



**Report of the 2016 National Action Plan firstly  
for the Implementation of the Association Agreement between  
Georgia, the European Union, and the European Atomic Energy  
Community and their Member States; and secondly, for the  
Association Agenda between Georgia and the European Union**

**(Executive Summary)**

**February, 2017**

## Table of Contents

1. General Overview	3
2. Political Dialogue and Reform, Cooperation in the Field of Foreign and Security Policy	5
3. Freedom, Security and Justice	16
4. Trade and Trade-Related Matters	20
5. Economic Cooperation	25
6. Other Fields of Cooperation	27
7. Financial Aid, Anti-Fraud and Control Provisions	35
8. Institutional, General and Final Provisions	35

## 1. General Overview

The executive summary represents the progress report of the 2016 National Action Plan, firstly for the Implementation of the Association Agreement between Georgia, the European Union, and the European Atomic Energy Community and their Member States; and secondly, the Association Agenda between Georgia and the European Union. This report covers the period from 1 January 2016 to 31 December 2016.<sup>1</sup>

**The 2016 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 №382 of the Government of Georgia (GoG) on 7 March, 2016.**

**On 1 July, 2016, the Association Agreement (AA) between Georgia and the European Union entered fully into force.** Accordingly, the articles in the following areas have been completely activated: foreign and security policy, personal data protection, cooperation in the fields of migration, asylum, and border control, cooperation in combatting organized crime and corruption, money laundering and financing terrorism, public finance management and financial control, transport, environmental protection, corporate law, accounting, audit and corporate management, education, healthcare, etc. **Moreover, since July 2016, two remaining Annexes of the Agreement on cooperation in areas of education, youth, and the audiovisual and media spheres have also entered into force.**

In 2016, **the Governmental Commission of Georgia on European Integration held two meetings** to ensure implementation of the EU-Georgia Association Agreement, the Association Agenda, and effective inter-agency coordination in the process of Georgia's European Integration.

In 2016, **more than 300 trainings and seminars for civil servants were conducted** to ensure effective implementation of the Association Agreement and the Association Agenda. Additionally, study visits between EU member states and candidate countries were organized to share experiences.

In 2016, **the Parliament of Georgia adopted 3 new laws and 8 legislative amendments to approximate Georgian legislation with the EU Acquis.** In Addition, 32 by-laws have been approved by the Georgian Government.

In 2016, Georgian as well as English versions of the **Guidelines for approximation of Georgian Legislation with the European Union Law** were expanded in cooperation with international experts.

**The reforms implemented** in Georgia as envisioned by the Association Agreement and the Association Agenda have been positively assessed by the EU at the **EU-Georgia Association**

---

<sup>1</sup> Some of the information provided below goes beyond pre-set reporting period.

**Committee meeting**, held in Brussels, on 16 June, 2016, as well as at the **EU-Georgia Association Council meeting**, held in Brussels, on 2 December, 2016.

Active consultations aimed at seeking support in the process of ongoing discussions on visa liberalization and timely completion of the legal procedures have been conducted with EU relevant institutions and EU member states at the Council of the European Union and the European Parliament.

With the financial support of the United Nations Development Programme (UNDP), an **electronic monitoring system for the implementation of the EU-Georgia Association Agreement is being developed** to improve planning and ensure effective monitoring of the implementation of the Association Agreement and the Association Agenda.

**The Government of Georgia actively cooperates with civil society representatives** involved in the process of planning and monitoring of the implementation of the Association Agreement and the Association Agenda National Action Plans.

Strategic communication with the focus groups and the overall population of Georgia was the one of the main components within the framework of the Information Campaign on the European Integration process and implementation of the Association Agreement.

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

### 2.1 Elections

On 10 June 2016, **the Parliament of Georgia adopted amendments to the Election Code of Georgia, which stipulates abolition of exceptionally created electoral districts.**

2016 Parliamentary Elections were monitored by the OSCE Office of the Democratic Institutions and Human Rights (ODIHR), OSCE Parliamentary Assembly (PA), Parliamentary Assembly of the Council of Europe (PACE), European Parliament, Parliamentary Assembly of GUAM, and other international organizations. According to the assessment of the international observers, elections were held in a transparent, free, and democratic environment, and overall basic human rights and freedoms of the citizens were protected (the final report of the ODIHR was published on 3 February, 2017).

### 2.2 Reform of the Judiciary

On 29 December 2016, the Parliament of Georgia adopted legislative amendments to the Organic Law on General Courts of Georgia, and to Law on Disciplinary Liability and Disciplinary Proceedings of Judges of General Courts of Georgia.

In February 2016, the Criminal Justice Reform Inter-Agency Coordination Council of the Ministry of Justice developed the **Action Plan of Judiciary 2016-2020**. The document outlines main principles and strategic directions of the justice reform. Herewith, in accordance with the decision of 23 May, 2016 of the High Council of Justice, the **Committee on Justice Strategy and Action Plan** was created to guarantee the involvement of the relevant stakeholders (Judges of various instance court, The State institutions that are involved in judicial process, Non-governmental and international organizations) in the process of the elaboration of the Justice Strategy and Action Plan.

Since 1 January 2016, **the decision of the High Council of Justice on “the standards on specialization of judges in juvenile justice” has entered into force.**

On 1 February 2016, **new Order №120 of the Minister of Justice on “juvenile diversion and mediation programme on minors, and the terms and conditions of an agreement to be concluded between the parties, fully in line with juvenile justice code, was published.**

On 3 November 2016, the new order of the Director of LEPL “Center for Crime Prevention” on “the approval of the rule of activities and working documentation of mediators involved in diversion and mediation programme”, also fully in line with juvenile justice code, was approved.

In 2016, the grant agreement between UNICEF and LEPL “Center for Crime Prevention” was signed, and as a result, 4 multi-team meetings/trainings as well as 1 training for non-specialized prosecutors were conducted in Tbilisi and other regions. The implementation of this project will be continued in 2017.

The joint Order №132/№95/№23 of 15 March 2016-by the Minister of Justice, the Minister of Internal Affairs, and The Minister of Corrections and Probation, approved juvenile detention individual planning and individual evaluation account preparation methodology, rules, and standards. Accordingly, individual evaluation reports of recommendatory nature on juvenile convicts are being prepared for the judges. In accordance with the juvenile justice code, home detention for the juvenile prisoners was implemented on 1 January 2016. The package of legislative amendments introducing home detention for condemned adults is in its final stage of elaboration.

Since 2016, mechanisms of risks assessment and individual sentence planning in the penitentiary system have been put into effect. This implies dividing convicts in accordance to the threats classification. A multidisciplinary team devised the threat risks for about 3723 convicts in the penitentiary system. The draft amendments to the Criminal Code were updated in order to liberalize the Criminal Code of Georgia, enhance judges’ discretion, and develop transparent norms of the criminal code which will be submitted to The Parliament of Georgia in the near future .

**Legislative amendments have been developed to further the aim of jury trial reform, which takes into account the** recommendations of the state institutions, international organizations, ombudsman, and non-governmental organizations. The Parliament of Georgia approved the aforementioned amendments in June 2016.

From 1 July 2017, the electronic system for automatic distribution of cases in Common Courts will be launched in Rustavi City Court. The electronic system will be launched fully from 31 December, 2017.

By the Decision of the Chief Prosecutor of Georgia, dated 11 January 2016, **Consultative Council was created within the Prosecution Service of Georgia. The Council collectively considers the application of incentivises, career advancement and disciplinary measures in relation to employees of the Prosecution Service.**

On 30 December 2016, the Chief Prosecutor of Georgia **adopted the Professional Development (Training) Standard for the Staff of Prosecution Service.** Furthermore, in accordance with obligations under the EU-Georgia Association Agreement and Association Agenda, the Office of the Chief Prosecutor of Georgia **has conducted trainings** for enhancing the capacity of the prosecutors and

investigators.

On 31 January 2017, the Chief Prosecutor of Georgia **adopted the Prosecution Service Strategy for 2017-2021. The Strategy aims at facilitating the development of the Prosecution Service as well as increasing its independence and effectiveness.** The activities provided in the Strategy include, inter alia, improving the disciplinary liability mechanism and professional ethics standard for prosecutors; creating the transparent recruitment and promotion system of prosecutors; improving the quality of prosecution and investigation; and capacity enhancement of the Prosecution Service employees.

**The Prosecution Service of Georgia developed the performance appraisal criteria for prosecutors and started the evaluation of prosecutors accordingly.**

### **2.3 Human Rights and Fundamental Freedoms**

Draft law “**on Independent Investigation Mechanism**” elaborated by non-government organizations has been presented to the Inter-Agency Coordination Council on the Fight against Torture, Inhuman, Cruel, and Humiliating Treatment or Punishment. Work is in progress to ensure consensus on the principles of independent and investigative mechanisms within the Council, in consideration of the recommendations of international experts and governmental institutions.

To harmonize national legislation with the European Council Convention on “Preventing and Combating Violence against Women and Domestic Violence” (Istanbul Convention), a package of legislative amendments has been elaborated, bringing **the introduction of the obligations of the Istanbul Convention into 25 legislative acts.** The legislative amendments have been prepared and discussed with public authorities, along with non-governmental and international organizations. Additionally, public discussions were held in different regions of Georgia. On 8 February 2017, the package of legislative amendments was submitted to the Parliament of Georgia for approval.

On 22 June 2016, the Parliament of Georgia adopted legislative amendments **that regulate the process of issuing identity documents for homeless children** and guaranteeing **their access to services.** On 10 August 2016, these amendments entered into force. Additionally, on 12 September 2016, the **Child Protection (Referral) Mechanism** was approved upon the Governmental Decree №437, which expanded the circle of authorities/persons involved in referral procedures and expounded in details the means of the presentation and response to the child abuse cases.

The protection of child’s rights has been one of the top priorities for the Office of the Public Defender (Ombudsman) of Georgia in 2016. 21 visits have been paid to various state institutions and penitentiary facilities, aiming at monitoring the human rights conditions of the minors. Moreover, small family-type children’s homes, public schools and boarding schools have been monitored as

well. It is worth mentioning that the special reports on monitoring of state subprogram of foster care and on the results of the monitoring of State Reintegration Service have been published. In the frames of the educational campaigns, meetings with school children have been held on the topic of the child's right to education.

On 26th October 2016, the Minister of Corrections of Georgia issued Order No. 131 approving a set of guidelines for registering the injuries received as a result of possible cases of torture and other cruel, inhuman or degrading treatment of pre-trial/convicted inmates at the penitentiary establishments. For the purposes of effective implementation of the afore-mentioned guidelines, the medical staff of the Ministry of Corrections underwent relevant training at the Penitentiary and Probation Training Center of the MoC. The Ministerial Order came into effect as of 1 April 2017.

In 2016 the National Preventive Mechanism conducted 115 both planned and unplanned visits to temporary detention centers and other penitentiary facilities in order to monitor the situation regarding the protection of human rights and freedoms in the mentioned places. Several special reports have been published based on the information acquired from the monitoring visits, amongst them is the Report on the Monitoring of the Mental health Institutions; also the Report on the Human Rights' Situation at the facilities subordinated to Ministry of Internal Affairs and the report on the Legal Situation of persons with disabilities in the state care institutions. It should be noted that from September 1st 2016 the Public Defender of Georgia and special preventive group members are allowed to take photos in penitentiary facilities. This is definitely a step forward towards the prevention of torture and inhuman treatment of inmates.

## **2.4 Public Administration Reform and Fight against Corruption**

Based on the transitional provisions of the New Law of Georgia on Public Service, the Civil Service Bureau of Georgia (CSB) outlined secondary legislation and sent some of the drafts to the Government of Georgia for further consideration.

For the successful implementation of Public Administration Reform, CSB is conducting an **institutional and functional audit of public institutions**. As a result, the draft document on **institutional set-up principles** was elaborated during 2016. In line with this document, 10 ministries have been analysed and draft reports elaborated.

CSB improved public service corruption prevention and risk identification mechanisms by implementing the asset declarations monitoring system in public service. In particular, CSB elaborated draft instructions of the asset declarations monitoring system which has been sent to the Government of Georgia for further consideration. At the same time, CSB completed working on



the electronic program of the asset declarations monitoring system.

At the same time, CSB is responsible for the awareness raising activities on ethics and code of conduct in public service as well as whistleblower protection mechanisms. For this purpose, CSB conducted trainings for the representatives of central and local self-governed institutions. Overall 844 public servants were trained.

Also, CSB conducted trainings for the representatives of local self-governed institutions and the administration of the state representative – governor’s offices for implementing a human resources management system by introducing job descriptions and fear performance evaluation forms. Overall 300 public servants were trained. CSB also conducted ToT for the representatives of the human resources management units of the line ministries according to the previously developed performance evaluation methodology.

**In 2016, the Anti-corruption Strategy and Anti- corruption Action Plan for 2015-2016 was renewed. New priority- “corruption prevention in municipalities” has been added to the Strategy and Action Plan.**

**In 2016, the Group of States against Corruption (GRECO) started the fourth round of evaluation of Georgia.** Corruption prevention in respect to members of parliament, judges and prosecutors has been evaluated in the report. **In 2016, the fourth monitoring round of Georgia was launched by the Anti-Corruption Network of the Organization for Economic Cooperation and Development (OECD-ACN).**

The majority of recommendations provided in the reports of GRECO and OECD-ACN will be reflected in the new Anti-Corruption Strategy and 2017-2018 Action Plan.

In addition, the first half of 2016 was dedicated to developing the 2016-2017 Open Government Georgia’s National Action Plan. This plan was adopted by the governmental Decree №539 and consists of 24 commitments serving to improve public services, increase public integrity, effectively manage public resources, create safer communities, and increase corporate accountability.

In June 2016, the updated version of the Special Education Program on Retraining of the Employees of the Anti-Corruption Agency of SSSG was adopted. Within the frame of the program, up to 70 employees of the Agency were retrained in 2016.

On 25 May 2016, the Cooperation Agreement between the State Security Service of Georgia and the Special Investigation Service of the Republic of Lithuania was signed, and entered into force on 8 July, 2016. The Agreement, along with other topics, covers the issues of cooperation in the fields of corruption prevention and the fight against corruption.

## 2.5 Foreign and Security Policy Cooperation

In 2016, Georgia joined 223 EU declarations made at different international organizations, but chose not to join 38 declarations made by the EU.

In 2016 Georgia continued constructive participation in the Geneva International Discussions. Four rounds were held throughout the year. During the negotiations, Georgia raised the issues of the full implementation of the 12 August 2008 Ceasefire Agreement, the non-use of force commitment by the Russian Federation, the establishment of international security arrangements, and the return of internally displaced persons. Particular emphasis was made on the process of possible annexation of Abkhazia and Tskhinvali regions and the severe security and humanitarian situation in the occupied territories; namely, on the ongoing military build-up, installation of barbed wire fences and other artificial barriers along the occupation line, restriction of freedom of movement, and ethnic discrimination and prohibition of education in native language. The issue of murder in the village of Khurcha on 19 May 2016 was given special attention. The Georgian representatives provided all materials related to the case within the IPRM and demanded immediate detention of the perpetrator.

On 27 May 2016, as a result of significant efforts made by Georgia and the Co-Chairs of the GID, the IPRM in Gali was restored after a four-year break and is held on regular basis. The human rights violations on the occupied territories, including illegal detentions, restriction of freedom of movement, property rights and other issues were regularly raised by the participants from Georgia in the frames of Gali and Ergneti IPRMs. In 2016, 11 Ergneti and 6 Gali IPRM meetings were held.

In 2016, Georgia continued intensive work aimed at consolidation of international efforts to ensure the access of the EU Monitoring Mission to the occupied regions. The EU and its member states provided consultations on further strengthening and growing efficiency of the work of the Mission. In December 2016, the European Union made a decision on extension of the EUMM mandate until the end of 2018.

During 2016, the Georgian Government continued informing the international community about the ongoing illegal processes in the occupied regions, along with violations of the 12 August 2008 Ceasefire Agreement by the Russian Federation. The Georgian side raised the issues of the factual annexation and grave security and human rights situations on the occupied territories within all international formats. The urgent need for the establishment of international monitoring missions and international human rights enforcement mechanisms on the ground was continuously emphasized.

On 7 June 2016, the 70<sup>th</sup> Session of UN General Assembly adopted a resolution on the “**status of internally displaced persons and refugees from Abkhazia, Georgia, and the Tskhinvali region/South Ossetia, Georgia**” by a vote of 76 in favor to 15 against, with 64 abstentions.

On 29 June 2016, at the 32<sup>nd</sup> Session of the HRC, a Joint Statement initiated by Georgia was made on the human rights and humanitarian situation in Georgia's regions of Abkhazia and the Tskhinvali Region, on behalf of 42 Member States. The joint statement on the same issue was also made on 29 September 2016, at the 33<sup>rd</sup> Session of the HRC, on behalf of 46 Member States.

On 6 December 2016, the Ukrainian delegation raised the issue of Georgia during the closed consultations of the UN Security Council, condemned the signature of the agreement between the Russian Federation and Sokhumi occupation regime on the creation of “joint group of military forces” and assessed the actions of the Russian Federation as a step towards the annexation of the occupied territories of Georgia. Other partner countries also made supportive statements and reaffirmed their commitment to Georgia's sovereignty and territorial integrity. None of the 15 members of the UN Security Council, except the Russian Federation, expressed opposite positions.

On 27 April and 16 November 2016, at their 1254<sup>th</sup> and 1271<sup>st</sup> meetings, the Committee of Ministers and Deputies of the Council of Europe discussed the 13<sup>th</sup> and 14<sup>th</sup> Consolidated Reports on the Conflict in Georgia, which were prepared by the Secretary General of the Council of Europe, Mr. Thorbjørn Jagland. On 4 May, 2016, at the 1255<sup>th</sup> meeting of the Committee of Ministers' Deputies of the Council of Europe, the Committee adopted a decision on the agenda item “**Council of Europe and the Conflict in Georgia**” with absolute majority. The Decision emphasizes the responsibility of the Russian Federation to ensure the protection of human rights there; in particular, to create conditions allowing for the safe and dignified return of IDPs and refugees, including the protection of their right to property. According to the decision, the Russian Federation is responsible for exercising effective control over Georgia's occupied territories in order to guarantee the protection of human rights, ensure the right to education in the Georgian language, and support the right to freedom of movement across the administrative boundary lines.

On 10 March 2016, in the frame of the Government of Georgia's policy of reconciliation and confidence building and as a result of effective communication, Georgian and Ossetian prisoners were released at Enguri Bridge. Specifically, 14 citizens of Georgia held in illegal custody and 4 Ossetians convicted under Georgian legislation were released from detention.

In 2016, Enguri bridge was rehabilitated through the efforts of the Government of Georgia and with the engagement of international organizations (UNHCR, UNDP). After eight years of suspension, a

bus began operation on the bridge.

On 2 December 2016, a meeting of the EU-Georgia Association Council was held in Brussels, one of the main issues of which was the peaceful conflict settlement in Georgia. The Council discussed the existing dire security and humanitarian situation in the occupied territories of Georgia and the possibilities for the effective use of current instruments for peaceful conflict settlement in Georgia.

On 13 September 2016, at the 33<sup>rd</sup> session of the Human Rights Council, the UN High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, referred to the situation in Georgia's regions of Abkhazia and the Tskhinvali region/South Ossetia and expressed deep concern over the repeated refusals to permit access for OHCHR (Office of the High Commissioner for Human Rights) staff to both regions by those in effective control. He highlighted the necessity of unhindered access of international human rights mechanisms to Georgia's regions of Abkhazia and the Tskhinvali region/South Ossetia.

On July 1-5, 2016, 25<sup>th</sup> Annual Meeting of the OSCE Parliamentary Assembly was held in Tbilisi. Within the framework of the Meeting, together with other thematic documents, the resolution "On the Conflict in Georgia" was adopted. The necessity for strengthening efforts for the peaceful resolution of the Russia-Georgia conflict and the importance of the Geneva International Discussions are highlighted in PA's Resolution. Resolution also speaks about the dire human rights and humanitarian situation in the occupied regions of Georgia. According to the Resolution, the OSCE Parliamentary Assembly calls upon the Russian Federation to fulfill international commitments reverse the recognition of the independence of the Abkhazia and Tskhinvali regions, stop the occupation of the Georgian territories, and ensure the safe and dignified return of the IDPs and Refugees to the places of their residence. Apart from this, the Resolution calls upon the Russian Federation to reciprocate Georgia's unilateral non-use of force pledge and allow international human rights monitoring mechanisms into the occupied regions.

On September 19-30, 2016, the OSCE Human Dimension Implementation Meeting was held in Warsaw, Poland. The representatives of the Georgian Delegation made statements during the thematic sessions, *inter alia*, on the issue of IDPs and Refugees, and on the human rights and humanitarian situation in the occupied territories of Georgia.

On December 8-9, 2016 within the 23<sup>rd</sup> Meeting of the OSCE Ministerial Council for the first time since the Russian-Georgian war in August 2008, a special Group of Friends of Georgia (Canada, Lithuania, Poland, Romania, Sweden, the United Kingdom and the United States of America) made a statement on the conflict in Georgia, which will form part of the package of the OSCE Ministerial Council Meeting. The Group of Friends of Georgia reaffirms full support for Georgia's sovereignty and territorial integrity within its internationally recognized borders. The statement highlights

the difficult humanitarian situation in the occupied territories, especially discrimination of ethnic Georgians. The Group of Friends of Georgia supports the Geneva International Discussions as an important format to address the consequences of the August 2008 war, and underline the need for progress on the core issues of the discussions, including the non-use of force, establishing international security arrangements in the Georgian regions of Abkhazia and South Ossetia aimed at providing security and stability on the ground, and ensuring the safe and dignified return of IDPs and refugees. The Group of Friends of Georgia calls upon the Russian Federation to reverse its recognition of Georgia's regions as independent states and fulfill its obligations, including the 12 August 2008 ceasefire agreement, and withdraw its troops from the occupied territories.

From 31 March to 1 April 2016, Georgia participated in a Nuclear Security Summit, Washington DC. In parallel, Georgia **received an award “Atoms for Peace”** for the contribution to nuclear security sphere at the Nuclear Industry Summit. Namely, with the repatriation of the highly enriched uranium, Georgia has implemented the obligation set out by communiqué of 2014 Nuclear Security Summit, which implies the reduction of the stockpiles for the highly enriched uranium. As a result Georgia has attained the status of a nuclear (material) free zone/country.

In 7-9 September, 2016 in Tokyo, Japan the Georgian high-level delegation participated in the 2<sup>nd</sup> Global Partnership Working Group Meeting of the **G-7 Global Partnership Against the Spread of Weapons and Materials of Mass Destruction**. This was the first time that Georgia was represented in a G-7 Global Partnership event since it became a member of the partnership on 24 March, 2016.

From 30 May to 2 June 2016, the **CBRN Applied Science and Consequences Management World Congress – CSCM 2016** was held in **Tbilisi**. 30 high-level officials from different countries and international organizations, CBRN experts and scientists participated in the congress.

On 9-10 June 2016, **Georgian-American bilateral dialogue on countering the smuggling of nuclear and radioactive materials** was held. Participants discussed key achievements of the Government of Georgia in the field of nuclear and radioactive security. The U.S representatives positively assessed the measures taken by Georgia for nuclear and radioactive security.

On 5-6 of October 2016, the **Second International Forum for Regional Stability - Nuclear and Radioactive Challenges in the Black Sea Region: Causes, Consequences and Countermeasures** was held in Tbilisi with the participation of high level government officials, representatives of international organizations, and experts of different countries. The event was held with the organizations of the SSSG, MFA, and other relevant agencies of Georgia, and the non-governmental organization – Civil Council for Defense and Security, and with the support of the US Department of State, the Swedish Radiation Safety Agency, and the UK Department of Energy and Climate.

Since 5 January, 2016, on the basis of the 28 May, 2015 Resolution №3608-II of the Parliament of Georgia, one officer of the Georgia's Armed Forces serves in **European Union Training Mission in Mali (EUTM MALI)**, on a six months rotation rule. The third rotation was conducted in November, 2016.

On the basis of 28 May, 2015, Resolution №3608-II of the Parliament of Georgia, the Immediate Reaction Team (IRT, 5 PAX) of Georgian Armed Forces successfully accomplished its tasks in the **European Union Military Advisory Mission in the Republic of Central Africa (EUMAM RCA)** from October 2015 to July 2016. Rotation was conducted in April, 2016.

Since the beginning of February 2017, on the basis of 22 June, 2016, Resolution №5482-II of the Parliament of Georgia, a platoon size unit (35 soldiers) has been deployed to **European Union Training Mission in the Republic of Central Africa (EUTM RCA)**. Participation in the mission will be conducted until the end of the mission mandate (September, 2018).

The EU approved a short term high quality study project: The Consolidation of Inter-Institutional Cooperation and Communication Mechanism on CSDP-related Matters. Case Studies: Georgia and Republic of Moldova.

In October 2016, **Georgia renewed its existing work plan in the area of CSDP.**

On 23 June 2016, "Agreement between Georgia and the European Union on Security Procedures for Exchanging and Protecting Classified Information" was signed. The parties concluded internal legal procedures and the Agreement entered into force on the 1<sup>st</sup> of February, 2017,

**The State Security Service of Georgia has become a member of the Council of Europe Committee of Experts on Terrorism (CODEXTER)** and actively participates in the event held within the framework of the Committee, including the process of elaborating CoE documents in the field of counter-terrorism.

The State Security Service of Georgia is actively involved in the counter-terrorism activities planned within the framework of OSCE.

CoE/EU Eastern Partnership Programmatic Cooperation Framework (PCF) Project "Combating money laundering and financing of terrorism in Georgia" has been implemented in Georgia since 2015. The aim of the project is to assist the Government of Georgia in strengthening capacities to prevent and suppress money laundering and terrorist financing. The SSSG is actively involved in the implementation of the project.

In 2016, Financial Monitoring Service of Georgia signed bilateral agreements on cooperation and information exchange with the financial monitoring services of Montenegro and Monaco.

In August, 2016, **the Cooperation Agreement between the State Security Service of Georgia and The State Security Committee of the Republic of Belarus** was signed. The cooperation agreement aims at developing close cooperation between the parties in an effort to combat terrorism, corruption, and other international as well as transnational organized crimes committed against state security.

On 2 August, 2016 **the Memorandum of Cooperation between the State Security Service of Georgia and the State Security Service of the Republic of Azerbaijan** was signed. The stated memorandum aims at deepening cooperation between the parties in the field of counter-terrorism, weapons of mass destruction and other issues, including countering transnational and international crimes.

In August 2016, **US-Georgia bilateral exercise – “Jackal Stone 2016”** was held with the support of the United States. The bilateral exercise involved approximately 700 military, civilian and government personnel from Georgia and the USA. The aim of the exercise was to strengthen USA-Georgia bilateral cooperation and improve capabilities of the relevant agencies of Georgia in the field of the fight against terrorism.

In 2016, Georgia participated at the Eastern Partnership Foreign Affairs ministerial, as well as at the first formal ministerial concerning the Environment and Climate Change. Georgian representatives attended two high level official meetings, as well as seven meetings on thematic platforms, and more than 15 panel meetings and seminars on the framework of the Eastern Partnership. Moreover, the Eastern Partnership conference on Culture and Creativity for Innovation and Developments was held in Tbilisi.

### 3. Freedom, Security and Justice

The agreements between Georgia and the EU on the **Readmission of Persons Residing without Authorization** and **Visa Facilitation** are being successfully implemented.

In 2016, 1628 personal requests for readmission were examined, out of which 1600 were successfully completed and 28 rejected (1.7%). In 2016, 73 persons without legal basis to stay in Georgia left the country in accordance with expatriation decisions.

The procedures for **signing the Implementing Protocols of the agreement between Georgia and the EU on Readmission of Persons Residing without Authorization** have been initiated with the Republics of Finland, Ireland, Latvia, Romania and Slovenia. On 4 April 2016, the **Implementing Protocol** of the agreement between Georgia and the EU on Readmission of Persons Residing without Authorization was **signed between Georgia and the Federal Republic of Germany, entering into force on 8 July**. On 18 June 2016, the **Agreement on Readmission between the Governments of Georgia and Republic of Belarus and the implementation protocol on the Rules of Implementation of the Agreement entered into force**. On 1 August 2016, the **Agreement on Readmission of Persons Residing without Authorization between the Governments of Georgia and the Kingdom of Denmark** entered into the force.

The process of the effective implementation of the “Agreement between Georgia and the European Union on Readmission of Persons Residing without Authorization” is continued through encouraging the relevant authorities of the European Union Member States to join the “Readmission Case Management Electronic System”.

During the reporting period, 3 European Union member countries have joined the Readmission Case Management Electronic System (Czech Republic, Finland, Slovenia).

The process to include other European Union Member states to the program is currently ongoing with the following countries: Republic of Estonia, Republic of Cyprus, Portugal, Kingdom of Sweden, United Kingdom of Great Britain and Northern Ireland and Kingdom of Denmark.

Significant **improvements of asylum-related legislation** have been achieved. A new Law of Georgia “On International Protection” was adopted by the Parliament of Georgia on 1 December 2016. The Law entered into force on 1 February 2017. Similarly, **institutional changes have been implemented to improve the rights of asylum-seekers and refugees or humanitarian status holders**. Asylum-seekers and persons under international protection benefit from free social assistance and free legal aid regarding their status determination, as well as access to health services and education. **The**



**electronic base for asylum-seekers, refugees and humanitarian status holders**, containing information on country of origin, is fully functioning.

In 2016, 463 returnees benefitted from the services provided by the State program “**Reintegration Assistance to returned Georgian Migrants**” and the Mobility Centers facilitated by the International Organization for Migration.

On 13 February 2016, **The Agreement on Visa Free Travel for Diplomatic and Service/Official Passports Holders** with the Republic of Serbia entered into force. On 23 May 2016, **The Agreements on Visa Free Travel for Diplomatic and Service/Official Passport Holders with the Government of Kuwait** entered into force.

**Various state agencies adopted and approved internal regulations on Personal Data Protection.** The capacities of the Office of Personal Data Protection Inspector have been significantly enhanced both in terms of human resources and finances.

In 2016, the Office of Personal Data Protection Inspector examined 216 citizens’ complaints. The Office conducted 87 inspections, revealing 195 violations. 3840 consultations were provided to public and private institutions. Recommendations on the protection of health data as well as Recommendations on the Protection of Personal Data at Schools were developed. Awareness raising activities were also conducted to increase the knowledge on personal data protection.

On 1 February 2016, the **Agreement between the Government of Georgia and the Republic of Belarus on Cooperation in the Fight against Crime** entered into force. On 3 February 2016, a similar **Agreement on Cooperation in the Fight against Crime between the Government of Georgia and the Slovak Republic** entered into force. In 2016, the **Memorandums of Understanding** were signed between Ministry of Internal Affairs of Georgia and the Ministry of Interior, Sports, and Infrastructure of **Rheinland-Pfalz**, and between the Ministry of Internal Affairs of Georgia and the Ministry of the Interior, Digitisation and Migration of the **Federal State of Baden-Württemberg**.

In 2016, **Joint Declarations of Intent** were signed between the Ministry of Internal Affairs of Georgia and the Ministry of the Interior of the **Federal State of Saxony**, and between the Ministry of Internal Affairs of Georgia and the Ministry of the Interior and Sports of the **Federal State of Hessen**.

In 2016, the **Agreement on Cooperation in the Fight against Crime** between the Ministry of Internal Affairs of Georgia and the Ministry of Internal Affairs of the Kyrgyz Republic was signed and entered into the force. The **Declaration on Strengthening Cooperation** between the Ministry of Internal Affairs of Georgia and **the Police of the Republic of Armenia** was also signed and entered into the

force.

In 2016, Georgia deployed Police Attaches in **Italy, Sweden and the Republic of Austria**. Currently, the Ministry of Internal Affairs of Georgia has deployed **13 Police Attaches** (Hellenic Republic, Republic of Poland, French Republic, Republic of Turkey, Republic of Belarus, Republic of Azerbaijan, Republic of Armenia, Federal Republic of Germany, Kingdom of Spain, and Ukraine).

Since January 2016, investigative operations are being conducted to proactively expose trafficking cases. The representatives of investigative bodies intensively use the standard operations and guideline principles on exposing human trafficking.

In June 2016, the **Council of Europe's Group of Experts on Action against Trafficking in Human Beings (GRETA)** published a report, which positively assessed measures taken by Georgia in fighting against human trafficking.

According to the **US State Department's 2016 Trafficking in Persons Report**, Georgia holds a leading position **among the EU and Western States** in the so-called “**Tier 1**” of the U.S rating chart. This implies that the counter-trafficking policy implemented by the Government of Georgia meets the standards of the Strategy on Combating Transnational Organized Crime and is in line with the international requirements.

**On 15 December 2016, the Inter-Agency Council on Combating Human Trafficking approved 2017-2018 Action Plan**, which is based on four main pillars: crime prevention, protection of victims, prosecution and partnership.

**The Inter-Agency Council on the Fight against Drug Abuse completed working on the implementation report of the 2014-2015 Action Plan on the Fight against Drug Abuse**, and on 20 December 2015, approved **2016-2018 Action Plan on the Fight against Drug Abuse** at the Council meeting.

On 14 December 2016, the European Parliament approved the draft **Agreement on Operational and Strategic Cooperation between Georgia and Europol**. In January 2017, the Council of the European Union and the Council of Ministers adopted relevant decisions. The agreement is to be signed within the near future. The 2016-2020 Migration Strategy (MS) is being successfully implemented by the means of **the Innovative Electronic System on Monitoring and Reporting** of the MS Action Plan prepared by the Public Service Development Agency. The **Performance indicators for the evaluation of Migration Strategy** has been approved, based on which, the strategy implementation will be evaluated. **The Manual on Migration Strategy Development** that will serve as a useful tool for the

team, which will develop the next Migration Strategy, has been prepared by the Secretariat of the State Commission on Migration Issues.

The Public Service Development Agency has installed **necessary software and technical infrastructure for the Unified Migration Analytical System (UMAS)**. **The UMAS team** has been completed thanks to the cooperation of partner international organizations (IOM and ICMPD) and the support of the European Union. The various trainings and working group meetings were conducted in order to facilitate the introduction of the system in a timely manner. On 8 November 2016, the analytical system test mode was presented.

#### 4. Trade and Trade-Related Matters

**DCFTA Advisory Group**, established with the purpose to ensure more public involvement in the DCFTA implementation process, held three sessions in 2016. Discussed were planned and implemented activities by the DCFTA Action Plan.

In 2016, thematic meetings were actively held with representatives of business, NGOs, local government, academics and other stakeholders on DCFTA related issues in Tbilisi and in the regions of Georgia. Among them, worthy to mention, Round Table in Tsinandali, which was organised with the support of the project – Facility for the Implementation of AA in Georgia, with the participation of private sector, on topic of implementation of DCFTA obligations. Main focus was the SME support issues.

In 2016, DCFTA implementation coordination **inter-agency sub commission** held 2 sessions. Discussed were the progress on the Implementation of the reforms and activities as foreseen by the **2016 DCFTA Action Plan and main aspects of the 2017 DCFTA Action Plan**.

The MoESD, with GiZ assistance, created and ran the demo version of the **DCFTA website** [www.dcfta.gov.ge](http://www.dcfta.gov.ge), where all DCFTA-related information, including international support for the business sector, current opportunities, coordination for AA implementation and other issues are uploaded. The portal will also provide information about the approximated legislation within the DCFTA frames. Special function has been integrated into the web-site which allows making comments on draft laws or normative acts developed within DCFTA frames.

According to December 2016 data, LEPL Enterprise Georgia, as part of **the State Program "Produce in Georgia"**, participated in co-funding of additional **70 enterprises**. Consequently, **2,364 new jobs** were created. The total value of 70 new projects is **GEL 72.4 million** and the total investment is **GEL 129.6 million**.

Since January 2016, **the European Entrepreneurship Network (EEN)** web-site [www.een-georgia.ge](http://www.een-georgia.ge) and the Facebook page for "Enterprise Europe Network Georgia" began functioning. After the launch of the web-site over **85 Georgian companies** received information about potential business partners and their offers. According to 2016 data, registration of one Georgian company was finalized on the EEN web-site and several companies are through the registration process.

Throughout 2016, the Agency actively implemented awareness rising DCFTA-related activities to the representatives of beneficiary producers and export oriented companies. More than **220 beneficiaries** were consulted on the DCFTA requirements/obligations and planned activities, as well as, export opportunities to the EU.

Since January 2016, the web-page [www.tradewithgeorgia.com](http://www.tradewithgeorgia.com) has been fully operational. As of now, more than **200 Georgian companies** have registered their products and services for export.

In parallel to the web portal, activities are carried out to promote the Georgian exporter companies' participation at the international trade fairs for popularization of Georgian products as well as establishment of new business ties to diversify the market.

In GEOSTM, the first phase of the EU Comprehensive Institutional Building (CIB) Program was finished, under which the building of the Agency, laboratories facilities and supporting engineering infrastructure was renovated. According to 2016 data, within the second phase of the project, equipment for the following laboratories have been received: radiation metrology; small capacities; power; pressure; acoustic measurements; temperature; electricity; humidity; radio-physical measurements; time and frequency; geometric measurements; optics, mass, so called portable laboratory, a specially equipped truck which allows calibrating large capacity scales at the location of large weighing equipment and scales in the laboratory. Moreover, to provide co-funding of the CIB project by the Agency, equipment and etalon units/laboratories have been purchased. The equipping process will continue in 2017.

In 2016, **more than 2,190 international and European standards** were adopted, including **656 international (ISO, IEC) and 150 European (EN) standards**. As of 2016, up to **10,000 international and European standards** have been recognized as Georgian standards.

In accordance with the recommendations of the EU Technical assistance Project experts and the Strategy for **Industrial Product Supervision** approved by the Georgian Government, a project of amendments to the product safety and free movement code was prepared. It aims to develop a market surveillance system of European standards for the industrial products in Georgia.

**Under Governmental Decree N 641 of 30.12.2016, the multiyear Market Surveillance action plan for industrial and consumer product markets** was developed. The plan covers most important activities to be carried out in the area of market surveillance on the industrial and consumer market.

In compliance with EA (European cooperation for accreditation) GAC requirements in Accreditation fields, fully established on the following international standards (ISO/IEC 17025, ISO/IEC 170250, ISO/IEC 17065, ISO/IEC 17021, ISO/IEC 15189, ISO/IEC 17024, ISO/IEC17043).

In November 2016, EA evaluators positively assessed the work of Georgian Accreditation Center and in 2017, it is planned to conclude bilateral recognition of **conformity assessment documents** (certificates and laboratory testing protocols) issued by the organizations accredited in Georgia. This step will reduce technical barriers for Georgian products on international market and will contribute

to increase of competitiveness of Georgian originating products.

In order to approximate **sanitary and phytosanitary measures** to European standards, some issues in the Georgian legislation were reviewed and complied with 25 European legal acts.

Georgian National Food Agency and USAID project "Restoring Efficiency of Agriculture reduction (REAP)" signed a Memorandum of Cooperation. The aim of the Memorandum is to provide joint consultancy about slaughterhouses and establish food safety management system and standards. This will contribute to the establishment of European standards and will significantly improve their potential on the safety side.

On November 28, 2016, EC made an amendment to the 2011/163 Decision and **Georgia was added to the list of third countries from where honey can be exported to the EU**. Currently there is ongoing work after completion of which Black Sea fish (anchovy) can be imported in the EU.

With CIB Program support, sanitary, phytosanitary and veterinary control equipment have been purchased for Kartsakhi, Adlia and Poti border inspection points. European experts had a tour around Red Bridge customs port of entry and the surrounding territory to identify the infrastructure needs. Construction began in accordance with the construction project processed by the Georgian Revenue Service (RS).

**Draft Customs Code** was prepared and shared with the EU Commission, the draft was modified based on the provided comments. In the near future the draft will be shared with the relevant governmental bodies for comments, after that it will be sent to parliament.

The work is underway for **accession of Conventions - Common Transit Procedures (CTC) and Single Administrative Document (SAD)**. The working group created for this purpose developed a relevant roadmap and the amendments to the Georgian legislation are being elaborated. RS, together with a working group from USAID project G4G works on the draft Law on Authorized Economic Operators (AEOs). The first draft of amendments has already been finished. There is ongoing work on availability of advance information about flight passengers/establishing a system of personal data exchange. Under the auspices of the World Customs Organization (WCO), a seminar was conducted for the representatives of state agencies and airlines represented at the border. Revenue Service (RS) work group has developed a draft amendment project.

As of September 28, 2016, a regular session of the committee of **Regional Convention on pan-Euro Mediterranean Preferential Rules of Origin (PEM Convention)** was held in Brussels. At the session, Convention member states (48 countries) made a unanimous decision that will allow **Georgia to become a Convention member state**. Simultaneously, necessary procedures for accession to the

Convention are underway.

As of November 14, 2016, by the **Government of Georgia's Decree N507 of November 14, 2016, the institute of an approved exporter was established and respectively**, the institute envisaged under the first protocol of the AA became effective. Persons with the status of an approved exporter will be entitled to use not only **the EUR1 certificate of origin issued** by the RS to prove the origin of products but also the declaration of origin completed by the exporter himself.

With regard to protection of **intellectual property rights on the border**, for development of the law regulating the customs enforcement procedures of IPR, the interagency work group was created in RS which revealed the major differences. The group prepared a draft law which is currently under interagency review.

A package of legislative changes was developed to the intellectual property legislation to fulfill the commitments taken under the AA. After the final discussions the package will be sent to the Parliament.

LEPL - National Intellectual Property Center of Georgia – Sakpatenti actively continues awareness raising seminars and workshops. Sakpatenti actively organizes trainings for judges and lawyers in the field of intellectual property.

On October 27-28, 2016, **the Conference “Branding Strategies”** was held, organized by the World Intellectual Property Organization (WIPO). The conference aimed at introducing to Georgian producers and farmers the advantages of products protected by geographical indications on the market in Georgia as well as worldwide.

By the Decree №536 of the Government of Georgia, dated by March 31, 2016 **“Roadmap re implantation of obligations undertaken in compliance with the Association Agreement between EU and Georgia, (DCFTA) regarding amendments in scope with public procurement”** was approved.

**In 2016 State Procurement Agency (SPA) prepared amendments for the draft Law on State Procurements.** The main purpose of adopting these changes is approximation to the basic standards regulating the award of contracts about public procurement defined in the article 144 of the AA. Prepared amendments were sent to the Parliament by the Government initiative rule, for the review.

Within the framework of an EBRD grant program, the modification-development of the Georgian Law on Post is ongoing. With the help of EBRD the contract with consulting company was signed. **Postal sector Policy Document was prepared.**

**EU Directive 2000/31/EC "On Electronic Commerce and Legislative Base of Member States"** was

studied and processed, on the basis of which USAID project G4G facilitated development of the Georgian draft Law on e-commerce. The comments from various state agencies were processed and draft law was modified, in September the draft law was presented to the private and public sector and detailed discussions were held. The English version of the draft law was prepared and was sent to the experts of EU Commission and WB.

**The final draft of the new Forest Code was elaborated.** 14 meetings were held in all regions of Georgia for discussing the draft Forest Code, representatives of local municipalities, NGOs and population were presented. the by-laws were drafted on Regulation of forest use, forest maintenance and reforestation, inventory, planning and monitoring in accordance with the New Forest Code. Documents for "National Criteria and Indicators for Sustainable Development of Forests", The document about "risk assessment standards for controlled timber resources" and "Analysis of economic potential of utilization, production and realization of timber, fuel wood and non-timber forest products" were prepared. Test version of forest monitoring system was elaborated. In order to identify compliance of selected plant species with the criteria for amendment of CITES appendixes, the assessment of the species have been carried out and the assessment report was prepared. Joint EU-Georgia proposal on listing of Caucasian Tur in appendix II of the convention was submitted for the 17th meeting of the Conference of the Parties to CITES (CoP17). The proposal was accepted by consensus.

In order to fulfill conditions of **Paris Agreement** elaboration of action plan "**Climate 2021-2030**" was started. Climate change mitigation measures in the energy, industry, agriculture and waste sectors have been planned.

**Distribution Network Rules were adopted in electricity sector.**

Uniform System of Accounting for Electricity Sector was adopted in electricity sector.

Commercial Quality Rules of Service were adopted, that aims to improve commercial quality of service provided by Utility to the Customer in electricity, natural gas and water supply sectors. Electricity Power Market Simulation II was carried out in the framework of USAID "Governing for Growth" project; the results of the simulations were analyzed and therefor the challenges were identified for the purpose of moving to hourly – liberal market.

**Natural gas transport infrastructure development 10 year plan (2016-2025) and its revised edition (2017-2026) have been elaborated.**

Coordination group for the Emergency situations was created.



## 5. Economic Cooperation

The Real Gross Domestic Product (GDP) growth rate stood at 2.2% in 2016<sup>2</sup>, and the estimated real growth of the gross domestic product amounted to 5.2 % in January, 2017. <sup>3</sup> In January 2017 the monthly inflation rate amounted to 2.9 percent in Georgia. Compared to the same month of the previous year the Consumer Price Index change (annual inflation rate) posted a 3.9 percent increase.<sup>4</sup>

According to the preliminary estimation, the Foreign Direct Investment (FDI) in Georgia in 2016 amounted to 1645 million USD (out of which 471 million USD was carried out by the Member States of the European Union).<sup>5</sup>

In 2016 external merchandise trade (excluding non-declared trade) in Georgia amounted to 9351 million USD, 1% lower year-on-year. The exports equaled 2114 million USD (4 % lower), while the imports stood at 7237 million USD (1% lower). In the same period, the trade turnover with the EU states amounted to 2766 Million USD, 2% higher year-on-year. Exports amounted to 571 million USD (12% lower), while imports amounted to 2195 million USD (6% higher). The share of these countries in the external trade turnover of Georgia amounted to 30 percent, 27 percent in exports and 30 percent in imports (in 2015: 29, 29, and 28 percent respectively). 32 percent of the trade deficit came to the EU countries (28 percent in 2015).<sup>6</sup>

In 2016, the **Global Forum on Transparency and Exchange of Information for Tax Purposes of the Organization for Economic Cooperation and Development (OECD)**, conducted phase II review of Georgia assessing the practical implementation of the standard. **The findings earned Georgia a largely compliant evaluation.** Therefore, Georgia's legal framework and practice devised for the exchange of information for the tax purposes was recognized as largely compliant with the appropriate international standards.

In January 2017, amendments to increase **the tax rate on tobacco products** were introduced in the tax code of Georgia.

In 13 May 2016, amendments to the tax code of Georgia were adopted reforming the existing practice of **the corporate income tax** (profit tax). Amendments to the tax code entered into force on 1 January, 2017. The reform was based on the "Estonian Model" of corporate income profit tax, which stipulates payment of the corporate income tax when corporate profit is being distributed.

---

<sup>2</sup>[http://geostat.ge/cms/site\\_images/\\_files/english/nad/pres-relizi\\_2016\\_ENG.pdf](http://geostat.ge/cms/site_images/_files/english/nad/pres-relizi_2016_ENG.pdf)

<sup>3</sup>[http://geostat.ge/cms/site\\_images/\\_files/english/economic/monthly%20economic%20statistics\\_January\\_2017.pdf](http://geostat.ge/cms/site_images/_files/english/economic/monthly%20economic%20statistics_January_2017.pdf)

<sup>4</sup>[http://geostat.ge/cms/site\\_images/\\_files/english/price/CPI%20Press%20release%2001.2017\\_Eng.pdf](http://geostat.ge/cms/site_images/_files/english/price/CPI%20Press%20release%2001.2017_Eng.pdf)

<sup>5</sup>[http://geostat.ge/cms/site\\_images/\\_files/english/bop/FDI\\_2016Q4-2016-ENG-with%20cover.pdf](http://geostat.ge/cms/site_images/_files/english/bop/FDI_2016Q4-2016-ENG-with%20cover.pdf)

<sup>6</sup>[http://geostat.ge/index.php?action=page&p\\_id=134&lang=eng](http://geostat.ge/index.php?action=page&p_id=134&lang=eng)

On 26 December, 2016, the Decree of the Government of Georgia № 593 approved the Internal Audit Methodology and the Manual on Systemic Audit with the Decree of the Government of Georgia № 592.

During 2016, as a result of audit work, State Audit Office (SAO) conducted 95 audits, including 47 financial, 35 compliance and 13 performance audits.

SAO launched a Parliamentary and citizen **engagement web-platform – Budget Monitor** ([www.budgetmonitor.ge](http://www.budgetmonitor.ge)). The web portal provides a unique opportunity for interested parties to receive up-to-date information about budgetary processes in a much easier and transparent manner.

In addition, LEPL Public Audit Institute conducted the certification of 81 public sector auditors.

On 28 April 2016, **final results of the General Population Census of Georgia were published.**

Herewith, the National Statistics Office of Georgia published the most recent information regarding the population's social, economic and demographic conditions, gender age structures, employment, **education**, health conditions, sources of income, and agricultural activities.

## 6. Other Fields of Cooperation

### 6.1 Transport

In January-June 2016, 29 **managing position employees of the international transportation companies were trained** by the Qualification Center of the LEPL – Land Transport Agency.

LEPL – Land Transport Agency elaborated the following draft decrees of the Government of Georgia:

- Technical Regulation on the installation and use of speed limitation devices for certain categories of motor vehicles;
- Technical Regulation on Roadworthiness Tests for Certain Category vehicles and trailers;
- Technical Regulation on maximum authorized dimensions and maximum authorized weights for certain road vehicles.

The draft decrees will be submitted to the Government of Georgia, after their review by the relevant line ministries.

On 23 June 2016, Ordinance of the Government of Georgia № 276 on Approval of Georgian Airspace Structure and Classification was approved in order to approximate Georgian legislation with the Commission Regulation (EC) No 730/2006 of 11 May 2006 on on airspace classification and access of flights operated under visual flight rules above flight level 195. In addition, order of the Director of Civil Aviation Agency of Georgia № 113 on Georgian Airspace Flight Rules was approved.

European Maritime Safety Agency (EMSA) is developing national Automatic Identification System networks in Georgia and Ukraine, in order to connect with EU SafeSeaNet system. In March 2016, EMSA concluded a tender for research. The system is expected to be finished by 2017 and it will become the platform for Georgia to be connected with the EU SafeSeaNet system. **For the system to be introduced, amendments were made to the Georgian Maritime Code, the Statute of the LEPL – Maritime Transport Agency and the rule on agency fee.** In addition, order № 05 of the Director of LEPL Maritime Transport Agency of Georgia on the approval of the “Rules for the Functioning of Vessels Traffic Monitoring and Information Systems within Georgian Territorial Sea and the Harbour Area”, dated 30 March 2016 was entered in to force in May 2016.

In order to approximate Georgian legislation to the Directive 2009/16/EC of the European Parliament and of the Council of 23 April 2009 on port State control, order No.11 of the Director of LEPL Maritime Transport Agency of Georgia on the “Amendments to the Harbour Rules of Georgia” was adopted.

In order to approximate Georgian legislation to the Directive 2003/25/EC of the European Parliament and of the Council of 14 April 2003 on specific stability requirements for ro-ro passenger ships,

Circular №10/CIRC/FSI issue by the LEPL Maritime Transport Agency of Georgia, which established Specific Stability Requirements for Georgian flagged Passenger Ships and for Passenger Ships Entering Georgian Ports, was adopted.

## **6.2 Energy**

On October 14th of 2016, the protocol concerning The Accession of Georgia to the Treaty Establishing the Energy Community was signed, during the Energy Community Ministerial in Sarajevo. Georgia will become a full-fledged contracting party once the remaining formal procedure is over.

Relevant documentation on the authority over the state and private lands has been issued in respect of the goals of **South Caucasus Pipeline expansion project**.

The first ever **project of National Energy Efficiency Action Plan (NEEAP) has been elaborated**.

In the framework of the **Regional Electricity Transmission Development Project**, an important part of the construction/rehabilitation work has been completed.

## **6.3 Environmental Protection**

Within the framework of the EU technical assistance, the annual **report on the implementation of the roadmaps for EU approximation in the environmental protection and climate change** fields has been elaborated. The elaboration of the **Environmental Assessment Code has been finalized**. The Code has been approved by the Government and has been submitted to the Parliament of Georgia. The draft versions of the “Law on Environmental Liability” and the by-law on “Methodology of Environmental Damage Calculation” have been elaborated. With the financial support of the EU, draft version of “National Environmental Action Plan 3 (2017 - 2021)” has been developed.

In order to provide access to the environmental information and raise public awareness, development of Environmental Information Management System has started. An environmental education component has been introduced in pre-school, primary, secondary and higher education programs.

According to the resolution of the Government of Georgia №160 of 1 April 2016 National Waste Management Strategy (2016-2030) and Action Plan (2016-2020) have been approved. The Government of Georgia has approved the following by-laws as well:

- Resolution of the Government of Georgia №143 of 29 March 2016 „on Waste Transport”;
- Resolution of the Government of Georgia №144 of 29 March 2016 “on the Rules and Conditions for Registration of Collection, Transportation, Pre-treatment and Temporary Storage of Waste”;
- Resolution of the Government of Georgia №145 of 29 March 2016, on Special Requirements for

Collection and Treatment of Hazardous Waste”;

- Resolution of the Government of Georgia №159 of 1 April 2016, on the Municipal Waste Collection and Treatment”.

In accordance with the requirements of the SEVESO Directive 2012/18/EU, the **draft law of Georgia on “Major Accidents Prevention caused by Hazardous Chemicals and Chemical Mixtures”** has been elaborated. For the purposes of air quality monitoring network expansion and automation, **automatic air quality monitoring stations have been put in operation in Batumi (1 station), Chiatura (1 station) and Tbilisi (3 stations).. The air quality passive samplings have been carried out in 16 cities of Georgia.** The following draft resolutions of the Government of Georgia have been elaborated: “Quality Standards of Ambient Air” and “Qualitative Norms, Methods of Analysis and Activities for Introduction of Certain Liquid Fuels”. In order to introduce the mandatory system of certification of refrigeration and air conditioning technicians, the amendments to the Law on “**Protection of Ambient Air” were adopted by the Parliament of Georgia on 24 June 2016.**

The draft version of a law on Biodiversity has been elaborated.

In order to introduce an Integrated Water Resources Management System, the final version of draft **law on Water Resources Management** has been elaborated and currently is under regulatory impact assessment (RIA).

An inter-agency working group for coordination of maritime governance issues has been established with the view to introduce integrated policy in maritime governance field.

On 22 April 2016, Georgia signed the Paris Agreement, which has subsequently been approved by the Government of Georgia on 21 February 2017. The Agreement shall enter into force in relation with Georgia on the date specified in the official notification of the General Secretariat of the UN.

According to the resolution of the Government of Georgia №640 of December 30, 2016, **National Strategy of Radioactive Waste Management (2017-2031) and Action Plan for the Implementation (2017-2018)** have been approved.

#### **6.4 Agriculture and Rural Development**

The draft of the **Rural Development Strategy** has been elaborated in cooperation with the Food and Agriculture Organization of the United Nations (FAO). On 30 December 2016, this strategy was approved by the decree N 631 of the Government of Georgia.

The draft for **National Strategy for Agricultural Extension** has also been developed.

**A Legal approximation program** in the spheres of food safety, veterinary and phytosanitary measures has been elaborated. The approximation of Georgian legislation with EU Acquis is being conducted in accordance with the aforementioned program.

During 2016, trainings have been held for the private sector on the implementation of the financial accounting and HACCP and ISO22000:2005 standards. Also, various types of state support projects have been implemented, such as: Preferential Agro-Credit Project, Co-Financing of Agro Processing Enterprises, Plant the Future, Agro Insurance Project, and others.

Moreover, several projects for the support of the Agricultural Cooperatives were implemented, such as the Programme for Supply of Agricultural Equipment, State Programme for Support of Beekeeping Agricultural Cooperatives and others.

### **6.5 Consumer Policy**

The Government of Georgia approved the Technical Regulation №634 on December 30 2016, regulating misleading products, which endanger the safety or health of the user. Technical Regulations will enter into force from 1 January, 2018.

The Government of Georgia approved the Technical Regulation №635 on December 30, 2016 regarding market access of child resistant lighters and the prohibition of new types of lighters. Technical Regulations will enter into force from 1 January, 2018.

### **6.6 Employment, Social Policy and Equal Opportunities**

Strategic plan 2016-2017 for Tripartite Social Partnership Commission was elaborated. One of the key directions of the plan is strengthening of labour mediation mechanism and adoption of roster of mediators. Tripartite Social Partnership Commission meeting was held on April 11, 2016.

“State Program for Inspecting Labor Conditions” was approved by the Decree №19 of the Government of Georgia on January 18, 2016.

“State Program on Establishing and Developing Labour Market Analysis and Information System” was approved by the Decree №68 of the Government of Georgia on February 11, 2016.

“Rule of State Supervision/Labour Inspection of Prevention of and Responding on Forced Labour and Labour Exploitation” was approved by the Decree №112 of the Government of Georgian on March 7, 2016.

Draft law on “Occupational Health and Safety” is prepared.

“Active Labour Market Policy Strategy and its Implementation Action Plan 2016-2018” was approved by the Decree №167 of the Government of Georgia on April 4, 2016.

“State Program on Training-Retraining and Qualification Raising for Job-seekers” was approved by the Decree №238 of the Government of Georgia on June 2, 2016, which aims to increase competitiveness of job seekers and promote their employment.

On 8 June 2016, the Parliament of Georgia adopted the law on **Licensing Educational Activity**.

## **6.7 Healthcare**

An electronic **integrated disease surveillance system was introduced**. As a result, all physical and legal entities that use the system have been given the opportunity to regularly monitor and receive information on the epidemiological situation in the country.

From 10 June 2016, the second phase of the **State program for elimination of Hepatitis C** has been launched and criteria for being enlisted in the program have been abolished. **The program automatically spread to the beneficiaries in the penitentiary system.**

“National Strategy 2016-2018 for HIV/AIDS Prevention and Control” was approved by the Decree №326 of the Government of Georgia on July 11, 2016.

“National Strategy 2016-2018 for Tuberculosis Control” was approved by the Decree №327 of the Government of Georgia on July 11, 2016.

“National Strategy 2016-2020 for Hepatitis C Elimination in Georgia” was approved by the Resolution of the Government of Georgia on August 18, 2016.

“National Strategy 2017-2020 for Prevention and Control of Non-communicable Diseases in Georgia” was approved by the Decree №2 of the Government of Georgia on January 11, 2017.

## **6.8 People to People Contacts, Education, Science, Culture, Sport and Youth**

On 29 April 2016, **the Association Agreement to EU Framework Program for Research and Innovation - Horizon 2020 was signed between Georgia and European Union**, which was ratified by the Parliament of Georgia on 22 December, 2016.

9 projects under the framework of the **Erasmus +** programme component “**Capacity Building in the field of Higher Education**” were financed in 2016, which according to final call results represents the highest score among the Eastern Partnership countries. In addition, under the framework of **Jean Monnet programme**, 4 projects were financed. In the action of **International Credit Mobility**, **155 projects** were also financed. Compared with the corresponding results of 2015 (885 scholarships), the number of the scholarships rose to 1559. The number of persons willing to study and work in Georgia under the Erasmus Plus programme also increased significantly as compared to the corresponding results of the previous year (2015 – 190 European students/Academic Personnel; 2016 - 570 European

students/Academic Personnel). As a result, Georgia ranks the eighth of the top ten best performing countries among 131 countries.

The number of Georgian applicants in **Erasmus Mundus Joint Master Degree Programmes** also increased in 2016 with 237 applications and 15 fellows.

In 2016, two projects with Georgian participants received funding within the Research and Innovation Staff Exchange action under the Marie Skłodowska-Curie Actions of Horizon 2020. In total, **14 projects with Georgia participants secured the funding from Horizon 2020.**

To approximate Georgian legislation on General Education with the requirements of the Convention of the Persons with Disabilities, the **package of legislative amendments has been prepared. The monitoring instrument of inclusive education has also been developed.**

In 6 day centers under the Ministry of Labour, Health and Social Affairs of Georgia, the programme **“the Second Chance Education for Out-of-School Children in Georgia”** is currently running with a view to integrate out-of-school persons at primary or basic levels of compulsory general education, as well as to assist children living and working on the street, the homeless, and persons under the risk of dropping-out to socialize and integrate at schools.

In order to ensure engagement of out-of-school children at primary and basic general education levels, as well as with a view to prevent & reduce the number of school drop outs, as well as ensure socialization and reintegration of street children into schools, there is the educational program **“Second Chance Education for Out-of-school Children in Georgia”** running at 6 day-centers operating under the auspices of the Ministry of Labor, Health and Social Affairs of Georgia.

**Within the scopes of EU initiative “More for More”, work-based learning has been piloted in three selected vocational fields (fruit-growing, cattle-raising and winery)**

**Within the EU Budget Support Programme “Employment and Vocational Education and Training”:**

- ❖ The project of recognizing non-formal education was launched with relevant guidelines. Piloting was implemented in the direction of three selected vocational programmes.
- ❖ The technical working group was set up; detailed specifications were created to promote development of Vocational Education Management Informational System.
- ❖ The issues of teacher international mobility have been reflected in the VET Internationalization Concept document; Tracer Study was launched to identify current situation at vocational colleges, regarding international mobility; International mobility training module was created for VET teachers.



On 29 August, 2016 **the joint agreement on setting up the first so called Smart Lab (SMART/EDM Lab) was signed** between the Ministry of Education and Science, Jülich Research Center, Ivane Javakhishvili Tbilisi State University and Shota Rustaveli National Scientific Foundation. The implementation of the **5-year research project** is foreseen under the agreement.

**The new National Curriculum for 2017-2023 academic years** has been adopted, which includes new subject “Me and Society” in the societal sciences cluster.

In January-Jun (Is this June or July?) 2016, under the Culture and Media sub-programme of the “**Creative Europe**” programme, the following organizations from Georgia gained success for the first time:

- European Theatre Lab: Drama goes digital - partner - Kote Marjanishvili State Drama Theatre (Leading Country – France)
- CineDoc-Tbilisi International Documentary Film Festival 2016 – Nosfera Foundation NNLE
- “European Film Clubs school licensing” - Partner, LEPL – Georgian National Film Center (Leading Country – United Kingdom)
- “The Short Lessons in Cinema” - Partner – Magic Lantern (Leading Country – France)

On 1 July 2016, with the decree №303 of the Government of Georgia, **the long term cultural development document “Cultural Strategy -Culture 2025” was approved**. The Action Plan of Cultural Strategy is currently being elaborated.

In 2016, Georgia joined the Enlarged Partial Agreement on Cultural Routes of the Council of Europe (EPA).

The draft law on “**Supporting Youth Work**” was submitted to the Parliament of Georgia.

The Ministry of Sport and Youth Affairs of Georgia in cooperation with state bodies drafted a framework document for monitoring the implementation of the State’s Youth Policy Action Plan.

**Monitoring and evaluation electronic system [www.youth.gov.ge](http://www.youth.gov.ge) for the State’s Youth Policy Action Plan was developed**, which contains periodically updated information about events implemented under this action plan.

The Youth Work development strategy was presented to the youth NGOs for discussion. After receiving the comments from NGO’s, the Ministry with active involvement of civil sector drafted an action plan.

**In terms of content and technical aspects, career planning consultation web-site**

[www.myprofesion.gov.ge](http://www.myprofesion.gov.ge) has been updated.

Under the coordination of the Ministry of Sport and Youth Affairs, a new draft law on “Physical Education and Sport” was elaborated.

Georgian sports statistics web-page [www.sportstat.gov.ge](http://www.sportstat.gov.ge) was developed.

To fulfill the obligations of Anti-Doping Convention of the Council of Europe “**Georgian Anti-Doping Strategy 2016-2020**” has been developed.

#### **6.9 Regional Development and Regional Level Cooperation**

The **2015 annual consolidated report on the implementation of the 2015-2017 Regional Development Programme** was elaborated and approved by the Governmental Commission of Georgia for Regional Development. Thus, the consolidated report on the process of implementation of the regional development programme for the year 2016 is being prepared.

**Action Plans for the implementation of the regional strategies for development of the regions of Georgia** have been prepared and amended.

According to the regulation of the Ministry of Regional Development and Infrastructure on the creation of regional development agency, **the regional development agency was established and is functioning in the Mtskheta-Mtianeti region.**

The draft law on **Regional Policy and Development Planning** was developed and submitted to the Government of Georgia.

## 7. Financial Aid, Anti-Fraud and Control Provisions

On 15 March 2016, the financing agreement “**Technical Cooperation Facility (TCF)**” was signed. The programme will support Georgia in fulfilling obligations stemming from the agreements between Georgia and the EU. It will further support public institutions in implementing the Association Agreement (AA) as well as the Visa Liberalization Action Plan (VLAP) and The EU-Georgia Agreement on Readmission of persons residing without authorization. The total amount of the EU budget contribution is 14 million EUR.

**European Neighbourhood Programme for Agriculture and Rural Development in Georgia, phase II (ENPARD Georgia II) Financing Agreement was signed on 26 May 2016. Total amount of EU budget contribution is 50 million EUR.**

In November 2016, financing agreement “**Public Sector Reform**”, worth 30 million Euro was signed.

Legal framework and necessary institutional changes have been identified in order to establish anti-fraud and fight against corruption system under the EU Assistance. Intensive consultations were conducted with the European Anti- Fraud Office (OLAF) with the aim of further enhancing cooperation mechanisms. The priorities for further cooperation in 2017 have been identified.

## 8. Institutional, General and Final Provisions

### 8.1 Institutional Framework

On 2 December 2016, the third meeting of **EU-Georgia Association Council** was held in Brussels. The reforms implemented by the Government of Georgia have been positively assessed by the EU at the EU-Georgia Association.

On 16 June 2016, the second meeting of **EU-Georgia Association Committee** was held in Brussels. The prospects of enhancing economic and sectorial cooperation between the EU and Georgia, including in areas such as transport, energy, environment, agriculture, regional development, employment and social policy, science, education and culture have been discussed at the meeting.

In addition, on 21 April 2016, the **sub-committee meeting on Freedom, Security and Justice** was held in Brussels.

In January-June 2016, 4 meetings of **the EU-Georgia Association subcommittees** on economic and other sector cooperation were held:

- On 18 February 2016, the sub-committee meeting on cooperation in the field of information

society; Cooperation in the audio-visual and media sectors; Cooperation on research, technological development and demonstration; Education, training and youth; Cultural cooperation; Cooperation in the field of sports and physical activity" was held in Brussels;

- On 18 March, 2016, the sub-committee meeting on "Agriculture and rural development; Fisheries and Maritime Policy; Regional development, cooperation on cross-border and regional levels was held in Brussels;
- On 23-24 May 2016, the sub-committee meeting on "Industrial and enterprise policy and mining activities; Tourism; Corporate law and corporate governance; Consumer Policy; Tax Policy" was held in Brussels;
- On 23-24 June 2016, the sub-committee meeting on "Transport, energy, environment, climate and civil protection issues" was held in Brussels.
- On 15 December 2016, the sub-committee meeting on "Economic dialogue, Management of public finances and financial control, Statistics, Financial Services, Accounting and auditing, and Anti-fraud and control provisions (Title VII)" was held in Brussels.

## 8.2 EU Assistance Coordination

Intensive consultations with the EU Delegation to Georgia, EU External Action Service, Administration of the Government of Georgia and the line ministries have been held and the priorities for the 2017-2020 EU Support Single Framework and 2017 National Action Plan have been identified.

An Active communication campaign for raising awareness on the procedures of participation in the EU Assistance programmes is underway. Main target groups include public organizations, Civil Society groups and municipalities.

## 8.3 Strategic Communication

**The EU Communication and Information Strategy Action Plan for 2016 was successfully implemented.** In 2016, three editions of analytical journal "Georgia's European Way" were published, 13th Batumi International Conference "Georgia's European Way", European Week and NATO Week were held. More than 500 informational meetings have been conducted by the LEPL Information Centre on NATO and European Union.

## 8.4 Cooperation with the Civil Society

In 2016, within the framework of the Memorandum of Cooperation of the Government of Georgia and the Eastern Partnership Civil Society Forum Georgian National Platform, **three sectoral meetings on agriculture, environmental protection and educational issues were held.** In November 2016, the conference 'Georgia-EU Association Objectives' was held. The conference touched upon the sectorial policy papers for the implementation of the AA, elaborated by the NGO's of Eastern Partnership Civil

Society Forum Georgian National Platform.

**Active cooperation with the experts of the Open Society Georgia Foundation is on course**, which under the framework of the project “monitoring implementation of the EU-Georgia Association Agreement by coalition of civil society organization” is conducting monitoring of the implementation of the Association Agreement and the Association Agenda.

In June 2016, the **founding meeting of the EU-Georgia Civil Society Platform** envisaged under the EU-Georgia Association Agreement was held.