have been doubts whether the NBE strategic plan ~~would be~~ would be valid with the new management as some of the clauses in strategic plan concerning enhancing focus on the growth of NBE's commercial profit were lately found incompatible with the present demands of Georgian society.

It's a significant factor that the strategic plan of NBE which was recently developed but within the previous management is valid and acceptable for all parties concerned. In recent discussions at the seminar at Lopota Lake it has become evident that the strategies outlined in the strategic plan is in accordance with the aims of the current management of the NBE, although some changes in the direction of the NBE may occur. Hence, the main aim and values of the NBE remains the same but it is stressed that issues regarding protection of human rights, safety of the employees and strengthening the image of enforcement officer need to be further strengthened.

It should also be mentioned that all proposed recommendations in the mid-term review concerning the NBE except the one relating to IT-systems and the administration of such are part of the strategic plan. These recommendations are related to areas such as strategic discussions of the future role of the NBE, an organizational change, the elaboration and implementation of new policy document and customer relations.



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The table shows the level of awareness among NBE employees of the strategic plan (5 meaning completely agree and 1 completely disagree).

Table 6

| Employees  | Mean |
|--|------|
| I know the strategic plans of NBE from the NBE strategic plan document | 3,4  |

The strategic plan/policy relating to safety and security is not in full effect yet. The plan is ambitious and involves development issues concerning safety of staff and security of premises and information. The draft plan also consists of information on implementation and revision of the plan as well as matters regarding liability. The plan will expectantly be in full effect from 2013. An important effect of the project activity regarding safety and security is that the NBE has become more aware of the importance of these issues and that the organisation now are focusing and paying strong attention to issues on how to provide a safe and secure environment for NBE staff and premises.

In the survey the employees of NBE have responded to statements regarding perceived safety during work and the results can be regarded as quite positive but improvable. The scale is ranging from 1 to 5 and 1 meaning completely disagrees and 5 completely agrees.

Table 7

| Employees  | Mean<br>(Officers) | Mean<br>(Managers) | Mean<br>(Adm. personnel) |
|--|--------------------|--------------------|--------------------------|
| I feel safe when I meet the debtors                          | 3,7                | 4,3                | 4,0                      |
| I feel protected in the course of fulfillment of work duties | 3,5                | 4,3                | 4,4                      |
| I never encounter danger in the line of duty                 | 2,9                | 3,8                | 4,1                      |
| My employer ensures that my work environment is safe         | 3,4                | 3,3                | 4,1                      |
| I have the necessary training in order to manage a dangerous | 3,0                | 2,8                | 2,4                      |



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situation

The responses are very similar between the different categories of staff and imply that a safety training which all employees could attend would to some extent heal the safety and security deficiencies which are spotted. The fact that enforcement officers are more exposed to dangerous situations is inevitable but even though this is the case the officers don't seem to experience that their working conditions are unacceptable.

*Legal and Human Rights*

The activity on legal and human rights has aimed at enhancing NBE's awareness of the moral dimension of enforcement proceedings by making the CoC better known as a relevant moral platform which all NBE staff can relate to, increasing the awareness of how moral problems affect day-to-day work and to safeguard that NBE during enforcement proceedings practices the principle of "fair and equal treatment" of all stakeholders according to the rule of law.

Considering the results from the NBE survey and especially looking on the attitudes of the debtors towards the NBE and how NBE is conducting its operations it can be argued that the debtors are treated according to international standards in respect of legal and human rights.

*Preventive communication and Behavioural economics*

The outcomes achieved through the activity on preventive communication and behavioural economics would be a basic understanding of what preventive communication is, its expected and visible effects, the receiving of useful information on different preventive activities, the recognition of the concept on what kind of preventive approach could be useful in a Georgian context. Additionally the activity has led to the forming of a working group which will discuss and elaborate ideas on preventive communication and be a sounding board towards the project when designing activities in this area for a possible second project phase

7. Compliance with project objectives

The internal and external customer survey is a good tool to use in order to establish whether the overall project activities have been reached or not. However the survey results cannot cover every aspect of the project achievements and NBE developments and must therefore be supplemented with observations and conclusions from stakeholders and members of the project.



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*Overall project objective*

According to the overall objective of the project the National Bureau of Enforcement of Georgia (NBE) shall provide quick and effective enforcement based on justice, equality before the law and transparency to the public by 2015.

To answer the question whether the NBE provides quick and effective enforcement based on justice, equality before the law and transparency to the public the received survey results are of course not enough. But the results can give us an indication if the NBE is moving in the right direction or not. Based on the analysis of the survey responses it is not far-fetched to state that the customers of NBE are in general quite content with the enforcement process as a whole and its efficiency and quickness. As for e.g. the issue of transparency it can be noted from the survey that 89 % of the creditors and 88 % of the debtors think that the NBE procedures are completely or more or less transparent. Only 5 % of the creditors and 7 % of the debtors think that the procedures are not transparent at all. As reported in the sections relating to the Enforcement Policy and the Code of Conduct the customers also think that the NBE employees act in compliance with the law and treats them with respect and have a professional attitude.

While 32% of employees consider the negative image of NBE as the major hindrance, still their perception (42%) as to be the guards of the society is a major motivator. In this respect, the Enforcement Policy and the Code of Conduct, the most popular internal route-map for employees, could be fairly interpreted as the decisive factor for 77% employees' satisfaction.

Additionally, the public sector and state administration of Georgia, which the NBE is a part of, has made major progress during the last ten years. Authorities such as the NBE, the public and civil registry but also the police have transformed towards becoming modern and efficient public administrations displaying strong customer approaches, transparency and respect of the rule of law. This transformation is manifested in many different ways but is as an example shown very clearly through the establishment of the public service halls with their light, airy and welcoming receptions, accessible and professional customer service centres and an atmosphere which creates trust and openness but also encourages a dialogue between the citizens and the authority. These procedures become apparent when visiting the NBE offices all around Georgia and seeing the interaction between the NBE staff and customers.





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*Project objectives 1-3*

- *Project objective 1 a:* NBE has increased its capacity to analyse its environment and operations in order to further develop its enforcement services to meet domestic expectations and international standards.
- *Project objective 1 b:* NBE implements new or revised regulations, work processes, technical systems and guidance for the enforcement services as well as carrying out regular monitoring, evaluation of the operations thereby promoting transparent and effective enforcement services governed by the rule of law and respect for human rights.

Both the newly completed survey and the one which was performed in the spring of 2012 have given NBE useful information about its benefits, drawbacks and future challenges which will be important input for the capacity development of the organisation and its operations. Furthermore, as mentioned before, one of the major effects of the activity concerning mapping of processes is that the NBE can use this methodology for studying the business processes, detect flaws and deficiencies and find ways to make it more efficient. The project has noted that NBE through the awareness and knowledge of process thinking and mapping now analyse its businesses in a more methodological way and keeping in mind that a customer approach is essential and that it is important to do things right from the start.

As revealed in the analysis regarding the overall project objective there are strong indications implying that the NBE procedures to a big extent is characterised by transparency and guided by the rule of law and respect for human rights. As for the issue of the NBE implementing new or revised regulations, work methods, technical systems etc. it should be noted that such progresses have been accomplished but it is difficult to state to which extent the developments are due to project activities or are the result of other influences. As for revised regulations the laws and decrees connected to the enforcement procedure have been revised and amended several times during the last three years but the project have had very little influences over these amendments since the Twinning project have had a stronger focus on legislative issues. In order to increase the legal certainty a new Term of Reference was developed to initiate the development of the Enforcement Code which would aim at refining Georgia's Enforcement Proceedings through a revised Code and respective secondary legislation. This initiative is in line with the strong intention of the Georgian Government to establish regulatory mechanisms for the entire enforcement system. It was stated that a well-developed legal framework for enforcement would become the best platform for unified and streamlined proceedings, would address legislative shortcomings in a systematic way and eradicate the need for ad hoc changes, thus ensuring a higher degree of legal certainty.



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The work processes of NBE (enforcement and bankruptcy processes) have been mapped and described and a new way of distributing the enforcement tasks - dividing different enforcement actions in a case among several officers and administrative staff instead of being the sole responsibility of one enforcement officer – have been introduced in the Kvemo Kartli bureau which has been a success. The breakdown of the whole process into particular activities will create additional double control mechanism thus to exclude any kind of corruption. The ‘batching system’ will create and distribute the sense of the common ownership among the employees; hence the cultivation of team spirit will rise. Narrow span of control (7-8 persons) will leave sufficient room for team leaders to handle the vague and ambiguous decisions timely. The audible demarcation of the daily duties, establishment of KPI:s will positively influence to appraise past performance. This new working method involves a certain degree of teamwork, which is an approach that could be further looked into and analysed by the project and NBE. The new working manner will possibly be spread to other NBE bureaus during 2013.

The project has not been engaged in providing technical support to the NBE during the first project phase. An activity focusing on refining and develop the monitoring system of NBE has been initialised during the project but is still in its infancy. The activity on building a solid monitoring system and cycles for follow up actions and planning procedures will be an important component of a second project phase.

NBE has over the last few years developed in other ways which has resulted in fewer offices with more centralised and efficient procedures, the establishment of sufficient IT-systems for case management but also for the selling of attached property and other types of goods (e-auction system). It is also apparent that the management of NBE today has a more coherent way when striving for unified working methods and on how the authority as a whole should be run and be improved.

- *Project objective 2:* NBE managers have started to use modern management principles and established processes for continuous improvement of staff performance and management.

In the original project proposal it is declared that the management style traditionally in Georgia has been authoritative which have led to negative consequences such as lack of resources and capacity to develop staff, discouraged staff to take initiative, a lack of trust in staff and inefficient use of the staffs’ competences. The purpose of modernising the management style is to get managers to fully use the capacity of their staff and systematically work for developing staff capacity. The management



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which were in charge of the NBE in 2010 was said to be weak on daily planning of work which resulted in overstretching of the staff and time management was suggested to be a concrete area for development. There was also a need to introduce elements of more open communication between management and staff, performance appraisals, individual development plans and incorporating a learning element in the operational work.

One way of establishing if the management does a sufficient work and is appreciated by the staff is to examine the employees' work satisfaction. The survey shows that 77 of all employees are satisfied with their work, 17,6 % have a neutral attitude and merely 5,4 % are dissatisfied. It should however be noted that the employees who are the most content are the ones who have been working for a period of six months or less. The least content are the employees who have been working at the NBE for two years or more, nevertheless even in this category the percentage of satisfied staff is high (76 %). These data can be compared with the data from the baseline study which disclosed that 71,5 % of the staff were satisfied, 11,3 % had a neutral position and 17,2 % were dissatisfied. Additionally the qualitative research proves that employees are typically satisfied with their work.

Although new salary scheme bans spontaneous financial bonuses, it fixes equal salaries for the same positions thus create feeling fairness which is the crucial motivator. As the study revealed the verbal compliments are missing i.e. 31% of chiefs share opinions only while the employees do something wrong and 17% claims chiefs share no verbal compliments at all.

In the survey one can study the attitudes of different categories of employees towards managers and the perception of manager skills, benefits and deficiencies. The scale is ranging from 1 to 5, 1 meaning completely disagree and 5 completely agree.

Table 8

| Employees   | Mean<br>(Officers) | Mean<br>(Managers) | Mean<br>(Adm. personnel) |
|---|--------------------|--------------------|--------------------------|
| Relations between mid and top level managers are tense                  | 2,7                | 2,0                | 2,2                      |
| My supervisor adequately evaluates work performed by me                 | 4,0                | 4,1                | 3,8                      |
| Management of the NBE cares for raising qualifications of the employees | 2,9                | 3,8                | 4,1                      |



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|   |     |     |     |
|---|-----|-----|-----|
| I have the opportunity of career advancement in this organization                   | 2,9 | 3,4 | 2,9 |
| In case of necessity my supervisor will protect me in front of upper level managers | 4,1 | 4,0 | 4,2 |
| I am satisfied with the management style of my direct supervisor                    | 4,1 | 4,2 | 3,9 |
| I am satisfied with the professional competence of my direct supervisor             | 4,2 | 4,4 | 4,3 |
| I am satisfied with duration of my working day                                      | 4,2 | 4,1 | 3,8 |
| Time given to perform my work is sufficient   | 3,7 | 4,1 | 4,0 |

The responses in the intended areas are a bit inconsistent and contradictory, which possibly is all natural but still somewhat hard to interpret. The perceived satisfaction with the management styles and professional competences of the direct supervisors are high. On the other hand it should be underlined that the enforcement officers don't think that the managers care enough for raising qualifications of staff. The possibility for enforcement officers and administrative staff to advance in the organisation is also considered to be relatively low. Since these two areas are rather important and relates to the subject of constantly developing the staff which was mentioned in the project proposal it could be argued that this part of the objective is not reached in full although major improvements have been achieved. The latter is above all shown by the dramatic drop in the numbers of discontent staff. However, we should not overlook the average age of the employees that is comparatively low, causing the high attrition rates. Often the organization is being viewed as the earliest career leader incubating professional. The proactive HR competencies and long run strategy has to be validated.

Moreover it is clear that most employees think that they are not too burden by their workload, but on the contrary are quite content with their working hours. Even the managers state this although some mid and top level managers work long hours. Nevertheless the results imply that the time management issues are no longer such a problematic area as it was in 2010.



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In the qualitative part of the survey it is observed that almost all interviewed managers responded that their managerial skills have improved during the last year. 25 out of 26 managers said they either always or at least sometimes delegates responsibilities to subordinates. As for coaching this method is frequently used by five managers, while the rest coach their employees more irregularly. When managers evaluated the methods of delegation and coaching in terms of usefulness and benefits, the received average score was high, over 4 on a point 5 scale. The coaching model and modern leadership tools are those outstanding examples which will cause essential serenity for NBE staff, - why they should devote more energy and efforts to train their colleagues, which in a long run will yield self-actualization and self-efficacy among employees.

As for internal communication and performance appraisals further activities and efforts need to be performed in order to strengthen these areas. The survey displays that 19 % of the staff never or hardly ever gets feedback on their work performance and 26 % only receives feedback when they do something wrong. These numbers cannot be considered to be satisfactory.

Overall it must be acknowledged that major progress have taken place within the management sphere of NBE and the organisation have come a long way in order to adopt modern management approaches.

The new organizational structure is being projected, which has to reflect the distinction between strategic tasks and operations activities. The division of operations and responsibilities according to the primarily specialist roles will come into place, greater operational control from the top, clear definition of the tasks (no overlaps) and increased accountability have to be addressed properly. Moreover centralized marketing function with strong emphasis on PR and CSR responsibilities and absolutely encapsulating business process analysis have to be added. The current centralized decision making style encouraging culture that leads to authority, obedience, stability and inertia has to be transformed into the decision making process leading to the self-actualization.

Last but not least the project management has experienced a slight shift in leadership attitudes during the last few years. Of course management styles is closely connected to the persons exercising the powers but still it is the perception of the project that there now is a sense of a long-term, unified management approach focusing more on empowering the staff rather than controlling them.

- *Project objective 3:* All enforcement staff has basic professional enforcement skills and a system and plan for development and the implementation of a certification scheme for enforcement officers is in place.



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In the original project plan it is indicated that initial steps for professionalization of the enforcement services have been taken but a lot remains to be done in order to become a full-fledged professional and efficient organisation. Further development of staff through internal training is a key factor for success in this area. Additionally it is stated that NBE needs to adopt a systematic approach to training of enforcement officers and also to establish an ethical framework through a code of conduct.

All 150 NBE employees who were part of the survey got to make a self-assessment of their qualification to perform their work see the table below (5 point scale where 5 is maximum and 1 is minimum). As can be shown the NBE staff appraise their qualifications as adequate.

Table 9

| Employees  | Mean |
|--|------|
| Sufficiency of your qualification to perform your work (self-assessment) | 4,77 |

Although, as said before, many NBE employees indicated that management should be caring more about raising qualifications of the employees, as can be seen in this table an absolute majority of them thinks that their qualifications completely meet their job requirements.

What is important is to establish the customers perception of the employees qualifications, competences and skills. As reported previously in the report (see table 4) the NBE employees score high grades regarding customer perception of competences and professionalism. Another main component when assessing the competence and professionalism of staff is to check the customers' attitudes towards the front line staff of NBE. Hence, respondents were asked to answer questions regarding quickness, attentiveness and overall satisfaction with front desk service. As a result the creditors and debtors evaluated the quickness of front desk similarly (2,4 on a 3 graded scale where 3 is maximum and 1 minimum). The subject of attentiveness got an average customer rating of 2,6. As for the overall customer satisfaction with the front desk staff this was rated with the grade of 4,2 by creditors and 4,0 by debtors on a 5-level scale where 5 is maximum and 1 is minimum. Thus the front line staff is highly appreciated by the customers as also the other categories of staff are.

The NBE has developed very fast the last few years due to reasons such as legislation amendments, introduction of new services as well as changes in





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management and organisation. In order to cope and adapt to these changes trainings have been an essential tool for the NBE and for the two projects. SIDA and Twinning projects as well as NBE itself have conducted a number of trainings and trainings of trainers in different areas. Although, as it was observed above, sizeable part of enforcement officers think they're lacking trainings to raise their qualifications, about 63 % of the employees state they have undergone one or several trainings during the last two years. The staff of NBE seems to have appreciated these trainings and have been given the possibility to rate them from 1 to 5 where 1 is minimum appreciation and 5 maximum.

Table 10

| Employees rating of trainings                    | Mean |
|--|------|
| Psychology of relations with citizens            | 4,80 |
| Training of Trainers                             | 4,40 |
| Coaching   | 4,80 |
| Management                                       | 4,66 |
| Legislative issues                               | 4,00 |
| Safety   | 5,00 |
| Professional ethics                              | 4,85 |
| Time management                                  | 3,75 |
| Enforcement legislation                          | 4,33 |
| Stress management                                | 4,75 |
| Media speaker                                    | 4,80 |
| Standards on effective communication and service | 4,55 |

When summarizing the customer survey results and keeping in mind the number of trainings that's been accomplished the last years it must be safe to say that the NBE staff must be considered to be in possession of vast professional skills which make them more than suitable to carry out enforcement tasks as well as other NBE related responsibilities.



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8. Crucial issues to handle

*The continuation of the project*

As been reported earlier discussions about a potential continuation of the project was initiated during summer of 2012. In order to examine and analyse the future needs of the NBE which could be met during a second phase, a needs assessment session (NAS) was carried out the 19<sup>th</sup> – 20<sup>th</sup> of October 2012. The NAS was moderated by a consultant from the company Indvelop which also was responsible for carrying out the mid term review. This NAS was crucial for the project and key persons from both the NBE and SEA were present and active at this meeting. A project proposal together with a result framework matrix (RFM) for the second phase has been elaborated based on the findings and conclusions established at the NAS. The elaboration of the proposal and RFM has been conducted with great support from the consultants from Sida International. The RFM states the overall impact, outcomes, bridging outcomes, output and activities as well as indicators, baselines, targets, means of verifications and risks and assumptions. The proposal and matrix was delivered to SIDA in mid-April of 2013 and in mid-June SIDA took a decision indicating that preparations for second phase covering the period between 1<sup>st</sup> of August 2013 until 31<sup>st</sup> of December 2015 may begin.

It should be mentioned that the overall objective for a second phase is that NBE should contribute to a stable economic system in Georgia, being guided by the rule of law and creating awareness among the public of their rights and duties. Two major outcomes are connected to the objective and the first one is to increase effectiveness and efficiency in the business operations and the second one is about the social responsibility of NBE and implies that preventive communication should be a new activity area for the NBE.

*Plans for the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2013*

Since the project now has received information from SIDA indicating that the project may continue for a couple of more years the planning process for a second phase will take its start as soon as possible. The recruitment process for a long term expert placed in Tbilisi is concluded and the recruitment of short term experts is about to start. Some changes regarding the management of the project and an attempt to create greater backing to the LTE has been discussed at the SEA and decisions to carry out these changes have been made.

Further discussions between the project, NBE and SEA regarding the priorities of different activities and which order the activities should be performed must be carried out in the near future.