



Report of the 2015 National Action Plan

For the Implementation of the Association Agreement between Georgia, of the one part and the European Union and the European Atomic Energy Community and their Member States, of the other part and the Association Agenda between Georgia and the European Union

(EXECUTIVE SUMMARY)

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Introduction

This executive summary represents the progress report of the 2015 National Action Plan for the Implementation of the Association Agreement between Georgia, of the one part and the European Union and the European Atomic Energy Community and their Member States, of the other part and the Association Agenda between Georgia and the European Union. The report includes the period from 1 January to 31 December 2015. Furthermore, some information exceeds the reporting period, and also includes important reforms carried out during the preparation process of the report.

The 2015 National Action Plan for the Implementation of the Association Agreement and the Association Agenda between Georgia and the European Union (EU) was approved by the Decree №59 of the Government of Georgia (GoG) on 26 January 2015.

In 2015, three meetings of the Georgia's Governmental Commission on European Integration, chaired by the Prime Minister of Georgia were held to ensure the implementation of EU-Georgia Association Agreement and to coordinate the state institutions' activities in the process of Georgia's European Integration.

In accordance with the 2015 National Action Plan, significant progress has been achieved in fulfilment of the obligations envisaged by the Association Agreement and Association Agenda, as well as in the approximation of Georgian legislation to the EU norms and standards. In particular, three new laws were adopted, while 14 new laws are under discussion, 44 legislative amendments were elaborated by respective state institutions, among which 16 amendments were approved by the Parliament and 28 legislative amendments are under discussion. In addition, more than 40 bylaws were approved by the Government and respective state institutions.

In 2015, important progress has been made in the following fields: justice (judicial, prosecutorial and the criminal reforms, juvenile justice), corrections and probation, personal data protection, development of the legal framework on asylum, civil service reform, agriculture, environmental protection, culture, education, trade and trade-related matters. Moreover, up to 140 training and seminars for the civil servants were conducted to ensure effective implementation of the Association Agreement and the

Association Agenda, as well as study visits for sharing experience were organized in the EU Member States and candidate countries.

The implemented reforms and approximation of Georgian legislation to the EU acquis envisaged by the Association Agreement and the Association Agenda, was positively assessed by the European side at the second EU-Georgia Association Council meeting held on 16 November 2015 in Brussels.

Georgia successfully implemented the reforms under the Visa Liberalisations Action Plan, which was positively assessed by the European Commission in the fourth progress report issued on 18 December 2015.

Georgia is actively engaged in the successful implementation of the Eastern Partnership initiative. In 2015, the Georgian side participated in the Eastern Partnership Summit in Riga and other events of the Eastern Partnership. The proposal regarding the review of the European Neighbourhood Policy was elaborated and submitted to the EU.

The GoG actively cooperates with the representatives of civil society, involved in the process of planning and monitoring of implementation of the Association Agreement.

1. Political Dialogue and Reform, Cooperation in the Field of Foreign and Security Policy

1.1. Elections

One of the top priorities of the GoG is to ensure that the forthcoming 2016 parliamentary elections are held in a free, open and transparent environment. In December 2015, the Parliament of Georgia adopted the amendments to the Election Code of Georgia, aiming at redrawing borders of current single-mandate majoritarian districts. Within these amendments and in compliance with the ruling of the Constitutional Court and the recommendations of the Venice Commission, districts will be defined in a way that equality of votes and adequate representation are achieved. Furthermore, a new 50% threshold instead of 30% was introduced to the majoritarian electoral system for the single-mandate districts.

1.2. Reform of the Judiciary

The legislative package elaborated under the framework of the third phase of the judiciary reform was submitted to the Parliament of Georgia. The legislative package aims to support the independence of the judiciary and to increase public trust in the justice system.

The third phase of the reform provides the guarantee for the independence of judges and aims to increase their level of involvement in the judicial activities. Amendments to the candidate selection procedure of judges are to be adopted: selection criteria will be improved, that being said, all candidates will take the position of a judge through succeeding in an open competition. Subsequently, the selection process will become more transparent and objective. The Chairperson of the relevant court will be elected by the judges of the respective districts (cities) and the Court of Appeals.

Pursuant to the third phase of the judiciary reform automatic distribution of cases in common courts will be provided, as well as, the perfection of judicial disciplinary proceedings. In addition, the right to initiate the disciplinary prosecution of judges was delegated to the High Council of Justice of Georgia, instead of the Chairperson of the Court.

The role of the Supreme Court of Justice in the judiciary process will be strengthened and the eligibility criteria for complaint at the Court of Appeals will be expanded.

With the aim of establishing a task-force working group on the preparation of legal tests and cases for examination, the package of amendments to the qualification examination for judges was approved by the High Council of Justice of Georgia.

Obligations under the framework of the Association Agreement regarding the reform of the Prosecutor's Office are being fulfilled successfully. In May 2015, the package of legislative amendments to the Georgian Law on Prosecutor's Office was approved by the GoG. The draft package of legislative amendments was sent to the Venice Commission, the OSCE and the Directorate General of Human Rights and Rule of Law Office of the Council of Europe for the legal expertise. Based on the remarks and the recommendations provided by the organisations, the package of legislative amendments was revised and approved by the Parliament of Georgia on 18 September 2015. On 27 November 2015, the new Chief Prosecutor has been elected by the Parliament.

With the active support of the EU and the direct participation of European and American experts, the Criminal Code of Georgia was entirely revised. In March 2015, the Council of Europe delivered a report on amendments to the Criminal Code, in accordance to which the Code has been further revised. A conference was held on 13 October, 2015, where the amendments elaborated on the basis of expert recommendations were discussed. In December 2015, the Parliament of Georgia adopted the law on "Amendments to the Criminal Procedure Code of Georgia", which provides the new rule of witness interrogation. The new rule of witness interrogation entered into force on 20 February 2016.

In June 2015, the Parliament of Georgia adopted the amendments, which stipulate changes in the Criminal Code. These changes are based on the approach which combines the fighting against terrorism and violent extremism directions. According to the amendments to the criminal code, several activities were criminalized such as illegal formation, calling for violent activities, as well as to leave or attempt to leave to foreign state for the purposes of Jihad; legal liabilities were imposed for supporting or recruiting for the terrorism activities.

The reform of the penitentiary and probation system is successfully ongoing. The Early Conditional Release Standing Committee was abolished and its functions were transferred to local Councils, their decision can be only reviewed by the Court. The methods of risks and needs assessment and individual sentence planning were introduced. The Monitoring System Division was created within the Ministry of Corrections, aiming to analyse the results and elaborate recommendations in order to ensure the protection of human rights and implementation of the obligations defined by the Georgian legislation and to provide preventive examination of the situation on the field. The team for medical service monitoring was created, which will implement the regular monitoring in penitentiary establishments. A multidisciplinary team was set up (consisting of psychiatrists, psychologists, and neurologist), aiming to ensure detection of mental disorders in penitentiary institutions and deliver medical service according to the needs. Moreover, since 2015, monitoring mission on registration and usage regarding the psychotropic drugs was launched.

1.3. Human Rights and Fundamental Freedoms

In May 2015, the Inter-Agency Coordination Council approved the 2015-2016 Action Plan on Fight Against Torture, Inhuman, Cruel and Humiliating Treatment or Punishment, elaborated on the basis of the National Human Rights Strategy (2014-2020).

In March 2015, Protocols N15 and N16 of the European Convention on Human Rights and Fundamental Freedoms were ratified by the N3138-IIs and N3139-IIs resolutions of the Parliament of Georgia.

In May 2015, the package of amendments to the Imprisonment Code entered into force, allowing the Public Defender and the member of the special Group for Prevention to take photos in the penitentiary institutions.

The capacity of the Public Defender's Office was increased. The structure of the office was refined, the budget and the number of staffs were increased significantly. Academy on Human Rights was created within the Office of the Public Defender.

The Center on Human Rights is functioning within the Supreme Court of Georgia. The functions of the Center include: study the judgments of the European Court of Human Rights, preparation of analytical materials, translation and review of the court decisions.

Significant progress has been achieved in terms of Children's Rights Protection. In June 2015, the Parliament of Georgia adopted the Juvenile Justice Code, which addresses the specialization of professionals involved in the juvenile justice reform. In order to improve existing mechanisms for the elimination of violence against children, the Decree of the GoG on "Child Protection Referral procedures" has been drafted. In this regard, draft amendments to the Law of Georgia on "Social Assistance" were also elaborated, as well as to the Law on the "Rules of Registration, Issuing Identity (Residence) Cards and Passports for Georgian Citizens and Foreigners Residing in Georgia", to the law on "Elimination of Domestic Violence, Protection of and Support to Its Victims", to Civil Code, Administrative Procedural Code and to the Administrative Offences Code. According to these amendments, the concept of "homeless child" was introduced, enabling relevant authorities to protect not only orphans or the homeless children but the ones who are victims too. Furthermore, a new way to regulate the process of issuing documents for the homeless children will be introduced and protection of children from any kind of violence will become more effective.

On 19 June 2014, Georgia has signed the Council of Europe Convention on Preventing and Combating Violence against Women and Domestic Violence, adopted on 11 May 2011. The convention aims at prevention of violence and victim protection by establishing the effective legal mechanisms. For the purpose of reflecting the obligations envisaged by the Convention, a legislative package was prepared and is currently under discussion. The package of the amendments will be presented to the GoG and the Parliament. Furthermore, the Minister of Justice carries out consultations in the regions of Georgia. The information campaign was also carried out for the purpose of prevention and reduction of domestic violence.

1.4. Security Sector Reform

Important institutional changes have been made in the security field. Since August 1 2015, the Law on the "State Security Service" has entered into force, according to which the State Security Service of Georgia was established as an independent institution. The

main goal of the reform was the distribution of responsibilities previously concentrated in the Ministry of Internal Affairs. The fine line was drawn between the Police functions and those of the State Security Service, with the ultimate goal to increase accountability and transparency. The Law ensures the mechanism for political impartiality. The activities of the Service are monitored by the Parliament, as well as by the Government. Main functions of the State Security Service include protection of State security, collection of threat-related information and fight against the crimes which appear to be a threat to state security. The main working directions of the State Security Service include protection of the constitutional system of Georgia, the sovereignty of the country, territorial integrity and economic security, fight against corruption, terrorism and transnational organized and international crimes, protection of state secrets, protection of the State from external threats. Within the state security reform, the State Security Service of Georgia has also been determined as the Chair of the interagency Coordination Council for the Fight against Chemical, Biological, Radiation and Nuclear Hazards.

1.5. Public Administration Reform and Fight against Corruption

The GoG pays particular attention to the process of civil service reform and the fight against corruption.

The new Law on “Civil Service” was approved by the Parliament of Georgia. The aim of the new law is to modernize public sector and to establish the effective public administration by introducing innovative approaches. The model for the asset declaration monitoring system was renewed. In this regard, the amendments to the Law of Georgia on the “Conflict of Interests and Corruption in Public Service” were approved by the Parliament in October 2015. In addition, the horizontal functional analysis of central state institutions was carried out, the draft Code of Ethics was elaborated and Automated Human Resources Management System was implemented in 18 ministries.

In April 2015, the GoG approved the updated Anti-Corruption Strategy and the new Anti-Corruption Action Plan for 2015-2016. The monitoring and evaluation methodology was approved by the Anti-Corruption Council in February 2015. According to the Group of States against Corruption (GRECO) 2015 estimates, in terms of implementation of the international organizations’ recommendations, Georgia

currently holds no such recommendation as unfulfilled.¹ Progress is achieved on 14 recommendations out of 15 issued to Georgia within the third round of evaluation by the Anti-Corruption Network of the Organization for Economic Cooperation and Development (OECD-ACN).

The 2014-2015 Action Plan of Georgia on Open Government Partnership (OGP), which is the result of cooperation between the GoG and Civil Society was approved on 18 September 2014. Within the framework of the Open Government Partnership Forum the methodology for the monitoring and evaluation of action plans was elaborated, according to which, the progress is evaluated by the participant ministries, as well as by civil society. The Secretariat of the Open Government Partnership (Analytical Department of the Ministry of Justice) prepared the intermediate self-assessment report, which was submitted to the OGP in October 2015.

1.6. Foreign and Security Policy Cooperation

From 1 January to 30 December 2015, Georgia joined 221 statements released by the EU in different international organizations.

On 1 April 2015, the Highest Level Political Consultations between Georgia and the EU took place, where the security challenges in Georgia and the region were discussed and the efforts for the peaceful settlement of the conflict between Russia and Georgia. Including the current situation in the occupied territories, steps made by Russia for the annexation of the territories and the Geneva international negotiations. During the meeting, the importance of the European Union Monitoring Mission was highlighted.

Current situation in the occupied territories of Georgia, challenges and the implementation of the State Involvement Strategy was also discussed on different platforms foreseen by the institutional framework of the Association Agreement.

Within the Common Security and Defence Policy (CSDP) framework, 1 candidate from Georgia in the field of Human Resources was selected to participate in the EU-led

¹ All 5 recommendations regarding criminalization are considered fully fulfilled. 3 out of 10 recommendations referring to transparency in financing political parties are considered fully fulfilled, while 7 recommendations are fulfilled partially.

Advisory Mission in Ukraine - EUAM Ukraine and was sent to Mission on 1 September 2015.

In March 2015, the units of Georgian Armed Forces successfully completed their participation in the EU-led Mission in the Republic of Central Africa - EUFOR RCA (in total 241 military personnel have participated in 2014-2015).

In October 2015, 5 military personnel (Immediate Reaction Team) were sent to the EU Military Advisory Mission in Central African Republic - EUMAM RCA for 6 months rotation period.

On 5 January 2016, Georgia joined the EU Training Mission in Mali - EUTM Mali for six months period.

2. Freedom, Security and Justice

In 2015, EU Expert Assessment Missions visited Georgia (23-27 February, 28 September-2 October) in order to assess the implementation of the obligations within the Visa Liberalization Action Plan.

On 18 December, 2015, the European Commission published its fourth and final progress report on Georgia's implementation of the Visa Liberalisation Action Plan (VLAP).

The report denotes that the legislative and institutional framework, organizational principles and procedures within spheres set in the fourth block, are in accordance to EU and international standards. According to the VLAP, a series of legislative and institutional reforms have been carried out in the following areas: document security; border management, migration management and asylum; public order and security (fight against organized crime, corruption, trafficking, money laundering, drugs, judicial and law enforcement co-operation, personal data protection); protection of human rights.

On the basis of EU report and once the pre-established procedures are completed, citizens of Georgia will enjoy the visa free regime with the EU Member States/Schengen zone. Namely, taking into account the current state of cooperation between Georgia and the EU, it is expected that in the early 2016, the European Commission will come up with the official proposal to amend the EU Directive № 539/2001, the adoption of which will put the visa free movement of the Georgian citizens in the Schengen States into force.

In December 2015, the GoG approved the 2016-2020 Migration Strategy elaborated by the State Commission on Migration Issues. The Subsequent Action Plan for 2016-2017 was also approved. The concept of overall system of risk analysis in the field of migration was developed and approved by the State Commission. Simultaneously, preparatory works have been concluded in order to bring the migration data single analytical system into action. According to the plan, system will be launched in test mode in 2016. Within the information campaign of the Visa Liberalization Action Plan

with EU, a guide to legal migration was published in Georgian and English languages, two video clips were launched on TV.

The legislative framework for asylum seekers was significantly improved. Important institutional changes were implemented to improve the right of asylum seekers, refugees and persons with humanitarian status.

An Electronic Database of Asylum-seekers, Refugees and Persons with Humanitarian Status has been developed and is fully functional.

Number of state agencies have adopted and approved internal regulations on Personal Data Protection. The capacities of the Office of Personal Data Protection Inspector have been significantly increased, both in terms of human resource and financial-wise. By December 31 2015, 54 public agencies and private organisations have been inspected on the basis of citizen statements and Personal Data Protection Inspector initiative, 119 citizen statements have been reviewed and 1215 consultations carried out.

The Ministry of Justice of Georgia, in close cooperation with the "Open Society Foundation - Georgia", non-governmental organisations, local and foreign experts, continues elaboration of a draft-law on "Freedom of Information".

In July 2015, amendments have been introduced the Law of Georgia on "Facilitating the Prevention of Illicit Income Legalisation", which granted the LEPL - Financial Monitoring Service of Georgia the authority to suspend transaction (operation) execution in accordance to the Council of Europe Convention on "Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism".

In January 2015, agreement on "Cooperation in the Fight against Crime" between Georgia and the Kingdom of Spain has been signed. In April and November 2015, the agreements on "Cooperation in the Fight against Crime" were signed between the GoG and the Government of the Republic of Belarus, as well as between the GoG and the Government of Slovak Republic. In September 2015, the agreement between the GoG and the Government of the Republic of Lithuania on "Cooperation in the Fight against Crime" entered into force.

In September 2015, the GoG approved the 2015-2018 National Strategy and the 2015-2016 Action Plan on Combating Organized Crime.

Draft agreements on Border Cooperation are being initiated with republics of Belarus, Lithuania and Poland.

Since January 2015, Georgia is officially included in the priority country list of the EU's Judicial Cooperation Unit (EUROJUST), which is a necessary basis for signing a cooperation agreement.

In June 2015, the assessment mission of the European Police Office (Europol) visited Georgia, assessing the state of the Personal Data Protection in law enforcement agencies. In December 2015, EUROPOL published a positive report, in respect to which, negotiations on drafting the Operational Cooperation Agreement with Georgia will start in February 2016.

The electronic system of consular activity management is successfully used by Georgian Diplomatic Missions and Consular Offices abroad. The information web-portal - geoconsul.gov.ge is fully functioning and provides information related to consular services.

The Visa Free Agreements have been signed and entered into force with the Federal Republic of Brazil, the Republic of Uruguay, the Republic of Chile and the Republic of Argentina.

The Agreements on Visa Free Travel for Diplomatic and Service/Official Passports Holders have been signed with the Republic of Serbia and the Co-operative Republic of Guyana (in force). The Visa Facilitation Agreement between the Kingdom of Norway and Georgia has been signed and entered into force.

Since February 2015, the electronic visa (E-visa) portal has been set in motion, allowing citizens of foreign countries to receive Georgian short term visa on-line without visiting the consulate.

The Agreements between the EU and Georgia on "the Readmission of Persons Residing without Authorisation" and "Visa Facilitation" have been implemented smoothly in 2015. At the joint meeting of the Visa Liberalisation and Readmission Committees, held

in Brussels, on 13 October 2015, the European Commission praised the successful implementation of these two agreements.

In 2015, 5 EU member states (Kingdom of Netherlands, French Republic, Italian Republic, Republic of Lithuania and Ireland) have joined the Readmission Management Electronic Program, which is considered to be one of the effective instruments for the implementation of the above agreement: The Republic of Slovenia, Czech Republic and Republic of Finland have also expressed their consent to join the Program. Cooperation with the Republics of Estonia, Cyprus, Portugal and the Kingdom of Sweden has been intensified.

3. Trade and Trade-Related Matters

The Annual Report on the implementation of the Deep and Comprehensive Free Trade Area (DCFTA) of 2014 was prepared and published as brochures in Georgian as well as in English.

In 2015 “Micro and Small Enterprise Development” component of the DCFTA was launched. The programme aims at reducing gaps between rural and urban inequality in Georgia through financial and technical assistance (training, consulting, and development mentoring) mechanisms. The first phase of the programme was finished in 2015. More than 12 700 people participated in the programme, of which 3 118 have been trained and 590 of them have obtained financial support. Within the framework of the programme, state co-financing amounted to 4.1 million GEL.

Small and Medium Size Enterprise Development Strategy (2016 – 2020 years) and its draft Action Plan is was elaborated, which was discussed during the Organization for Economic Cooperation and Development’s (OECD) high-level meeting "Eurasian Week" in December, 2015. The strategy and its Action Plan will be submitted to the Government in early 2016.

The Entrepreneurship Development Agency (Enterprise Georgia) provides advisory services for small and medium enterprises through donors’ assistance and its own resources, aiming at introduction of international and European standards, increase of product competitiveness and compliance to European requirements as well as facilitation of exports.

The website www.tradewithgeorgia.com has been updated, representing the electronic database about Georgian export-oriented companies, and including all the necessary information for purchasers’. At this stage, the website is functional and the registration process of Georgian export oriented companies in this database is ongoing.

Under the framework of the I phase (grant contract) of the Comprehensive Institutional Building (CIB) program, renovation of administrative building of the Entrepreneurship Development Agency was completed, as well as laboratory space and relevant supporting infrastructure (heating-cooling system, ventilation system, water supply, sewage water, electrical supply, drainage system) was renewed, which is precondition

for laboratories to operate in compliance with international standards and acquire recognition. Administrative space was also renewed in order to establish “single-window” system.

In May 2015, within the framework of the II phase of the CIB programme, the technical assistance project “The Support to further development of standardization and metrology infrastructure of Georgia to meet EU best practice” was launched, as well as the project, aiming to update the reference base in the Metrology Institute. In July and December, the EU Delegation held two rounds of the tender. Delivery of equipment and its installation in the laboratories are planned in 2016.

In 2015, 1721 international and European standards were registered as a Georgian.

During 2015, in the database of the International Bureau for Weights and Measures (BIPM) 30 CMC lines in the field of electricity and of mass of the GEOSTM have been published. Recognized division of Metrology Institute of GEOSTM started issuing their first internationally recognized calibration certificates with CIPM MRA logo.

Under the framework of CIB programme, the project “Support to further strengthening accreditation in Georgia to meet EU best practices” has started at the Accreditation Centre. In order to start the procedures for signing Bilateral Agreement on Recognition (BLA), the pre-evaluation report of the Accreditation Centre has been conducted by the European Cooperation for Accreditation (EA). The evaluation has been conducted by European experts, who confirmed the professionalism of the team of the Accreditation Centre. As a result, EA gave a recommendation to their experts to conduct next stage of evaluation, which aims to sign BLA between the Accreditation Centre and the EA.

In June 2015, the EU technical assistance programme started, foreseeing assessment, gap identification and improvement of market surveillance system of Georgia in accordance with the best practices of EU member states. Within the framework of the program, the market supervision methods and procedures, as well as existing Georgian legislation in this field, the structure and activity of the market surveillance authority - Technical and Construction Supervision Agency (TSCA) have been examined by the experts from the United Kingdom and the Republic of Lithuania. Training has been conducted for TSCA employees on “improvement of market surveillance system in

accordance with the EU best practice”. The Institutional Reform Plan has been elaborated.

The Legislative Approximation List has been elaborated in different priority areas according to the EU sanitary and phytosanitary, as well as animal welfare and other legislative measures. The list has been submitted to EU in February 2015. According to the recommendations provided by the EU experts, the lists in relevant fields have been updated and final version has been agreed. The legal acts have been adopted in order to approximate Georgian legislation to the EU acquis in the fields of veterinary, food safety and phytosanitary. Through the support provided by the EU experts, the Action Plan was prepared aiming at recognition of Georgia’s export priority products safety (e. g. honey, fish) by the EU. Implementation of the Action Plan shall serve as a condition for access to the EU market.

The National Food Agency is working on the renewal of the institutional plan In this regard, representatives of National Food Agency (NFA) and CIB experts have held a workshop. The experts received information on needs of NFA, such as resources, capacity building and technical needs.

The Ministry of Finance of Georgia with the technical assistance of GIZ is elaborating project of the new Customs Code, adoption of which is planned for 2016. The Ministry of Finance is working on acceding to Common Transit Convention (CTC) and to Convention on Simplification of Formalities in Trade in Goods (SAD). The relevant commission and working group have been created for this purpose. Under the assistance of USAID project “Government for Growth” (G4G), the Revenue Service is working on introduction of the Authorized Economic Operator (AEO) institute in Georgia. A joint working group has been set up within the Revenue Service of Georgia, which has assessed the current situation and developed the action plan for the implementation of AEO institution in Georgia.

The officers of the Customs Department of the Revenue Service of Georgia are regularly trained on rules of origin-related issues with the support of foreign experts. The Revenue Service of Georgia has elaborated the draft regulatory rules for the institute of Approved Exporter.

In order to harmonize Georgian Legislation to the EU acquis, envisaged under the custom regulation of intellectual property provisions of the Association Agreement, the interagency working group within the Revenue Service was established, which conducted the gap analysis in the legislation and elaborated the 3 years action plan for elimination of the gaps.

The working group was established at the State Procurement Agency which, together with UNDP and SIGMA experts, elaborated a draft comprehensive roadmap of legislative approximation in the field of public procurement. The document was discussed and positively assessed at the meeting of the Sector Economy and Economic Policy Committee of the Parliament of Georgia. The draft roadmap was also presented at the meeting with the large procuring entities, where the discussion on the upcoming reforms in the field of state procurement for the purpose of approximation with the EU acquis and procedures was conducted.

Submission of the draft Roadmap to the GoG is planned for early 2016.

The amendments to the legislation on the intellectual property were discussed with international and domestic business representatives. As a result of implementation of these amendments, legislation of Georgia in the field of intellectual property will be brought in line with the relevant EU legislation.

With the support of World Intellectual Property Organisation (WIPO), United States Patent and Trademark Office (USPTO), European Patent Office (EPO) and Office for Harmonization in the Internal Market (OHIM) the National Intellectual Property Academy has been established in Georgia. Academy serves to increase public awareness activities and training of specialists in the field of intellectual property rights. Also, the Sakpatenti is running awareness raising campaign through the seminars and workshops and is conducting training on intellectual property rights for judges and lawyers.

In 2015, the Competition Agency conducted investigation of 10 markets including vehicle fuel, aviation oil, thermic-mineral waters, container service, household waste, wheat, vehicle gas and Rail transportation of container and government procurement (two investigations) in accordance to the Law on "Competition". The agency has also evaluated the possible anti-competitive effect of two merger cases on hospital and

concrete markets. Moreover, the agency has completed monitoring of the market for coffee and finished survey of the market of oil terminals.

The Ministry of Economy and Sustainable Development of Georgia continues conducting large-scale awareness raising campaign on DCFTA-related issues. Under the framework of the campaign, information meetings were held in Tbilisi, as well as in the regions of Georgia. Within the framework of the meetings, the DCFTA-related information brochures were distributed among the participants.

The training methodology was elaborated under the framework of the project “Improved Compliance with Labour” Law in Georgia implemented by International Labour Organisation (ILO). 44 operators have been trained on labour rights-related issues at the Ministry of Labour, Health and Social Protection of Georgia. Also, 15 attorneys have been trained by ILO on application of the international labour standards, which means that currently there are 30 attorneys trained.

In order to elaborate new Forest Code, the improvement of the law enforcement and management in the forestry sector is being implemented, within the framework of the technical assistance of the World Bank. The first draft version of the Code and its translation has been prepared and submitted to the relevant authorities and LEPLs. The forest cover map has been elaborated as a result of completion of mapping of the forest fund of Georgia. Establishment of the new forest monitoring system has been started.

In order to fulfil the obligations related to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the project was launched, aiming at assessing timber and non-timber species.

For the UN Framework Convention on Climate Change, the Ministry of Environment and Natural Resources Protection coordinated preparation of the Intended Nationally Determined Contribution document according to which Georgia plans to unconditionally reduce its GHG emissions by 15% and by 25% in a conditional manner subject to the international financial support compared to the business as usual scenario (BAU) by 2030. In December 2015, the Georgian delegation was actively involved in the conference on climate change which took place in Paris. On 12 December

2015, the Paris Agreement was signed which comprises to be one of the most important steps towards mitigation of climate change outcomes.

The “Ten-Year Network Development Plan” for 2015-2025 was approved, which presents the time tagged programme designed for reinforcing infrastructure of the national transmission system, addressing the existing challenges and reducing risks for insurance of uninterrupted transit service. The plan is a step forward for the integration with the Ten-year Network Development Plan of ENTSO-E.

With a view to developing electricity market model in Georgia the European power markets have been studied. With the assistance of USAID, the first phase of the simulation has been carried out targeting at the approximation with EU standards.

The grid code for Electricity Transmission has been approved. In addition, four chapters of distribution grid code and Uniform System of Accounting project have been developed by the Regulatory body the latter document includes a reporting plan and its instructions.

4. Economic Cooperation

With the Support of the Joint initiative of the Organization for Economic Cooperation and Development (OECD) and the European Commission – Support for Improvement in Governance and Management (SIGMA) the draft version of the Public Internal Financial Control System strategy has been prepared and is being elaborated with the experts.

The Instruction on the rules and procedures of the Financial Management and Control system was developed with the support of the SIGMA and the procedures to introduce the system in four different State institutions are ongoing with the declared goal to develop financial control mechanisms and managerial accountability in place. With the support of the German Agency for International Cooperation (GIZ), the adequacy and effectiveness evaluation mechanisms for internal financial control was strengthened through the establishment and popularization of systemic audit and with the renovation/updating of the internal audit methodology.

Pursuant to the Framework of “Governing for Growth in Georgia” (G4G) project initiated by the United States International Development Agency (USAID), a comparative analysis on the value added tax in Georgian and EU legislations was published.

The Tax Code has been amended and includes certain regulations concerning interdependent persons, reverse charges, temporary import and the use of the principle of market prices according to the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.

For the approximation of Georgian Legislation with the Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco, the Decree of the Minister of Finance of Georgia №996 was amended to include the provisions for tax administration of ad valorem excise. The amendments to the tax code concerning Ad valorem excise tax entered into force on 1 July 2015.

In April 2015, National Statistics Office of Georgia published preliminary results of the Population Census.

From January 2015, new statistics dissemination system was launched. The amendments to the Law of Georgia on “Official Statistics” came into force in June 2015.

5. Other Fields of Cooperation

5.1. Transport

The amendments to the Air Code of Georgia, have entered into force, containing respective provisions from the following EU Regulations: a) Regulation (EC) №785/2004 of the European Parliament and of the Council of 21 April 2004 on Insurance Requirements for air carriers and aircraft operators; b) Regulation (EC) №1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the community; c) Regulation (EC) №2027/97 of the Council of 9 October 1997 on air carrier liability in respect of the carriage of passengers and their baggage by air.

In 2015, inspection of 5 200 working days of the business entities has been conducted by the analysis and monitoring service of the LEPL - Land Transport Agency in order to fulfil the requirements of European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR).

The implementation of the second phase of accreditation of the qualification centre by the International Road Transport Union - IRU, which is aimed at the training of Georgian instructors and their subsequent testing.

Following legislative amendments have been elaborated: Draft Law of Georgia "on introduction of amendments to the Georgian law on Motor Transport"; Draft Law of Georgia "on introduction of amendments to the law of Georgia on Licenses and Permits". During preparation of above amendments, the basic requirements for the access of transport carriers to the market have been applied, stipulated in the international regulatory documents.

5.2. Energy

Amendments to the "Law of Georgia on Oil and Gas" entered into force in July 2015, ensuring easier procedures of issuing permission for the mining of the hydrocarbon resources, as well as for the industrial activities.

The document between The Ministry of Economy and Sustainable Development of Georgia and European Bank for Reconstruction and Development (EBRD) was signed on

elaborating National Energy Efficiency Action Plan (NEEAP). In addition, the first draft document of the National Energy Efficiency Action Plan was elaborated in accordance with the Directive 2012/27/EC provisions.

Most of the construction/rehabilitation works, conducted under the Regional Electricity Transmission Development Project, have been completed. Within Electricity Transmission Infrastructure Rehabilitation/Reconstruction Project 10 substation protection and control system projects were concluded and a 35/10/6 kW switchgear equipment was procured (12 substations).

Within the framework of support for the implementation of the regional projects, an opening ceremony was held laying the foundation for the Trans-Anatolian Natural Gas Pipeline (TANAP). To support the implementation of the South Caucasus Pipeline Expansion (SCPX) project, the GoG issued a decree granting land use permits for the construction purposes on surrounding areas.

In 2015, the ministerial was held in Brussels, where the joint declaration was signed among the stakeholders to support implementation of the interconnector project Azerbaijan – Georgia – Romania (AGRI). Technical-economic justification was elaborated for the Azerbaijan – Georgia – Romania (AGRI) project.

5.3. Environmental Protection

In 2015, significant actions have been implemented in the field of environmental protection.

The Roadmap for the implementation of the EU-Georgia Association Agreement in the environmental and climate action fields has been developed with the support of European experts. The document represents a plan for the gradual approximation of Georgian legislation to the EU legislation.

Within the framework of implementation of the Association Agreement, draft laws and by-laws have been elaborated: the Environmental Assessment draft Code of Georgia describes the list of activities and regulated issues that have significant impact on environment. In addition, implementation of effective information dissemination mechanism on environmental impact assessment issues is also envisaged by the draft

Code. Furthermore, the following draft laws and bylaws have been elaborated: draft laws on “Radioactive Waste”, and “Amendments to the Law of Georgia on Nuclear and Radiation Safety”, which foresees institutional development of the radioactive waste management ; draft law on “Water Resources Management”; draft law on “Biodiversity Protection”; amendments to the “Law on Environmental Protection”; Adoption of legislation to establish mandatory certification system for refrigeration and air conditioning technicians; the Draft law on “the Prevention of Major Accidents”.

The following important decrees by the GoG to support environmental protection have been adopted: the By-law on “Construction, Operation, Closure and After-care of Landfills”; the By-law on “Form and Content of Records to be Kept and Reports to be Made”; the By-law “on the List of Waste According to its Types and Priorities”.

National Waste Management Strategy and action plan was elaborated and submitted to the GoG.

The Web-map of impact permits on environment was elaborated in order to establish a practical mechanism for providing public information. The web-map contains following public information: Assessment report of impacts on the environment, ecological expertise, location of the activities and other public information related to the implementation of activities and projects.

The Web-site of the LEPL - Environmental Information and Education Centre is functioning in order to provide access to the information on environmental protection issues. Moreover, integrated online services have been developed and integrated to the Environmental Information and Education Centre web-site in order to involve general public in environmental protection related information and decision-making process.

5.4. Entrepreneurial and Industrial Politics

Entrepreneurship Development Agency is practicing technical assessment of the needs for beneficiary companies. In 2015, cooperation was developed with 35 companies. The project is implemented in close cooperation with the European Training Foundation (ETF), using their methodology.

In 2015, Georgia joined Enterprise Europe Network (EEN) as a consortium formed by the Entrepreneurship Development Agency and Innovation and Technology Agency of Georgia. This elections network represents an electronic portal aimed at supporting the small and medium sector to internationalise through the exchange and dissemination of specific business proposals in the EU member states and other countries. On 14 December 2015 the Entrepreneurship Development Agency organized a special event with the participation of 100 representatives from the private sector to inform them about Georgia's participation in the ENN and about different technical requirements as foreseen by the DCFTA for the export to the EU member countries.

5.5. *Tourism*

In 2015, Georgian National Tourism Administration participated in 10 international tourism exhibitions/marketing events to raise awareness of Georgia in the EU member states. In the same period, in order to popularize Georgia as a touristic destination held the marketing campaign that comprised of various outdoor and televised advertisements (CNN, EURONEWS).

Moreover, in order to introduce the touristic, historical and cultural heritage of Georgia, Administration organized press and introductory trips from various EU countries.

5.6. *Insurance*

The Parliament of Georgia approved amendments to the Law of Georgia on Insurance, which introduces the mandatory procedure of submission of reports concerning everyday operations of the insurance brokers to the LEPL - Insurance State Supervision Service of Georgia and establishes "the Joint Stock Company" to be the only legally correct organizational form for the establishment of the insurance companies in Georgia.

5.7. *Research, Technological Development and Innovation*

In 2015, bilateral agreements of cooperation in the field of Innovation and Technology have been initiated between Georgia and the Republic of Latvia, the Republic of Lithuania and the Republic of Hungary.

In 2015, for the development of Georgia's innovation infrastructure, 4 industrial laboratories have been opened, including three in Tbilisi and one in Batumi. At the same time, 3 innovation laboratories have been set up.

The first Technology Park has been built in Georgia aimed to promote scientific research and innovative ideas in Georgia as well as create a partnership between innovation and technology and is operational since January 2016.

The first Public Innovation Centre was founded in Georgia on the base of Kharagauli Municipal Public Library.

Within the framework of Estonian project “Garage 48” the so called “Hakathon” was held in order to develop information and communication technology and train IT specialists. Up to 200 students participated in the event.

5.8. Employment, Social Politics and Equal Opportunities

In March 2015, the Labour inspection Department has been established at the Ministry of Labour, Health and Social Affairs of Georgia. The function of the department is to promote the protection of safe working conditions of employees in organizations and institutions and to prevent and eliminate discrimination in labour relations.

On April 22 2015, the law on “Labour Migration” has been adopted by the Parliament of Georgia.

On June 2 2015, the “State Program for the development of Labour Market Analysis and Information System” has been approved. The aim of the programme is to create and develop labour market information system in Georgia, which will be oriented on monitoring the labour market and elaboration of the evidence-based policy.

In 2015, the draft law on “Social Security and Healthcare” was developed. Currently, consultations with the social partners and interested parties are ongoing.

5.9. Healthcare

The GoG has started the unprecedented Hepatitis C Elimination Programme. Since April 2015, patients with hepatitis C are provided with necessary pre-diagnostic

examinations and monitoring procedures for their medical treatment and are supplied with the latest medicines for free.

Preparation of the long-term Strategic Plan for the Hepatitis C Elimination is in progress.

On 15 April 2015, the National Strategic Plan on HIV/AIDS for 2016-2018 was approved and the National Strategic Action Plan on Tuberculosis for 2016-2018 was approved on 9 July 2015.

5.10. People to People Contact, Education and Science

Georgia is actively involved in the Erasmus + Programme, particularly, in the Student Mobility Programme (Credit Mobility). Negotiations are underway with a view to concluding bilateral agreements between the universities of Georgia and the European universities.

Georgia received official approval of the EU to participate in the Horizon 2020 programme as an associated member. Negotiations between Georgia and the EU on the draft text of the agreement have been completed. After the completion of the internal intergovernmental procedures, the text of the Agreement has been adopted by the Decree №2677 of the Government of Georgia in December 2015.

With a view to ensuring equal access to the higher education, the social programmes were elaborated for the undergraduate and graduate students for 2015-2016 academic years. In the framework of the programmes, the Government has provided financing for students living in the areas of ecological migration, mountainous regions, occupied territories, ethnic minorities, children whose parents died in the war for the territorial integrity, descendants of those deported from Samtskhe-Javakheti, orphans, handicapped, students from large families as well as living in the villages close to occupied territories, children under state care and socially vulnerable students.

With a view to implementing the concept of continuity of education and lifelong learning, the draft law has been elaborated aiming at introducing a secondary education component into vocational education.

In 2015, the Ministry of Education and Science of Georgia hosted the monitoring mission assessing the terms of implementation of the policy matrix of the financial agreement on “Employment and Vocational Education and Training” signed by the GoG and the Delegation of the EU to Georgia within the EU initiative - *more for more*. The monitoring mission assessed the progress and elaborated the evaluation report. According to the report, obligations under the policy matrix have been considered as fulfilled.

In February 2015, in Brussels, the agreement on Georgia's membership to the Creative Europe Programme was signed.

Elaboration of the Georgian Cultural Strategy-Culture 2025 is in progress. The Roadmap for the Georgian Culture Strategy Process was introduced and the first draft of the Strategy was elaborated. In July 2015, first interagency meeting was organised, where participants were informed about the process of developing Cultural Strategy. The draft of the Georgian Cultural Strategy-Culture 2025 was elaborated and presented to the public in December 2015. In addition, the web-page of the Cultural Strategy – www.culturepolicy.ge was developed.

In 2015, the Twinning project “Support for institutional development of National Agency for Cultural Heritage Preservation of Georgia” was finalised. The Georgian side implemented the project in cooperation with the Ministry of Cultural Heritage and Activities and Tourism of the Republic of Italy and the Danish Agency for Culture. As the result of the project, the following important documents were elaborated: The draft law on “World Heritage”; Guideline for Management Plan; Table of content and instructions for the Cultural Heritage Code; Recommendations for improvement of the administration and management model in the sphere of the national cultural heritage.

With a view to effectively implement the National Youth Policy Action Plan, the draft Monitoring Framework Document for the implementation of the Action Plan was elaborated. Elaboration of the Youth Work Development Strategy was completed and the Youth Workers Competence Framework was introduced. The Youth Policy Electronic Portal (www.youth.gov.ge) was created with a view to ensure effective control and monitoring of the National Youth Policy Action Plan. The research papers and publications in field of youth policy will be uploaded on the Portal as well as the

information on the activities under the Youth Policy Action Plan. The Portal will be launched in 2016.

The first draft of the Anti-doping Policy Development Strategy 2016-2020 was elaborated implying relevant legislative amendments to the existed law and/or elaboration of a new draft law aiming at effective implementation of the UNESCO International Convention.

Based on the European experience and the obligations within the Association Agreement the contemporary model of the Sport State Management was introduced and is in the process of implementation. The council on recognition and financing of the sports organizations was established having developed and approved the criteria for the recognition of sports organizations.

5.11. *Regional Development*

To enhance the involvement of local stakeholders and consolidate the partnership between all the parties involved in regional development, a draft law of Georgia on “Regional Policy and Development Planning” was prepared.

5.12. *Civil Protection*

The National Plan on Civil Safety has been approved by the GOG in September 2015, serving as a major guideline document for the unified emergency management system and regulating functions of the administrative bodies in the field of civil safety. Aim of the National Plan on Civil Safety is to ensure emergency management, including its prevention, preparedness, and response and recovery phases, as well as coordination of the humanitarian activities and etc.

5.13. *Cooperation in the framework of “Eastern Partnership”*

Georgia is an active participant of the “Eastern Partnership” initiative. On 20-21 May 2015, high officials from Georgia took part in the “Eastern Partnership” summit in Riga.

Georgia already submitted its vision with regard to the review of the ENP and EaP to the European Commission outlining the principles of differentiation and more-for-more as the guiding principles in this process in order to adequately respond to the interests and ambitions of individual partners.

In 2015, pursuant to the multilateral framework of the “Eastern Partnership” officials from Georgia took part in 2 high level meetings, 8 thematic platforms, 16 panel meetings and 2 seminars/trainings.

On 26 November 2015, the 6th informal dialogue meeting of the “Eastern Partnership” was held in Tbilisi with the participation of the Ministers for Foreign Affairs and the Ministers for Healthcare and Social Protection from the EaP countries.

Georgia was actively involved in the “Harmonization of the Digital Markets in the Eastern Partnership” (HDM) project. The Project set the premise for the development of a new “Digital Market Harmonization” panel under the second platform of the “Eastern Partnership”.

6. Financial aid, and Anti-Fraud and Control Provisions

Financial aid, carried out through different European aid programmes and projects is one of the key instruments contributing to the successful implementation of the reforms initiated as part of Georgia's euro-integration aspirations. Success on the road to democratic transformation opens up new and wider European financial aid opportunities for Georgia.

Financing of the Single Support Framework Programme (SSF) for Georgia in 2014-2017 comprises 410 million Euros. On 13 January 2015, under the framework of the SSF, a financial agreement for 2014 Annual Action Plan EU financial aid programme worth 44.5 million euros on "Support for Small and Medium Business and Implementation of the DCFTA" programme was concluded.

On 14 May 2015, a financial agreement worth 50 million Euros for the "support for the Justice Sector" programme was signed. On 22 April 2015, a financial agreement worth 8 million euros was signed under the framework of 30 million euros apportioned for the EU "more for more" initiative with the goal to develop institutional strengthening projects. Moreover, on 14 May 2015 a financial agreement worth 10 million Euros on "Human Rights Defense" programme was signed.

For the purpose of better planning and implementation of the ongoing EU projects a special significance is attached to the capacity building projects. In 2015, under the framework of the TWINNING programme, 4 projects have been concluded and additional 4 projects are ongoing.

Pursuant to the framework of the Technical Assistance and Exchange of Information (TAIEX) programme 40 project proposals have been accepted for the review.

Pursuant to the SIGMA programme (Support for improvement in Governance and Management), 5 expert aid missions aiming to support state institutions involved in the implementation of EU association agreement have been carried out.

Consultations to assist the implementation of the provisions of the Title VII of the Association Agreement have started with the relevant line ministries concerning the

development of the monitoring system on the EU funded projects that will help establish control and audit systems for them.

In July 2015, with the participation of the EU experts, a Road Map was drafted, which comprises alternative designs on the development of the monitoring system for the EU funded projects.

In November 2015, a meeting with the representatives of the European Anti-Fraud Office (OLAF) in Brussels was organized, which aimed to support consultations with the Georgian side concerning the implementation of the provisions of the Title VII of the Association Agreement.

7. Institutional, General and Final Provisions

7.1. Institutional framework

In 2015, the EU-Georgia cooperation has been dynamically developing in various formats envisaged by the Association Agreement.

On 16 November 2015, the second EU-Georgia Association Council meeting took place. The Association Council has positively assessed the significant progress achieved in the cooperation between EU-Georgia after the first Council meeting and the implementation of reforms envisaged in the Association Agreement.

On 2 July and 17 November 2015, the EU-Georgia Association Committee meetings took place.

In 2015, the Association Sub-committee meetings were held in the field of judiciary, freedom and security; economic cooperation, transport, energy, environmental protection, climate and civil protection and health, employment, social policy and equal opportunities.

On 3-4 November 2015, the first EU-Georgia Parliamentary Association Committee meeting took place. During the meeting, the EU-Georgia relations and the implementation of the Association Agreement were discussed.

7.2. Civil Society Cooperation

The GoG actively cooperates with the representatives of civil society, involved in the process of planning and monitoring the implementation of the Association Agreement. Georgia is the first country among the signatory countries of the Association Agreement with the EU, which actively involved the non-governmental sector in this process.

On 13 November 2015, a Memorandum of Cooperation was signed between the GoG and the National Platform of Georgia of the Eastern Partnership Civil Society Forum.

In addition, the GoG was involved in the consultations for the timely establishment of the EU-Georgia Civil Society Platform foreseen by the Association Agreement.