

**Office of the State Minister of Georgia on European and
Euro-Atlantic Integration**

Georgia's Progress Report on the EU Integration Related Activities

2014

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Abbreviations

AA - Association Agenda
AA - Association Agreement
AAP - Annual Action Plan
ACAA - Agreements on Conformity Assessment and Acceptance of Industrial Products
ACC - Anti-Corruption Council
ADB - Asian Development Bank
AEO - Authorized Economic Operators
AETR - European Agreement concerning the Work of Crews of Vehicles Engaged in International Road Transport
AGA - Adapted Global Assessment
AGRI - Azerbaijan-Georgia-Romania-Hungary Interconnector
AIDS - Acquired Immune Deficiency Syndrome
AML - Anti-Money Laundering
ANQA - National Center for Professional Education Quality Assurance
AP - Action Plan
APA - Agency of Protected Areas
ASIIN - German Accreditation Agency (Akkreditierungsagentur für Studiengänge der Ingenieurwissenschaften, der Informatik, der Naturwissenschaften und der Mathematik)
ASOSAI - Asian Organization of Supreme Audit Institutions
ASYCUDA - Automated System for Customs Data
ATM - Automatic Teller Machine
BAS - Business Advisory Services
BCP - Border Crossing Points
BCU - Bilateral Cooperation Unit
BENELUX - The Kingdom of Belgium, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands
BEREC - European Regulators for Electronic Communications
BFUG - Bologna Follow Up Group
BI - Building Integrity
BIPM - International Bureau of Weights and Measures
BLA - Bilateral Recognition
BMARS - Border Migration Administering and Reporting System
BMSU - Bilateral and Multilateral Cooperation Unit
BPRM - Bureau of Population, Refugees, and Migration
BRH - Federal Court of Auditors (Bundesrechnungshof)
BSCBC - Black Sea Cross Border Cooperation
BSEC - Organization of the Black Sea Economic Cooperation
BSIBM - Bagratashen-Sadakhlo Integrated Border Management
BST - Border Support Team
BSTN - Black Sea Transmission Network
C3S - Command, Control, Communication and Surveillance
CAT - Computerized Adaptive Testing
CBC - Cross Border Cooperation
CBD - Convention on Biological Diversity
CBRN - Chemical, Biological, Radiological and Nuclear
CC - Community Centers
CCG - Criminal Code of Georgia
CCPP - Combined Cycle Power Plant
CDC - Centers for Disease Control and Prevention
CEC - Central Election Commission

CEEPDA - Central and Eastern European Personal Data Protection Authorities
CEN - European Committee for Standardization
CENELEC - European Committee for Electrotechnical Standardization
CENN - Caucasus Environmental NGOs Network
CFSP - Common Foreign and Security Policy
CFT - Combating the Financing of Terrorism
CHU - Central Harmonization Unit
CIB - Comprehensive Institution Building
CIDA - Civil Development Agency
CIEP - International Center for Pedagogical Studies
CIM - The Centre for International Migration and Development
CIS - Commonwealth of Independent States
CIVIPOL - Consulting and Service Company of the French Ministry of the Interior (La Société de Service et de Conseil Du Ministère de l'Intérieur)
CL WG - Working Group of Criminal Law Experts
CLDP - Commercial Law Development Program
CLRTAP - Convention on Long-range Transboundary Air Pollution
CMC - Calibration and Measurement Capabilities
CMFA - Council of Ministers of Foreign Affairs
CMR - Contact Management Registry
CMR - Contract Management Report
CNRS - National Center for Scientific Research
CoE - Council of Europe
COI - Country of Origin Information
COOMET - Euro-Asian Cooperation of National Metrology Institutions
CPD - Constitutional Protection Department
CPV - Common Procurement Vocabulary
CRDF - Peace and Prosperity through Science Collaboration
CRM - Customer Relationship Management
CSB - Civil Service Bureau
CSDP - Common Security and Defence Policy
CSO - Civil Society Organization
CSPA - Competition and State Procurement Agency
CTC - Counter-Terrorist Center
DACUM - Developing A Curriculum
DCFTA - Deep and Comprehensive Free Trade Area
DEA - Data Exchange Agency
DEA - Drug Enforcement Administration
DEEP - Dynamical Exascale Entry Platform
DGA - Dissolved Gas Analyzers
DGAC - Civil Aviation Authorities of France (Direction générale de l'aviation civile)
DPA - Office of the Personal Data Protection Inspector
DRC - Danish Refugee Council
DHS - durable housing solution
e-PLAN - Module for Making and Registering State Procurement Plans
E.C.T.E.G - European Cybercrime Training and Education Group
EA - European co-operation for Accreditation
EAOTC - Euro-Asian Oil Transportation Corridor
EaP - Eastern Partnership
EaPeReg Network - Eastern Partnership Network of Regulations for the Electronic Communications
EaPIC - Eastern Partnership Integration and Cooperation Programme
EaPTCP - Eastern Partnership Territorial Cooperation Programme

EASA - European Aviation Safety Agency
EASO - European Asylum Support Office
EBRD - European Bank for Reconstruction and Development
EC - European Commission
EC - European Communities
EC-LEDS - Enhancing Capacity for Low Emissions Development Strategies
ECAA - European Common Aviation Area
ECHR - European Court on Human Rights
ECRI - European Commission Against Racism and Intolerance
EDA - Entrepreneurship Development Agency
EEAS - European External Action Service
EEC - European Economic Community
EECCA - Eastern Europe, Caucasus and Central Asia
EEN - European Enterprise Network
eFlow - Electronic Document Flow Software System
EIA - Environmental Impact Assessment
EIB - European Investment Bank
IEEC - Environment Information and Education Centre
EMCDDA - European Monitoring Centre for Drugs and Drug Addiction
EMD - Emergency Management Department
EMIS - Educational Management Information System
EMR - Electronic Medical Records
ENI - European Neighbourhood Instrument
ENP - European Neighbourhood Policy
ENPARD - European Neighbourhood Program for Agriculture and Rural Development
ENPI - European Neighbourhood and Partnership Instrument
ENQA - European Association for Quality Assurance in Higher Education
ENVSEC - Environment and Security Initiative
EOQ - European Organization for Quality
EOI - Expression of Interest
EPC - Employment Promotion Centers
EPI - Economic Prosperity Initiative
EPO - European Patent Office
EPR - Extended Producer Responsibility
EPYRU - Eastern Partnership Youth Regional Unit
ERASMUS - European Community Action Scheme for the Mobility of University Students
ERYICA - European Youth Information and Counselling Agency
eSchool - School Management Information System
ESG - Standards and Guidelines for Quality Assurance in the European Higher Education Area
ESIA - Electricity Sector Strategic Environmental and Social Assessment
ESIB - Energy Saving Initiative in the Building Sector in Eastern Europe and Central Asia
ESS - Employment Support Services
ETEB - Eurocodes Translation Editorial Board
eTesting - Electronic Testing
ETF - European Training Foundation
ETM - Electricity Trade Mechanism
ETSI - European Telecommunications Standards Institute
EU - European Union
EUCOM - United States European Command
EUFGD - European Commission for the Control of Foot-and- Mouth Disease
EUFOR RCA - EU-led operation in the Central African Republic
EUMM - European Union Monitoring Mission

EUROCONTROL - European Organisation for the Safety of Air Navigation
Eurojust - European Union Judicial Cooperation Unit
EURONEST - Parliamentary component of the Eastern Partnership
EUROSAI - European Organisation of Supreme Audit Institutions
Eurostat - Statistical Office of the European Union
EUSR - European Union Special Representative
EUTM - European Union Military Training Mission
EVET - Employment and Vocational Education and Training
eVET - Information System for Management of Vocational Educational Institutions
EXBS - Export Control and Related Border Security
Ext - Extension
FAO - Food and Agriculture Organization
FATF - Financial Action Task Force
FBI - Federal Bureau of Investigation
FBO - Food Business Operator
FDI - Foreign Direct Investment
FMC - Financial Management and Control
FMCG - Fast Moving Consumer Goods
FMD - Foot and Mouth Disease
FMS - Financial Monitoring Service
FOI - Freedom of Information
FP7 - 7th Framework Programme for Research and Technological Development
FRONTEX - European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union
FSAP - Financial Sector Assessment Program
FSC - Forest Stewardship Council
FT - Financing Terrorism
GAC - Georgian Accreditation Center
GAP - Gap Analyzes Programme
GAVI - Global Alliance for Vaccines and Immunization
GCAA - Civil Aviation Authorities of Georgia
GCRD - Governmental Commission on Regional Development
GDP - Gross Domestic Product
GDRI - Georgian Development and Research Institute
Ge-GP - Georgian Unified Electronic Government Procurement System
GEDF - Georgian Energy Development Fund
GEF - Global Environment Facility
GEL - Georgian Lari
GEMM - Georgian Electricity Market Model
Geostat - National Statistics Office of Georgia
GEOSTM - Georgian National Agency for Standards, Technical Regulations and Metrology
GFATM - Global Fund to Fight Aids, Tuberculosis and Malaria
GHG - Greenhouse Gas
GHRN - Georgian Harm Reduction Network
GIPA - Georgian Institute of Public Affairs
GIPT - Georgia's Improved Power Transmission
GIS - Geographic Information System
GITA - Georgia's Innovation and Technology Agency
GIZ - German International Cooperation (Gesellschaft für Internationale Zusammenarbeit)
GNCC - Georgian National Communications Commission
GNERC - Georgian National Electricity Regulatory Commission
GNEWRC - Georgian National Energy and Water Supply Regulatory Commission

GNTA - Georgian National Tourism Administration
GNWERC - Georgian National Water and Energy Regulatory Commission
GoG - Government of Georgia
GOGC - Georgian Oil and Gas Corporation
GRDF - Georgian Research and Development Foundation
GRECO - Group of States against Corruption
GRETA - Group of Experts on Action against Trafficking in Human Beings
GSE - Georgian State Electrosystem
GUAM - Organization for Democracy and Economic Development
HAKOM - Croatian Regulatory Authority for Network Industries
HBV - Hepatitis B Virus
HCNM - High Commissioner on National Minorities
HCoJ - High Council of Justice
HCV - Hepatitis C Virus
HEI - Higher Education Institution
HPP - Hydro Power Plants
HR - Human Resources
HRMS - Human Resource Management System
HS - Harmonized Commodity Description and Coding Systems
HSoJ - High School of Justice
HSSP - Health System Strengthening Project
IAEA - International Atomic Energy Agency
IAF - International Accreditation Forum
IATF - Inter-agency Task Force
IBAN - International Bank Account Number
IBC - International Building Code
IBM - Integrated Border Management
IBMS - Integrated Border Management Strategy
IBRD - International Bank for Reconstruction and Development
ICAAP - Internal Capital Adequacy Assessment Process
ICAO - International Civil Aviation Organization
ICC - International Chamber of Commerce
ICCMS - Integrated Criminal Case Management System
ICMPD - International Centre for Migration Policy Development
ICSS - International Centre for Sport Security
ICT - Information Communication Technology
IDEA II - Transport Dialogue and Networks Interoperability II
IDP - Internally Displaced Person
IDU - Injecting Drug Users
IEC - International Electrotechnical Commission
IFAC - International Federation of Accountants
IFAI - Federal Institute for Access to Information and Data Protection
IFC - International Finance Corporation
IGC - Intergovernmental Commission
ILAC - International Laboratory Accreditation Cooperation
ILECU - International Legal Coordination Unit
ILO - International Labour Organization
IMO - International Maritime Organization
INCO-NET - International Cooperation Network of Science and Technology Development
INCOSAI - Congress of the International Organization of Supreme Audit Institutions
INOGATE - Interstate Oil and Gas Transportation to Europe
INTOSAI - International Organization of Supreme Audit Institutions

IO - International Organization
IOM - International Organization for Migration
IP - Intellectual Property
IP - Internet Protocol
IPR - Intellectual Property Rights
IPRM - Incident Prevention and Response Mechanisms
IRI - International Republican Institute
IRP - Institutional Reform Plan
ISAF - International Security Assistance Force
ISSET - International School of Economics at Tbilisi State University
ISO - International Organization for Standardization
ISSAI - International Standards of Supreme Audit Institutions
IT - Information Technology
IUCN - International Union for Conservation of Nature
JFS - Justice, Freedom and Security
JJ - Juvenile Justice
JMDC - Joint Decision Making Committee
JOCC - Joint Operation Command Center
JSC - Joint Stock Company
JSI - John Snow Inc. (Public health consulting)
KfW - German government-owned development bank (Kreditanstalt für Wiederaufbau)
Km - Kilometer
kV - Kilovolt
kWh - Kilowatt Hour
LAF - Lafayette
LEPL - Legal Entity of Public Law
LGBT - Lesbian, Gay, Bisexual, Transgender
LLC - Limited Liability Company
LLL - Life Long Learning
LM - Liaison Mechanism
LMC - Lin Management & Consulting
LMIS - Labour Market Information System
LMO - Living Modified Organisms
LNG - Liquefied Natural Gas
LOGMOS II - Logistics Processes and Motorways of the Sea II
LWG - Legislative Working Group
MathGeAr - Modernization of Mathematics Curricula for Engineering and Natural Sciences in South Caucasian Universities by Introducing Modern Educational Technologies
MDF - Municipal Development Fund of Georgia
MENRP - Ministry of Environment and Natural Resources Protection of Georgia
MFA - Macro-Financial Assistance
MFA - Ministry of Foreign Affairs of Georgia
MIA - Ministry of Internal Affairs of Georgia
ML - Money Laundering
MLC - Maritime Labour Convention
Mln - Million
MNCH - Maternal, Newborn and Child Health
MoA - Ministry of Agriculture of Georgia
MoC - Ministry of Corrections of Georgia
MoD - Ministry of Defence of Georgia
MoES - Ministry of Education and Science of Georgia
MoESD - Ministry of Economy and Sustainable Development of Georgia

MoJ - Ministry of Justice of Georgia
MoLHSA - Ministry of Labour, Health and Social Affairs of Georgia
MoU - Memorandum of Understanding
MP - Migration Profile
MRA - Migration and Refugee Assistance
MRDI - Ministry of Regional Development and Infrastructure
MTA - Maritime Transport Agency
Mw - Megawatt
NACE - Statistical Classification of Economic Activities in the European Community (Nomenclature statistique des activités économiques dans la Communauté européenne)
NAEC - National Assessment and Examination Center
NAO - National Audit Office
NAP - National Action Plan
NATO - North Atlantic Treaty Organization
NBE - National Bureau of Enforcement
NBG - National Bank of Georgia
NBSAP - National Biodiversity Strategies and Action Plan
NCEQE - National Center for Educational Quality Enhancement
NCG - Nordic Consulting Group
NDI - National Democratic Institute
NEO - Erasmus+ National Office
NFA - National Food Agency
NFP - National Forest Program
NGO - Non-Governmental Organisation
NIF - Neighbourhood Investment Facility
NIK - Supreme Audit Office (Najwyższa Izba Kontroli)
NIP - National Indicative Programme
NORLAG - Norwegian Mission of Rule of Law Advisers to Georgia
NPS - New Psychoactive Substances
NQF - National Qualifications Framework
NSI - National Statistical Institute
NSO - National Standards Organization
NTFS - New Technology File System
ODC - Office of Defense Cooperation
ODIHR - Office for Democratic Institutions and Human Rights
OECD - Organisation for Economic Co-operation and Development
OGP - Open Government Partnership
OHCHR - Office of the High Commissioner for Human Rights
OIML - International Organization of Legal Metrology
OSCE - Organization for Security and Co-operation in Europe
OSFG - Open Society Georgia Foundation
OSMEEAI - Office of the State Minister of Georgia on European and Euro-Atlantic Integration
OST - Opioid Substitution Treatment
OXFAM - Oxford Committee for Famine Relief
PA - Performance Audit
PAI - Public Audit Institute
PANEP - Pan-European Partner Countries Platform
PARP - Polish Agency for Enterprise Development
PC - Personal Computer
PCA - Partnership and Cooperation Agreement
PDP - Personal Data Protection
PEFA - Public Expenditure and Financial Accountability

PFM - Public Finance Management
PICQA - Promoting Internationalization and Comparability of Quality Assurance in Higher Education
PIFC - Public Internal Financial Control
PIN - People in Need
PIRS - Personal Identification and Registration System
PIRLS - Progress in International Reading Literacy Study
PISA - Programme of International Student Assessment
PM - Prime Minister
PMF - Public Finance Management
PPP - Public Private Partnership
PPRD - Prevention, Preparedness and Response to Man-Made and Natural Disasters
PPTC - Penitentiary and Probation Training Center
PR - Public Relations
PSA - Partner Support Agency
PSDA - Public Service Development Agency
PTB - Physical-technical Government institution (Physikalisch-Technische Bundesanstalt)
PTS - Swedish Post and Telecoms Authority
Q&A - Questions and Answers
QANU - Quality Assurance Netherlands Universities
R&D - Research and Development
RCMES - Readmission Case Management Electronic System
RHP - Rural Housing Program
RDP - Regional Development Program
SAFA - Safety Assessment of Foreign Aircraft
SALTO - Support, Advanced Learning and Training Opportunities
SAO - State Audit Office of Georgia
SB - State Budget
SC - Steering Committee
SCA - Swedish Competition Authority
SCMI - State Commission on Migration Issues
SCO - Committee of Senior Officials
SCP - Sustainable Consumption and Production
SCPX - South Caucasus Pipeline Expansion
SDC - Swiss Agency for Development and Cooperation
SDP - Strategic Development Plan
SEA - Strategic Environment Assessment
SEA - Swedish Enforcement Authority
SEAS-ERA - Towards Integrated Marine Research Strategy and Programmes
SEDM - South Eastern Europe Defence Ministerial
SEIS - Shared Environment Information System
Sida - Swedish International Development Cooperation Agency
SIGMA - Support for Improvement in Governance and Management
SIPPAP - Supporting the implementation of Prague Process Action Plan
SKVC/CQAHE - Centre for Quality Assessment in Higher Education
SME - Small and Medium Enterprises
SMRCE - Office of the State Minister for Reconciliation and Civic Equality
SMS - Short Message Service
SNAO - Swedish National Audit Office
SNTD - Status Neutral Travel Documents
SO - Specific Objectives
SOM - Senior Officials Meeting
SOP - Standard Operating Procedures

SPA - State Procurement Agency
SPP - Sustainable Public Procurement
SPS - Sanitary and Phytosanitary Measures
SPSP - Sector Policy Support Programmes
SRC - Sector Reform Contract
SRCA - Scientific Research Center of Agriculture
SREP - Supervisory Review and Evaluation Process
SRNSF - Shota Rustaveli National Science Foundation
SSF - Single Support Framework
SSM - Swedish Nuclear Regulatory Authority
SSM - Swedish Radiation Safety Authority (Strål Säkerhets Myndigheten)
STCU - Science and Technology Center in Ukraine
STEM - Science, Technology, Engineering and Mathematics
STEP - Science & Technology Entrepreneurship Program
STF - Standard Transmission Format
T-PD - Automatic Processing of Personal Data
T-RV - European Convention on Spectator Violence and Misbehavior at Sport Event and in Particular in Football Matches
TA - Technical Assistance
TAC - Temporary Accommodation Center
TACIS - Technical Aid to the Commonwealth of Independent States
TAIEX - Technical Assistance Information Exchange
TALIS - Teaching and Learning International Survey
TANAP - Trans-Anatolia Natural Gas Pipeline Project
TAP - Trans-Adriatic Pipeline
TB - Tuberculosis
TBC - To Be Confirmed
TBT - Technical Barriers to Trade
TBT Programme - Programme on Legislative Reform and Adoption of Technical Regulations
TBT Strategy - Strategy in Standardization, Accreditation, Conformity Assessment, Technical Regulation and Metrology
TCSA - Technical and Construction Supervision Agency
TDI - Temporary Detention Isolators
Tempus - Trans-European Mobility Programme for University Studies
TEN - Trans European Network
TEN-T - Trans-European Transport Networks
The Venice Commission - European Commission for Democracy through Law
TI - Transparency International
TIG - Targeted Initiative for Georgia
TIMSS - Trends in International Mathematics and Science Study
TIP - Combating Trafficking in Person
TNC - Third National Communication
ToR - Terms of Reference
ToT - Training of Trainers
TPDC - National Center for Teacher Professional Development
TRACECA - Transport Corridor Europe-Caucasus-Asia
TWh - TeraWatt Hours
UA - University of Alicante
UEFA - Union of European Football Associations
UK - United Kingdom of Great Britain and Northern Ireland
UMAS - Unified Migration Analytical System
UN - United Nations

UNCAC - United Nations Convention against Corruption
UNCTAD - United Nations Conference on Trade and Development
UNDP - United Nations Development Programme
UNECE - United Nations Economic Commission for Europe
UNEP - United Nations Environment Programme
UNESCO - United Nations Educational, Scientific and Cultural Organization
UNFCCC - United Nations Framework Convention on Climate Change
UNFPA - United Nations Population Fund
UNGA - United Nations General Assembly
UNHCR - United Nations High Commissioner for Refugees
UNICEF - United Nations International Children's Emergency Fund
UNICRI - United Nations Interregional Crime and Justice Research Institute
UNODC - United Nations Office on Drugs and Crime
UNWTO - United Nations World Tourism Organization
US - United States
USA - United States of America
USAID - United States Agency for International Development
USD - United States Dollar
USDOJ - United States Department of Justice
VAT - Value Added Tax
VCT - Voluntary Counseling and Testing
VET - Vocational Education and Training
VIMSA - Voluntary IMO Member State Audit Scheme
VLAP - Visa Liberalisation Action Plan
VLEC - Virtual Law Enforcement Center
WB - World Bank
WCO - World Customs Organization
WG - Working Group
WGCEA - Working Group on Cooperation in Emergency Assistance
WHO - World Health Organization
WIPO - World Intellectual Property Organization
WRI - World Resources Institute
WWF - World Wildlife Fund
ZMK - Measurement and Calibration Centre (Zentrum für Messen und Kalibrieren)
ZSPA - Zurab Zhvania School of Public Administration

SUMMARY

The year 2014 was marked by the signature of the EU-Georgia **Association Agreement (AA)** including **Deep and Comprehensive Free Trade Area (DCFTA)** on 27 June 2014, which is a milestone in EU-Georgia relations making the European integration Georgia's domestic policy. Through this Agreement, Georgia commits itself to gradual establishment of the European political, economic, social and legislative standards that as expected will bring prosperity, welfare and stability to the population. The Parliament of Georgia unanimously voted in favour of the ratification the AA/DCFTA Agreement on 18 July 2014.

On 26 June 2014, the Association Agenda between the European Union and Georgia was adopted, which establishes a set of jointly agreed priorities for the period 2014-2016 with a view to prepare for and support to the implementation of the AA/DCFTA Agreement. The Association Agenda replaces the European Neighbourhood Policy Action Plan (ENP AP).

On 1 September 2014, the provisional application of the Association Agreement started, whereby 80% of the Association Agreement came into force, including the Deep and Comprehensive Free Trade Area.

On 3 September 2014, the Government of Georgia approved the 2014 National Action Plan for the Implementation of the Association Agreement. The 2014-2017 Action Plan on the DCFTA implementation was also elaborated.

The Visa Dialogue is dynamically developing as Georgia continues effective implementation of the Visa Liberalisation Action Plan. On the basis of European Commission's second progress report issued on 29 October 2014 and EU Council's conclusions of 17 November 2014, Georgia formally moved to the second phase of the implementation of the VLAP.

During the reporting period as of 1 September, 2014, Georgia continued implementation of the European Neighbourhood Policy Action Plan (ENP AP) and the Eastern Partnership (EaP) bilateral and multilateral Roadmaps, as well as started implementation of the Association Agreement and the Association Agenda.

The Government is committed to further building a strong and effective democratic state, based on common European values and shared principles. It intends to fulfil and further develop current EU-Georgia agenda by making the best use of all possible cooperation instruments and mechanisms.

Georgia has embarked on a demanding process of implementation of wide-scale reforms for effective implementation of the AA, including the DCFTA. This requires well-structured coordination mechanisms providing efficient vertical and horizontal instrument for result oriented cooperation among the governmental bodies. Several important steps have been already taken in this direction:

- Effective functioning of the Governmental Commission on Georgia's European Integration;
- The Governmental Decree on the Measures for Effective Implementation of the Association Agreement, and its DCFTA component was adopted in February 2014, which defines functions of the respective ministries in the AA implementation process;
- Increasing capacity of the Office of the State Minister of Georgia on European and Euro-Atlantic Integration;
- Creating special unit responsible on the EU integration issues in each line ministry;
- Intensive trainings of civil servants on the EU integration related issues;
- Studying and sharing experience of the newly exceeded EU Member States and candidate countries.

The Prime Minister of Georgia is personally supervising of the EU-integration related activities of the GoG including by chairing the meetings of the Governmental Commission on Georgia's EU Integration.

On 17 November 2014, the first EU-Georgia Association Council was held, which launched the new upgraded institutional framework of the EU-Georgia political dialogue.

The Government of Georgia initiated concrete actions to promote democratic consolidation and political pluralism to create effective checks and balances across its branches, facilitate greater civic participation and develop strong state institutions.

The report provides detailed information about ongoing developments in accordance with the chapters of the ENP AP, the EaP Bilateral and Multilateral Roadmaps, as well as the EU-Georgia Association Agreement and the Association Agenda.

Democracy, Human Rights and Good Governance

The **Municipal Elections/Local Self-Government Elections** held on 15 June 2014, as well as the pre-election period were assessed positively by the international organisations and local NGO's, according to which the entire process was in line with the European standards. The elections took place in an independent, transparent and free environment, which was in line with the Georgian legislation and international standards and proved that Georgia is a frontrunner in the Region in terms of democracy building. These elections marked the evident progress that country has made over the years and demonstrated its commitment to the European values.

Georgia remains the leader of the Eastern Partnership **Media Freedom** Index. According to a survey Georgia has the highest degree of media freedom among the Eastern Partnership countries. The study confirms independent civil society reports from earlier in the year, noting significant improvements in media freedom in Georgia.

Georgia seeks to amend the Constitution of Georgia to find an appropriate balance between constitutional stability and the sufficient flexibility. The **State Commission for Constitutional Reform** was established by the special decree of the Parliament of Georgia. The Chairman of the Commission is the Speaker of the Parliament of Georgia, David Usupashvili.

On 30 April 2014, the Parliament of Georgia adopted the **National Strategy on Human Rights** for 2014-2020 and on 9 July 2014, the Government of Georgia approved the governmental **Human Rights Action Plan 2014-2015**. Together with the Action Plan, Human Rights Interagency Council Chaired by the Prime Minister has been created, which is a coordination mechanism ensuring effective implementation and further development of the Human Rights Action Plan.

In 2014, the Government of Georgia introduced a new title for the Office of the State Minister for Reintegration and renamed as the **Office of the State Minister for Reconciliation and Civic Equality (SMRCE)** that will contribute to establishing a more favourable environment for interaction and trust building with the occupied Regions.

For effective application of its policy directions, SMRCE continues the realisation of the major dimensions of the "**State Strategy towards the Occupied Territories: Engagement through Cooperation**". Along with the important initiatives conducted under the Strategy, SMRCE developed a long-term State Strategy on Socio-Economic Development of Conflict-Affected Regions, which will be considered by the Interagency Commission and adopted by the Government.

The Law of Georgia on Elimination of all Forms of Discrimination was adopted by the Parliament of Georgia on 2 May 2014 and entered into force on 7 May 2014. The purpose of the Law is to eliminate every form of discrimination and ensure equal rights. The Law also provides minimum procedural framework for the implementation of relevant authorities granted to the Public Defender of Georgia. On 22 August 2014, under the authority of the Public Defender the Equality Department was created. As of 22 September 2014, the Office of Public Defender of Georgia has already reviewed 18 cases of alleged discrimination.

On 1 August 2014, the Parliament of Georgia adopted a package of amendments on **personal data protection legislation**. The amendments entered into force on 1 September 2014. The amendments among other issues introduced election of the Inspector by the Parliament of Georgia and expanded the mandate of the Inspector towards data processing for police purposes. Besides, the provisions of the PDP Law related to the powers of the Inspector to conduct inspections and impose sanctions towards private sector were enacted on 1 November 2014, instead of 2016.

In spring 2014, Georgian **Office of the Personal Data Protection Inspector** (DPA) became a member of the Central and Eastern European Personal Data Protection Authorities (CEEPDA). On 1 March 2014, the Personal Data Protection Inspector published the first Annual Report on the State of the Personal Data Protection in Georgia. The web-page of the Office of the Personal Data Protection - www.personaldata.ge; www.pdp.ge - was officially launched on Data Protection Day, 28 January 2014.

A special attention is paid to the enhancement of independence of the judiciary and awareness raising campaign on the **reform in judiciary**. Strengthen the role and independence of the High Council of Justice (HCoJ) includes the decision on the Rules of Electronic Case Management and ensures to start legal proceedings in a court via electronic records management programme.

In 2014, special commission was established in the **Supreme Court** with the aim to strengthen the substantiation and the reasoning of court decisions. The work of the commission is facilitated by the Council of Europe, U.S. Department of Justice and the Human Dynamics Project - Support to the Reform of the Criminal Justice System in Georgia.

The Ministry of Justice, in cooperation with UNICEF and the EU, is currently working on the first ever standalone **juvenile justice law** based on the model law on juvenile justice prepared by the UN. The draft code has been elaborated and the consultations with respective stakeholders (governmental agencies, non-governmental and international organisations) are at the final stage. Submission of the draft code to the Government for approval is planned for the near future and afterwards it will be submitted to the Parliament for adoption.

The Anti-Corruption Council at its session of 4 February 2015 approved revised the **Anti-Corruption Strategy, the Action Plan** (2015-2016) and the **new Monitoring and Evaluation Methodology**. At the same session, the Anti-Corruption Council discussed the Evaluation Report of 2010-2013, the Anti-Corruption Action Plan and the Anti-Corruption Council Activity Report 2014.

The Secretariat of Open Government Georgia elaborated Report on Public Consultations of 2014 and presented it to the Anti-Corruption Council of Georgia Session on 14 April 2014. Georgia's second Action Plan of 2014-2015 was approved by the Government Decree No. 557 on 18 September. The Secretariat of Open Government Georgia presented the Open Government Georgia's Forum Activity Report 2014 to the Anti-Corruption Council at its Session of 4 February 2015.

One of the important objectives for the Government of Georgia on its way to the EU integration is well functioning **penitentiary and probation system**. After major efforts during the 2013 to tackle inherited urgent problems within the system, including violation of human rights, torture and ill-

treatment, overcrowding, poor living conditions and lack of access of prisoners to the quality healthcare system - the Ministry of Corrections (MoC) continued implementation of targeted goals in 2014. The Ministry has advanced substantially in creating more human and adequate living conditions for inmates, partly resulting from the improved living infrastructure, new living space entitlements, also because of the maintained reduced number of prison population resulting from effective operation of parole boards.

With regard to the legislation reforms, the amendments have been made to the **Imprisonment Code**, bringing the living space entitlements for prisoners in line with the international standards.

Social programmes for prisoners or probationers are enhanced in order to facilitate the successful socialisation and reintegration of inmates into society.

The Government of Georgia considers the **civil service reform** as an important process in its political agenda. In 2014, the civil service reform moved to an active phase of development with the adoption of the **Civil Service Reform Concept** by the Government of Georgia, which provides a solid basis for the development of a new law on Civil Service. Many important steps were made towards the enhancement of the Civil Service Bureau's (CSB) capabilities and resources.

The Government of Georgia developed the **Governmental Decree on the Competition and Attestation Rules**.

Under the initiative of the Prime Minister of Georgia, Georgian students and recent graduates will be given an opportunity to gain experience by serving as interns in the civil service institutions of Georgia.

The **Regional Development Program** for 2015-2017 (RDP) was adopted by the Government of Georgia on 26 June 2014, which defines main objectives and tasks of regional development policy of Georgia, its respective priorities and activities and the framework for systemic support towards achievement of the balanced and sustainable socio-economic development of Georgian regions. The Program and its effective implementation are in line with the relevant provisions of the Association Agreement between the EU and Georgia and the Association Agenda.

The main priority for the **local and regional development** for 2014 was the implementation of small and large-scale infrastructural projects. 140 mln GEL has been allocated through the regional development fund ("the fund for implementing projects in Georgian regions") for financing more than 500 projects at various municipalities.

The Public Service Development Agency (PSDA) of the Ministry of Justice of Georgia has been actively working to support local self-governments by developing **Community Centers** (CC). Currently, 17 Community Centers are fully operational across Georgia. Construction of 13 additional CCs is planned throughout 2015.

Georgia attaches particular importance to the participation in the EU-led crisis management operations under the **CSDP** and thus, contributing to the Union's efforts to build peace and security. Georgia is participating in the EU-led operation in the Central African Republic (EUFOR RCA) since June 2014.

EaP and Regional Cooperation

Since the launch of **the Eastern Partnership** on 7 May 2009, Georgia continues active engagement in both bilateral and multilateral formats of cooperation and successfully implements the respective Eastern Partnership Roadmaps, adopted on 15 May 2012. Georgia has become one of the most attractive meeting spots for events within the EaP format. In the framework of the multilateral dimension 7 events were held in Georgia in 2014, including the 6th Annual Meeting of the Eastern Partnership Civil Society Forum.

Conflict Prevention and Confidence Building

In light of on-going occupation, the Government of Georgia remains committed to peaceful, pragmatic, flexible and constructive course of action, with an objective to strengthen the **policy of engagement** with Georgian regions of Abkhazia and the Tskhinvali Region/South Ossetia and provide favourable environment for reconciliation and comprehensive settlement of the conflict.

The Government of Georgia highly appreciates the **EU's role in peaceful resolution of the Russia-Georgia conflict**, among others, through maintaining the European Union Monitoring Mission, participating in the Geneva International Discussions, supporting and implementing its non-recognition policy towards the occupied regions of Georgia.

During the bilateral meetings with the high level EU representatives or at other international fora, the Government of Georgia continuously raises the issues of de-occupation of the Georgian territories and the full implementation of the obligations taken by the Russian side under the 12 August 2008 Six-Point Ceasefire Agreement. The Georgian side considers it important to maintain the issue of Georgia in the agenda of the EU-Russia political dialogue.

Russia continues to exacerbate the already fragile situation through unceasing militarization of Georgia's occupied regions, intrusions into Georgian-controlled airspace and frequent military exercises. Against the background of **Georgia's declared policy** to normalise relations with Russia Moscoa undertakes further steps against the territorial integrity of Georgia, as it is clearly initiating the annexation process of Georgia's occupied territories of Abkhazia and the Tskhinvali region/South Ossetia through new agreements.

On 5 June 2014, the UN General Assembly at the 68th Session adopted the resolution on the “**Status of the Internally Displaced Persons and Refugees from Abkhazia, Georgia and the Tskhinvali Region/South Ossetia, Georgia**” (A/RES/68/274). This year the number of supporters of the resolution has reached 69.

The EU's engagement in the conflict resolution through functioning of the **European Union Monitoring Mission** (EUMM) remains the essential guarantee of Georgia's security. It is crucial to maintain the EUMM mandate and preserve the number of monitors, as well as ensure its access to the occupied territories of Georgia. In December 2014, the EU Council extended, the mandate of the Mission until 14 December 2016.

The Georgian side welcomes the appointment of the new **EU Special Representative for the South Caucasus and the crisis in Georgia**, Herbert Salber. The EUSR's reinforced participation in the **Geneva Discussions** gains an utmost significance in the context of Russia's persistent actions directed against the EU's role in the conflict resolution process.

Justice, Freedom and Security Issues

The 7th **EU-Georgia Cooperation Sub-committee on Justice, Freedom and Security** was held in Tbilisi on 18 June 2014.

A new Law of Georgia on “**Legal Status of Aliens and Stateless Persons**” was approved by the Parliament on 5 March 2014 and entered into force on 1 September 2014.

On 1 September a new web-page (www.geoconsul.gov.ge) was launched where foreigners can acquire visa information and submit on-line applications. Subsequently, visa module of “**Consular Service Management Electronic System**” was activated and is operational in all Georgian Diplomatic Missions.

Decree No. 525 of the Government of Georgia on **Approval of the Procedure for Removing Aliens from Georgia** was signed and entered into force on 1 September 2014. In addition, a mechanism regulating fight against irregular migration and implementation stages thereof was defined within the Ministry of Internal Affairs. The **Migration Department within the MIA**, responsible for the detection and expulsion of foreigners illegally residing on the territory of Georgia has been established by the order No. 588 of 6 August 2014 of the Minister of Internal Affairs of Georgia. The Department officially commenced functioning as of 1 September 2014. The construction of the Temporary Accommodation Centre for the foreigners staying in Georgia without proper legal grounds is completed. The Official presentation and opening of the Centre was held on 8 October 2014.

In accordance with the Migration Strategy Action Plan for 2013-2015, in order to improve the migration data quality and its proper monitoring, the Ministry of Internal Affairs of Georgia among other activities elaborated the **unified immigration database** (so called “over stayer’s alert system”) which is an electronic programme collecting information on aliens from different agencies. The programme processes the information and identifies the persons who do not or no longer have legal grounds to stay in the country. Therefore, it provides reliable data on illegal migration for competent authorities, contributes to the accumulation of relevant information and statistics which itself enables effective development and management of the migration policies as well as migration profile of the country. Based on the programme the MIA Migration Department ensures the monitoring of foreigners staying in Georgia. The programme was officially launched at the end of September 2014 on the basis of the order No. 752 of the Minister of Internal Affairs.

Pursuant to the Migration Strategy Action Plan for 2013-2015, in order to improve the migration data quality, the **Unified Migration Analytical System (UMAS)** will be created by mid-2016. The database will have only analytical and statistics purpose. A specialised working group dealing with this matter was established under the Chairmanship of PSDA.

The **Migration Profile** of the Country containing the data of 2005-2010 was developed and adopted by the State Commission on Migration Issues (SCMI) in 2011. Since then, the document has been updated twice in September 2013 and adopted by SCMI in June 2014.

As of 2014, under the leadership of the International Organization for Migration (IOM), Mobility Centres in four regions of Georgia - Tbilisi, Batumi, Kutaisi and Telavi - continues to function under the framework of the Eastern partnership Integration and Cooperation (EaPIC). The **Mobility Center** programme will be implemented over a period of 42 month started in January 2014 till June 2017.

In order to increase the reception and accommodation capacity of **asylum seekers**, on 20 February 2014 United States Office of Defense Cooperation (ODC) under the United States European Command (EUCOM), received an appropriation of approximately 600,000 USD to fund construction and furnishing of a second wing at the Asylum Seeker’s Center in Martkopi. The new Center will have a capacity of 50 persons. In summer 2014, the planning work was completed and the design works are underway. 38 families (111 persons) have been granted with financial aid, since 1 January 2014.

According to the 27 January 2014, the resolution of the Government of Georgia, based on MRA Regulation (considering sub-paragraphs A and A.a. of the Paragraph 4 and article 7) the **Unit for Provision the Asylum Seeker's Country of Origin Information** was created. In June 2014, the draft document - Standard Operational Procedures for the COI Unit – was elaborated and sent to the UNHCR Tbilisi Office for comments and recommendations.

In March-April 2014, Georgia hosted the EU expert mission, which evaluated Georgia's progress in the implementation of the **VLAP** first phase. Based on the findings of the mission, on 29 October 2014, the European Commission has released its second progress report, according to which Georgia met the first-phase requirements of the VLAP and the Commission could launch the assessment of implementation of the second phase benchmarks.

On 4 June 2014, the fifth meeting of the **EU-Georgia Joint Visa/Readmission Committee** was held in Tbilisi, where implementation of the Agreements was discussed and concrete issues addressed. In general, the Committee positively assessed the process. By the end of 2014, more than 90% of the readmission applications positive decisions have been made.

The **Visa Facilitation Agreement** was signed with Switzerland on 13 September 2013 and entered into force on 1 January 2014. Georgia has concluded **readmission agreements** with Denmark, Norway, Switzerland, Ukraine (together with its implementing protocol) and Moldova. With an aim to conclude readmission agreements, Georgia elaborated draft model of readmission agreement which was sent to Armenia, Azerbaijan, Bangladesh, Israel, Sri Lanka and Pakistan through the diplomatic channels with the request of initiating negotiations. Draft texts of readmission agreements with Bosnia and Herzegovina, Serbia, Montenegro and Belarus are under negotiations. In 2015, Georgia will initiate signing the readmission agreements with Algeria, China, Egypt, Iran, Nepal, Nigeria and Turkey.

From 28 July 2014, the Consular Services at the Georgian diplomatic missions abroad accept the applications for the issuance of **biometric passports**. On the basis of these applications PSDA issues a biometric document. Meanwhile, as of 1 January 2015, the validity of already issued non-biometric passports will be reduced for one year (non-biometric passports will be issued only in exceptional cases when the collection of biometric data of a person is impossible because of his/her health or physical condition).

For the purpose of elaborating multiannual **National Integrated Border Management Strategy** and corresponding Action Plan, on 14 January 2014, the Government of Georgia adopted a Resolution No. 49, creating Temporary Interagency Council responsible for coordination and elaboration a new Strategy and its accompanying Action Plan. The Strategy for the years 2014-2018 was adopted on 13 March 2014, by the Decree No. 226 of the Government of Georgia. The Action Plan was adopted by the Government Resolution No. 335 on 6 May 2014.

The Georgian **counterterrorist legislation** was further enhanced in 2014. The crimes of theft, extortion, or falsification of documents in relation to supporting terrorist acts became separately punishable under the terrorist chapter of the criminal code, with significant criminal penalties. Additionally, it is noteworthy that in order to further strengthen existing confiscation system in relation to terrorism financing, Georgia extended civil confiscation mechanism of illicit and undocumented property to terrorism financing offences as well.

In February 2014, the **Cyber Security Bureau** (CSB) was established under the Ministry of Defence as a Legal Entity of the Public Law to improve and safeguard the cyber security of the military capabilities and infrastructure. In November 2014, the Cyber Security Policy was approved by the CSB that defines aims and general principles for defence sector for building reliable information and

communication technology infrastructure. The Cyber Security Development Action Plan has been elaborated and will be approved in the first quarter of 2015.

Throughout the 2014, the cooperation between Georgia and the European Union has been actively progressing in the framework of the **Mobility Partnership**. By 2014, 13 projects have been completed and 5 more are in the implementation process.

Economic and Social Reforms

According to the preliminary information, In 9 months of 2014, the GDP in Georgia in current prices amounted to 12 000,0 mln USD (11 989,8). Real growth reached 5.9% (5.0% real growth in 11 months of 2014).

According to the preliminary data, in Q3 of 2014, FDI in Georgia amounted to 508 mln USD, which exceeds more than threefold (3,4-fold) to the same data of Q2 2014 and is twofold (99% growth) more than the same data of Q3 2013.

In 9 months of 2014, FDI in Georgia comprised 923.3 mln USD, which exceeds the same data for 2013 and 2012 by 29.1% and 36.2%, respectively.

In 2014, Georgia's total foreign trade turnover grew by 5% compared to the previous year and amounted to 11 457 mln USD, exports decreased by 2% and reached 2861 mln USD, while imports grew by 7% and reached 8596 mln USD.

In 2014, Georgia's trade turnover with the EU Member States increased by 4% compared to the same period of the previous year and amounted to 2990 mln USD. Exports to the EU increased by 2% and amounted to 621 mln USD, and imports from the EU increased by 4% and reached 2369 mln USD. The share of the EU in total trade turnover of Georgia comprised 26%, the share of export was 22% and the share of imports – 28%. Among the top 10 trade partner countries of Georgia were two EU Member States: Germany (6th place), Bulgaria (9th place).

The draft amendments developed by the Secretariat of Interagency Council for Combating Drug Abuse, to the Law on Narcotic Drugs, Psychotropic Substances, Precursors and Narcotic Assistance, provide legal framework for modifying **drug policy**, as it establishes legal framework for harm reduction programs.

The main priority of the **social policy** of the Government of Georgia remains focused on the needs of socially vulnerable population.

Special emphasis is placed on families with children. Namely, new program aiming assistance of families with children in crisis has launched in 2014. Within the program, the families are supported with foods, clothing and household items.

On 31 March 2014, the Government of Georgia adopted the **State Targeted Program** on the Improvement of Demographic Conditions. The goal of the Program is to improve demographic conditions in Georgia through financial benefits.

Since 2014, the Government of Georgia launched the new **Social Rehabilitation and Childcare Program**. The program is addressed to the needs of children, persons with disabilities and elderly people.

According to the data of December 2014, state schemes cover 92% of the population, while the remaining 470 thousand citizens have the private or corporate insurance package. As of December 2014, 2.9 mln beneficiaries have already been registered in the primary healthcare centers within the Universal Healthcare Programme.

The new Health Care System Concept Paper for 2014-2020 was completed, which is based on the WHO new European Strategy Health 2020, the latest the UN resolution on universal coverage of quality health services, Adelaide Agreement “Health in All Policies” and others.

The Ministry of Labour, Health and Social Affairs of Georgia continues to work on the creation of a Unified Healthcare Information System, which shall provide both effective administration of the system and availability of patient-oriented healthcare system.

Trade and Trade Related Issues

Economic integration with the EU through establishment of the **Deep and Comprehensive Free Trade Area** (DCFTA) is one of the priorities on the GoG agenda. The DCFTA provisionally entered into force on 1 September 2014. Pursuant to the governmental decree its implementation is assigned to the Ministry of Economy and Sustainable Development of Georgia. The GoG is fully committed to continue the reform process and allocate its relevant resources thereto.

The Ministry of Economy and Sustainable Development has already started an intensive public information campaign in the scope of the **EU Integration Communication and Information Strategy for the period of 2014-2017** adopted by the Government of Georgia.

Georgia continues to further develop national quality infrastructure according to the international and the EU best practices, based on GoG's **Strategy in Standardization, Accreditation, Conformity Assessment, Technical Regulation and Metrology** (TBT Strategy), and the **Programme on Legislative Reform and Adoption of Technical Regulations** (TBT Programme). The **Georgian National Agency for Standards and Metrology** (GEOSTM), as a member of the relevant international and regional organisations, actively participates in the work of International Bureau of Weights and Measures (BIPM), Euro-Asian Cooperation of National Metrology Institutions (COOMET), International Organization of Legal Metrology (OIML), International Organization for Standardization (ISO), European Committee for Standardization (CEN), European Committee for Electrotechnical Standardization (CENELEC), International Electrotechnical Commission (IEC). GEOSTM dynamically continues adoption of the European standards as national standards in the priority fields. During the year of 2014 (January-September), GEOSTM adopted more than 478 international and European standards as Georgian ones.

The Third Plenary Session of the Eastern Partnership Electronic Communications Regulators Network (EaPeReg) was organised in Tbilisi on 1-2 April 2014, by the **Georgian National Communications Commission** (GNCC). At the Session, the GNCC was unanimously nominated as the coordinator of the EaPeReg Network in 2015.

The fourth Plenary Session of the EaPeReg was held on 11 and 12 December 2014 in Prague, Czech Republic. The Georgian National Communications Commission (GNCC) has been elected as the new Chair of the Network for the following year. The Plenary Assembly has also approved the new Work Plan for 2015 with preliminary indication of the dates and venues of the following events within the platform to take place in Georgia, Belarus, Lithuania and Moldova.

One of the main objectives for the GoG is to meet international requirements in the field of conformity

assessment of the goods and overcome technical barriers in trade. **Georgian Accreditation Center (GAC)** continues its effort to conduct activities according to international requirements.

Special attention is paid to development of national **market surveillance system** according to international and European best practices which is one of the most important factors with regard to the effective implementation of the DCFTA.

Agriculture has become one of the top priorities of the Government of Georgia (GoG) since 2012. In 2014, the **Strategy for Agricultural Development in Georgia (2015-2020)** was elaborated. It aims to increase agricultural competitiveness, promote stable growth of agricultural production, ensure food safety and eliminate rural poverty.

The **Spring Program 2014** initiated by the GoG and carried out by the LEPL Agricultural Projects Management Agency provides benefit for approximately 800 000 farmers, who own or possess agricultural land with area up to 1.25 ha and use these lands for cultivation of annual and perennial crops. For the small-land owners the Ministry of Agriculture (MoA) has developed the 2014 year **small-land farmer summer works promotion project**. Under this project, 220,466 ha of the agricultural land owned or possessed by 350 656 farmers was plowed.

For the purpose of the research and development of the new technologies, food security and safety, plant and animal protection, risk assessment, promotion of the annual and perennial crops, soil fertility certification of seed and seedlings, enhancement of the agri-machinery, promotion of the organic farming, the **LEPL Scientific Research Center of Agriculture (SRCA)** was established in February 2014.

In 2013, the GoG launched **Cheap Agro Credit Project** in order to improve access to financial resources for agricultural activities. Since the launching of the program 27 177 farmers/producers have benefited. The **Co-investment project** was also launched to create 50 new agro processing companies or to rehabilitate inactive ones in low economic activity regions estimated to 30 mln USD. In the framework of the programme, 16 projects were approved and 6 of them have already started the implementation.

In June 2014, the GoG initiated program “**Produce in Georgia**”, which aims to support and develop production oriented industries. Under this program one of the main directions is agricultural production with the 30 mln GEL budget.

In 2014, the GoG launched “**Agro insurance**” pilot program for farmers under which GoG subsidises the percentage of insurance premium. Totally, 21,000 insurance policies were released in 2014, which covered 18,000 ha of agricultural land with the total value of 150 mln GEL of the harvested products.

Both, MoA and the LEPL National Food Agency (NFA) are actively involved in the process of the **legal approximation according to the DCFTA**.

The **European Integration Department** will be established within MoA in January 2015, which will be entitled to ensure, within its competence, harmonisation of legal acts, regulating the sphere of agriculture with the EU law.

Within the auspices of the **European Neighbourhood Programme for Agriculture and Rural Development in Georgia (ENPARD Georgia)**, the **Review Mission for second tranche** in May 2014, positively assessed the work undertaken by the MoA for fulfilment of the relevant specific conditions related to the following: 1) Strengthened farmers’ co-operation; 2) Capacity building for small farmers; 3) Capacity building of the institutions involved in agriculture. As a result, the second

tranche for the direct budgetary assistance amounting 6 mln EUR was fully disbursed to the Government of Georgia.

Significant advancement has been made in the area of **Farmers Co-operation** by conducting number of workshops and study visits for the purposes of sharing experience.

With regards to the **food safety**, in 2013, MoA and NFA involving EU experts, NGOs and other relevant stakeholders prepared the draft of the new **Code of Georgia on Food/Feed Safety, Veterinary and Plant Protection**. As a result the “Amendments to Food/Feed Safety, Veterinary, and Plant Protection Code” was enforced on 16 May 2014. Additionally, in veterinary and phytosanitary important measures are being undertaken, such as, animal identification, veterinary state control measures, disease prevention measures, and treatment against pests.

The National Intellectual Property Center (Sakpatenti) had undertaken several priority actions. Relevant institutional structures, as well as the offices for **industrial property rights, copyright protection and collection societies** were consolidated. Existing agreements with the third countries were renewed and new treaties on intellectual property protection were concluded. In addition, seminars and trainings were held in order to raise the public awareness in the intellectual property field for the different public segments.

To ensure further development of the **State Procurement Policy** and its approximation to the respective EU regulations, major legislative amendments focused on ensuring more transparency and equal treatment, such as “Standstill period”, legal mechanism and transparency of contracts, have been implemented.

Georgian Unified Electronic Government Procurement System (Ge-GP) has been developed to increase transparency of the system and on the other hand encourage the competition in the public procurement system.

In order to promote the exchange of information and best practice on **enterprise and industrial policy** and facilitate association of Georgia with the EU initiatives for stimulating competitiveness, representatives of the GoG together with representatives of business associations actively participate in the meetings and workshops in the framework of the EaP Platform 2 - Economic Integration and Convergence with EU Policies.

The Ministry of Economy and Sustainable Development, in close cooperation with OECD, started elaboration of the SME Development Strategy, which will be the guiding document for SME policy in 2015-2020. In order to advance business climate in Georgia, the Ministry has also established **Investment and Export Policy Department**, which elaborates an adequate business and export development strategy. Therefore, the Department focuses its activities on introducing investor friendly policies and studying the existing legislation in order to initiate amendments based on investors’ needs.

Under the Ministry of Economy and Sustainable Development, the GoG established the state **Entrepreneurship Development Agency**, which aims to increase the competitiveness of Georgian small and medium businesses, as well as to assist local companies in diversified their export potential.

In order to bring **construction and spatial planning sector** to the higher level, the Ministry of Economy and Sustainable Development, in close cooperation with acting international organisations, provides several activities, including development of a five years strategy and the action plan for implementation of the European technical regulations (Eurocodes) in the field of structural design of the buildings.

The number of international travellers to Georgia has been increasing steadily over the years. Substantial growth can be observed in the data of arrivals from the EU Member States. In 2014, air transportation was the most popular means of arrival among visitors coming from the EU Member States. Within the same year, Georgia actively participated in several **international travel fairs** in various EU Member States. GNTA organised several **press and info trips** for European tour operators and journalists.

After the adoption of the Law on Free Trade and Competition, the Ministry of Economy and Sustainable Development started to fill the gaps in the law and bring **competition legislation** in line with relevant EU *acquis*. The amendments to the Law were adopted on 21 March 2014 and was renamed as **Law of Georgia on Competition**.

Applying methodological amendments to the **Performance Audit Guidelines** is in progress. The project of performance audit quality assurance procedures has been designed. During the 2014, the **State Audit Office** (SAO) has developed IT audit development plan for 2014-2017. Combined audit of the Georgian State Electrosystem has been recently completed. In 2014, the SAO developed recommendation follow-up system. The SAO developed an electronic audit card that provides the opportunity to register and classify audit findings. The SAO implemented a draft version of the strategic planning and performance measurement policy.

The Public Audit Institute (PAI) continued the certification process, for those willing to serve as an auditor in the public sector.

Since May 2014, the SAO improved the transparency of political finances and election monitoring by publishing financial declarations and other related information on political parties in machine-readable format.

In the view of the EU integration, cooperation with the Statistical Office of the EU (Eurostat) is of a crucial importance for the National Statistics Office of Georgia (Geostat). The **General Population Census** was conducted during 5-19 November 2014. About 13 000 persons were hired as field workers. According to the decision of the Government Commission for Census Coordination, the Agricultural census was conducted together with the Population Census.

Transport, Energy, Environment, and Communications

During 2014, visits of four TAIEX experts' missions were conducted in Georgia in civil aviation, road, maritime, and railway transport fields. The missions assessed the needs of Georgia for harmonisation of **transport** related legislation with the EU *acquis*, as well as to verify capacity building possibilities for the relevant staff members.

Furthermore, on 20-21 October 2014, in the framework of TAIEX, a workshop on the EU-Georgia dialogue in the field of **road transport**, was delivered by EU experts. The aim was to provide technical assistance to Georgia in the field of market access and occupation of road transport operators. Besides, technical assistance covered topics of technical periodical inspections of the vehicles and roadside checks of technical conditions of the vehicle. The main goal of the project was further harmonisation and development of the Georgian legislation in accordance with EU rules in the sphere of delivery of driving licenses, tachographs and speed limitation devices together with taxi regulations, cargo security and transport safety.

Serving the strengthening of its energy security, the GoG continued to take intensive steps towards the upgrading and enhancement of the **energy system** including designing, rehabilitation, construction

and exploratory works in 2014. With the technical advancements the GoG also paid attention to the improving **energy legal and regulatory framework** for adjusting to regional energy markets and at the same time gradually approximating with EU standards.

Throughout the year, the GoG also put significant efforts in promoting the development of local renewable potential and supporting **international energy transit projects** within the scope of the Southern Gas Corridor (SCPX expansion project, TANAP, TAP) and other important ones such as AGRI and EAOTC.

The Ministry of Energy of Georgia, together with the Georgian Energy Development Fund (GEDF), embarked on the implementation of **wind power projects**. The first pilot project is “Kartli” with the installed capacity of 20 MW.

The Ministry of Energy of Georgia was actively involved in promotion of the **Covenant of Mayors** project concentrated on the sustainable development including reduction of emissions, utilisation of renewable energy sources and promotion of energy efficiency measures. On 30 January 2014, the partnership agreement was signed between the Ministry of Energy of Georgia and the Directorate General for Energy of the European Commission regarding the strengthening of the competence of the ministry in the promotion of the Covenant of Mayors among municipalities of its area, as well as to reinforce its support to the municipalities, which decide to formalise their commitment to the Covenant.

During 2014, the following documents were prepared by the **Ministry of Environment and Natural Resources Protection of Georgia** (MENRP): a draft document analysing current status of the implementation of the AA environmental obligations, identifying existing gaps and required actions; short-term (1 year) and long-term Action Plans of the Association Agreement environmental chapters; three-year Action Plan of the DCFTA environmental section as part of the National Action Plan. The Ministry agreed with the Delegation of the European Union to Georgia to recruit strategic planning expert who will assist in the preparation of a detailed road map of the AA while strengthening its strategic planning capacity. Official working group on EU integration issues has been also created at the Ministry. The working group is responsible for the coordination of the implementation of the Association Agreement, legal harmonisation and approximation process.

Georgia is actively involved in the work of the Panel on **Environment and Climate Change**, which was created in November 2009 under the auspices of the EaP Platform 2 - Economic Integration and Convergence with EU policies.

With the technical assistance of the European Bank for Reconstruction and Development (EBRD) and the Government of Finland, under the long-term programme “**Georgia – Info-communications Policy and Regulation Development**”, the project “Digital Switchover Policy and its Implementation in Georgia” was elaborated in 2012. According to it and by participation of stakeholders, the “Digital Terrestrial TV Broadcasting Switchover Action Plan and Recommendations” was elaborated and adopted by the Government in 2014.

In 2014, the draft **Law on Postal Union** was elaborated by the Ministry of Economy and Sustainable Development of Georgia, which is now going through inter-governmental procedures.

People-to-people Contacts

The group of experts, established in 2013 by the **Ministry of Culture and Monument Protection**, has finalised the work on the Concept of Culture Policy of Georgia. The legal internal procedures with a view to sign up and participate in the **Creative Europe** programme are in the finalisation process.

The National Agency for Cultural Heritage Preservation of Georgia has started working on elaboration of the Law on World Heritage in April 2014. The Twinning Project “Support to the Institutional Development of the National Agency for Cultural Heritage Preservation of Georgia” has entered the practical phase.

On 4 April, with the initiative of the Ministry of Sport and Youth Affairs of Georgia, the Government adopted the “**State’s Sports Policy 2014-2020**” document. Currently, an Action Plan for development of sport infrastructure 2015-2020 has been drafted. In 2015, an Experts group will deliver an Action Plan for development of physical education and sport science 2015-2020. The Government of Georgia adopted revised version of the “**National Youth Policy**” document and approved the Action Plan for Implementation of the Youth Policy 2015-2020.

The **Declaration** on supporting implementation of the State's Sport Policy was signed at the Conference “**State's Sports Policy of Georgia: challenges and perspectives**” in Tbilisi on 15 April 2014, by the participants of the event.

On 20 May 2014, the Joint Consultative team of the Council of Europe’s **European Convention on Spectator Violence and Misbehaviour at Sport Events and in particular at Football Matches (T-RV) Standing Committee** and UEFA paid 3 days official visit to Georgia. In December 2014, T-RV Standing Committee in the scope of its 39th session adopted the final report and recommendations for the Georgian side.

The Eastern Partnership Conference – “Promoting Collaboration in the Field of Youth” took place in Tbilisi on 1-3 July 2014.

On 18 September 2014, on behalf of the Government of Georgia, the Minister of Sport and Youth Affairs of Georgia signed **the Council of Europe Convention on the Manipulation of Sports Competitions (CETS No. 215)**, opened for signature at a ceremony held during the Conference of European Ministers of Sport in Macolin/Magglingen, Switzerland.

The Enlarged Partial Agreement on Sport (EPAS) paid a consultative visit to Georgia on 13-15 October.

In 2014, the Ministry of Education and Science of Georgia has started to design **the web portal for the National Curriculum**.

For the first time during past two decades the Boarding School for **Blind Pupils** was provided with the textbooks with the Brail script.

From September 2014, through the programme “**Support Inclusive Education**”, the Ministry of Education and Science of Georgia opened three integrated classes for **Autistic pupils**.

In 2014, the “**Sectoral Coordination Council of Employment and Vocational Education and Training**” has been established by the Order N261 (17 March 2014) of the Minister of Education and Science of Georgia.

In order to strengthen the adaptation of **vocational education** to the future demand of the labour market, the Ministry of Education and Science of Georgia established the **partnership with the private sector** representatives, such as BOSCH, Energo-Pro Georgia, Sakcable, Gino Park, Liberty Bank to increase their engagement and participation in the VET.

The National Vocational and Training Council continues to operate. In 2014, by the support of European Training Foundation (ETF) concept paper has been developed within the project “Supporting Social Partnership in VET in Georgia”.

In 2014, the Ministry of Education and Science of Georgia, through the Zurab Zhvania Georgian School of Public Administration launched **the State Language Teaching Programme for the public servants, representing the ethnic minorities** in two regions of Georgia – Kvemo Kartli and Samtskhe-Javakheti.

In 2014, 11 295 000 GEL was allocated for funding **bachelor degree studies** in priority fields.

Georgia is actively involved in numerous events and processes organised by the **Bologna Follow Up Group (BFUG)**. Georgia has been regularly represented at the BFUG meetings. In 2014, three meetings were held, which focused on revision of **European Standards and Guidelines**.

EU Integration Information and Communication Strategy

The Government of Georgia adopted the “**EU Integration Communication and Information Strategy of the Government of Georgia for the period of 2014-2017**” on 6 September 2013. **The Action Plan for 2014** was approved on 24 December 2013 at the **Governmental Commission on Georgia’s EU Integration**. The Information Centre on NATO and EU, in close cooperation with relevant ministries, plays a key role in the implementation of the Strategy. The Office of the State Minister of Georgia on European and Euro-Atlantic Integration together with line ministries has elaborated **the Action Plan for 2015**.

EU Assistance

The main activities related to the EU assistance coordination in Georgia were focused on: 1) preparation of the Annual Action Plans (AAPs) in the scope of the **Single Support Framework**, signed on 18 July 2014 and supplementary documents; 2) implementation of the Institutional Building Instruments – Twinning, TAIEX, SIGMA, Technical Assistance, Sector Policy Support Programmes (SPSP), including the regional cooperation initiatives – TRACECA, INOGATE, Environmental Programmes, Black Sea Cross Border Cooperation; 3) consultancy and information sharing activities for the EU assistance recipient governmental and non-Governmental organisations through – trainings, workshops, working group meetings, information materials and newsletters.

In the frame of SSF 2014-2017, the Office of the State Minister, in cooperation with the relevant governmental institutions and stakeholders, has identified the priority directions and agreed AAPs for 2014-2015.

The **Twinning** projects have good record of implementation: in reporting period 4 projects were finalised; 5 projects are under implementation; 3 projects are expected to be launched by the second quarter of 2015; 2 projects are in different stages of preparation (fiche elaboration, concept note preparation); 5 projects are in pipeline.

The Office of the State Minister, in cooperation with Georgian line ministries and the **SIGMA** headquarters, elaborated the strategic cooperation directions for 2014-2015, defining 6 priority areas of intervention.

With the aim to identify the key lessons and produce recommendations for future preparation of the EU programmes, the Office of the State Minister was involved in evaluation missions organised by the EU.

In the framework of Eastern Partnership Integration and Cooperation (EaPIC) Programme **more for more additional 30 mln EUR** were allocated for Georgia as the top up to the AAP 2014 to support the implementation of the IBIs, agricultural reform and human rights.

Georgia was also actively involved in the implementation of the **Black Sea Cross Border Cooperation** (BSCBC), regional, thematic, EaP multilateral programmes, as well as enhanced efforts to benefit from participation in EU Agencies and Programmes.

1. Political Dialogue and Reforms

1.1 Democracy, Human Rights and Judiciary

1.1.1 Elections

By successfully holding the Parliamentary Elections of 2012, the Presidential Elections of 2013 and the **Municipal Elections/Local Self Government Elections** of 2014, Georgia passed a litmus test, thus demonstrated its strong commitment to democratic standards and the EU integration process. The international community has overwhelmingly agreed that all three elections were well managed, peaceful, and fair. According to a joint statement by the Embassies of the United States of America, United Kingdom of Great Britain and Northern Ireland and the Kingdom of the Netherlands, the recent Municipal Elections, conducted on 15 June 2014, were *successful*.

The 2014 Municipal Elections were evaluated as a step forward in terms of democratic development in the country. As a result of the elections, the country has 2083 new members of “Sakrebulo”, four directly elected mayors, and 46 directly elected “Gamgebeli”. In general, the pre-election processes, as well as elections took place in an independent, transparent and free environment that is in line with the Georgian legislation and international standards.

The second round of the 2014 Municipal Elections was an indicator of democratic electoral process which is crucial for ensuring equal and competitive election environment. As it was underlined by the international observes, these were truly democratic elections conducted according to the highest international standards and revealing commitment of the Georgian people to the European values. These elections prove that Georgia is a frontrunner in the Region in terms of democracy building.

The Municipal Elections were particularly important given Georgia’s recent adoption of a new local self-governance legislative package that paved the way for the direct election of mayors in all Georgian municipalities. 45,300 representatives of the election subjects, more than 16,000 representatives of local organisations, 560 international observers and more than 1,500 accredited media representatives covered the Municipal Elections. Among others, several foreign organisations observing the elections were present: International Republican Institute (IRI), National Democratic Institute (NDI), and the Embassies of the UK, Netherlands, United States, Switzerland, Poland, Hungary and Sweden.

The Georgian Public Broadcaster, Adjara Television and Radio of the Public Broadcaster, as well as national broadcasters holding general broadcasting license continued informational support of the pre-election campaign in accordance with the Article 51 of the Election Code of Georgia, including

providing airtime free of charge and without discrimination for advertisements submitted by the qualified election subjects to the broadcasters during the second round.

The Minister of Justice and chair of the Interagency Task Force (IATF) on Free and Fair Elections re-issued recommendations from September 2013 that call upon political parties to ensure their employees are aware of campaigning rules for civil servants; and the Ministry of Internal Affairs to apply all possible means to ensure safety at political rallies. The IATF addressed recommendations to the Central Election Commission, ministries, political parties, law enforcement officials, and etc.

1.1.2 Media freedom

Georgia remains the leader of the Eastern Partnership Media Freedom Index for the second consecutive year, marking the country's continued success in building a strong, independent and high quality media that allows for the open expression of all ideas. According to a survey titled *Media Freedom Index of the Eastern Partnership countries*, Georgia has the highest degree of **media freedom** among the Eastern Partnership countries in the first half of 2014.

The Eastern Partnership Media Freedom Index is compiled quarterly within the framework of the project EaP Media Freedom Watch. About 60 media experts were interviewed in order to compile the data. The project was conducted as part of a media monitoring initiative supported by the European Union and the Eastern Partnership Civil Society Forum designed to evaluate press freedom among the six former Soviet republics that comprise the Eastern Partnership: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

The study confirms independent civil society reports from earlier in the year, noting significant improvements in media freedom in Georgia.

According to Reporters Without Borders press freedom index, Georgia rose 17 places compared to last year to rank 84th in the world. The study shows that the reforms and policies of the government have been effective in ending past official interference by the government. The international NGO defending media freedom noted that Georgia's media landscape enjoys a significant degree of pluralism. The improvements, notably as regards increased political diversity in the television media were also highlighted. Likewise, Transparency International Georgia has reported a decrease in partisan bias in the media.

The Government of Georgia highlighted the emergence of a free and independent media as one of many examples of the "significant progress" country has made over the past two years at the 69th United Nations General Assembly.

1.1.3 Constitutional Reforms 2014

Georgia seeks to amend the Constitution of Georgia to find an appropriate balance between constitutional stability and the sufficient flexibility. The Parliament wishes the process to be inclusive. To gain this aims, an open and transparent process of drafting **constitutional amendments** was launched - the **State Commission for Constitutional Reform** was established in 2013 by the decree of the Parliament of Georgia "On the Establishment of the State Commission for Constitutional Reform". The Chairman of the Commission is the Speaker of the Parliament of Georgia, David Usupashvili.

The ongoing constitutional process is based on an intention to reach the consensus. Hence, the State Commission consists of the MPs of the Parliamentary Majority and the Parliamentary Opposition, representatives of the non-parliamentary opposition, expert-specialists of relevant fields,

representatives of non-governmental organisations and other stakeholders. Additionally, engagement of non-members is ensured – representatives of public sector can officially submit their proposals. The Commission works to strengthen constitutional guarantees of human rights and freedoms, improve the model for the governance of state, arrange systematically the fundamental issues that are not regulated, suggest reasonable revision procedure of the Constitution of Georgia, fill up the technical gaps and non-compatibilities.

The State Commission for Constitutional Reform closely cooperates with **the European Commission for Democracy through Law (The Venice Commission)**. In the context of a consensus-building constitutional process, the representatives of the Venice Commission paid working visits in Georgia and active cooperation will continue throughout the mandate of the State Commission for Constitutional Reform. It should be outlined that in December 2014, the Editorial Council of the Constitutional Commission held the meeting with the delegation of the Monitoring Committee of the Parliamentary Assembly of the Council of Europe (PACE) and had talks on current constitutional reform working process.

It is essential to note that since the 2012 Parliamentary election the role of Parliament is strengthened in law drafting, as well in execution of supervisory function.

1.1.4 Human Rights Strategy and Action Plan

The first Georgian National Human Rights Strategy was adopted by the Parliament on 30 April 2011, 4 followed by the Human Rights Action Plan for its implementation approved by the Government on 9 July 2014. The seven-year strategy defining the national human rights policy resulted from an inclusive drafting process involving the state agencies, international and non-governmental organisations. It was elaborated on the bases of the recommendations from the national human rights institution – the Public Defender, the UN Office of the High Commissioner for Human Rights (OHCHR), national and international human rights NGOs, and specifically the country report by the then EU Special Adviser on Legal Reform and Human Rights in Georgia, Thomas Hammarberg.

The Strategy and the Action Plan identify human rights priorities and streamline the activities of various government agencies, while also making a positive contribution to the coordination of donor support which, in turn, should increase the effectiveness of the government's work in the area of protection of the human rights. The Strategy lays down general principles, whereas concrete actions are specified in the Action Plan.

The Strategy aims to develop a systematic line ensuring the implementation of obligations stemming from human rights in everyday life. To this end, representatives of all branches of government as well as all officials at the central and local level are expected to fulfil the constitutional duty to ensure respect for human rights.

Moreover, Strategy strengthens the human rights based approach which will drive the state policy and programmes and determine right-holders and duty-bearers in each particular case. The Strategy explicitly requires from the state to respect, protect, fulfil and promote human rights. With a view to achieving the vision and goals, the Strategy envisages legislative and institutional changes, as well as changes in practice.

It should be emphasized that on the basis of the recommendations of the Public Defender, the UN Office of the High Commissioner for Human Rights (OHCHR), national and international human rights NGOs, and specifically the country report by the then EU Special Adviser on Legal Reform and Human Rights in Georgia, Thomas Hammarberg, on Georgia's achievements and challenges in the field of human rights the strategy determines strategic priorities for 2014-2020. Each strategic priority

includes particular goals and guiding principles. The following strategic directions are identified by the Strategy:

1. Perfection of Criminal Legislation and promoting the principle of equality of arms
2. Improved protection of the right to fair trial through promoting continuous judiciary reform
3. Reform of Prosecutor's Office aiming at ensuring the conduct of criminal prosecution based on human rights, fairly, effectively, transparently and independently
4. Improving the standards of crime prevention and effective investigation in law enforcements, promoting the respect for human rights and ensuring their compliance with international standards
5. Establishment of a penitentiary system, being in compliance with international standards
6. Implementation of effective measures against torture and degrading treatment, *inter alia*, transparent and independent investigation
7. Developing of a juvenile justice system in compliance with international standards that will foresee the needs and the best interests of all children, including those in conflict with law, victims and witnesses, as well as children in civil and administrative procedures
8. Ensuring the right to participate in social and political life through further refinement of electoral environment and development of public services
9. Establishment of high standards for protection of the right to private life
10. Establishment of high standards for protection of the right to peaceful assembly/the right to freedom of association and freedom of expression
11. Ensuring realization of the right to freedom of thought, conscience and religion
12. Non-discrimination and protection of the rights of the minorities
13. Realization of the rights of the children by improving protection and assistance systems, development of social services, reduction of children's poverty and mortality rate and ensuring adequate education
14. Ensuring gender equality, protection of women's rights and prevention of domestic violence
15. Provision of equal rights for the persons with disabilities by adhering to the principle of reasonable adjustment
16. Protection of the rights of internally displaced persons and persons living alongside the occupied territories
17. To take all possible measures for protection of the rights of persons living on occupied territories of Georgia using bilateral and multilateral international legal instruments
18. Introducing higher standards of protection of the right to property
19. Protection of labour rights in accordance with international standards
20. Taking effective measures for ensuring enjoyment of the right to health, especially for vulnerable groups
21. Discharging the obligations stemming from the right to adequate housing
22. Ensuring the rights of migrants and those awarded with shelter
23. Provision of the human environmental rights

Governmental Action Plan

The Action Plan is a comprehensive document covering two first years of the implementation of the Strategy, namely 2014-2015. It lists goals, objectives, activities, responsible agencies, timeframes and indicators. *The Plan is a 'living' document that can be amended depending on the needs, although nothing from the goals and activities can be removed as those two are reflected in Strategy, only new activities can be added.* Based on the experience of its implementation, the next action plan(s) will be drafted and adopted.

The Inter-agency council established under the Government and chaired personally by the Prime Minister monitors the process of implementation of the Action Plan. The Council will report to the

Parliament annually in March – before the Parliament hears the Public Defender’s annual report. The first meeting of the council took place on 30 October 2014.

The Council has nine working groups (on the level of deputy ministers and heads of departments) focusing on different chapters of the Action Plan.

The nine inter-council working groups unite and cover all 23 chapters of the action plan:

1. The Principle of Justice of the Criminal Code, Independent, Accountable and Transparent Justice System, Prosecutor’s Office, Activities of Law Enforcement Agencies;
2. The Penitentiary System, Torture and Other Forms of Ill-treatment and Human Trafficking;
3. Right to Privacy, Freedom of Expression, Freedom of Assembly and Association;
4. Protection of National and Ethnic Minorities, Freedom of Religion and the Protection of Religious Minorities;
5. Gender Equality: Empowerment of Women and the Fight Against Domestic Violence;
6. Protection of Child Rights;
7. Rights of Internally Displaced Persons (IDPs), Rights of Refugees, Rights of Eco-Migrant, Human Rights and Repatriation, Protection of the Rights of Residents Living Near Borders of Occupied Territories;
8. Rights of Persons with Disabilities;
9. Labor rights, Right to Property, Environmental rights.

The meetings of the working groups are held monthly

As an additional guarantee for the effective implementation of the Action Plan, the Human Rights Secretariat, responsible for productive Inter-Agency coordination and close monitoring of the execution of the Action Plan was created in the Administration of the Government, Prime Minister’s Office. The Secretariat recently published the mid-term progress report including detailed information on the implementation of the Action Plan.

Moreover, Inter-Agency council focusing specifically on the rights of persons with disabilities, chaired by the Prime minister was identified as an implementation mechanism for the 2006 UN convention on the rights of persons with disabilities, therefore designating the Secretariat as a coordination mechanism, and Public Defender’s office as a monitor of the process.

In November 2014, the Inter-Agency Council on fighting against domestic violence was established at the Administration of the government chaired by the assistant to the Prime Minister on Human Rights and Gender Equality issues. At this moment council is working on the strategy on fighting against domestic violence, which will be introduced in 2015.

As a coordination structure on gender and women’s empowerment, secretariat was involved in work of National Coordination Group responsible for the monitoring of the Security Council Resolution No. 1325 on Women, Peace and Security No. 1325, No. 820, No. 888, No. 889 and No. 1960 Action Plan implementation. From 2015 the coordination of the National Group was designated to the assistant to the Prime Minister on Human Rights and Gender Equality issues.

The third round of the working group meetings were held in February 2015.

In March 2015, the very first progress report on the implementation of the governmental action plan will be presented to the Parliament of Georgia by the Human Rights Secretariat.

1.1.5 Integration of Minorities

Anti-discrimination Legislation

Anti-discrimination legislation and its consistency with international norms:

The Law of Georgia on Elimination of all Forms of Discrimination was adopted by the Parliament of Georgia on 2 May 2014 and entered into force on 7 May 2014.

Prior to its adoption, relevant working group examined and analysed all relevant international legal acts, as well as legislation of foreign states, predominantly of EU Member States. In June 2013, the draft was discussed with the relevant governmental institutions. Following the discussions within the governmental sector, in July 2013, draft law was presented to the diplomatic corps and the civil society sector for comments and recommendations. The meetings were held with representatives from civil society sectors, among them were organisations working on human rights issues, religious and ethnic minority representatives and organisations working on the rights of persons with disabilities. On 22 July 2013, the civil society sector presented their recommendations and comments concerning the Draft Law. At the same time, Draft Law went through international expertise: most of recommendations received from ECRI, ODIHR, OHCHR and the Swedish expert (selected with the assistance of the Delegation of the European Union to Georgia) were reflected in the Draft Law and presented to NGOs and governmental institutions. Upon completion of these procedures draft was presented to the Parliament of Georgia.

The purpose of the Law is to eliminate every form of discrimination and ensure equal rights of every natural and legal persons under the legislation of Georgia, irrespective of race, colour, language, sex, age, citizenship, origin, place of birth or residence, property or social status, religion or belief, national, ethnic or social origin, profession, marital status, health, disability, sexual orientation, gender identity and expression, political or other opinions, or other characteristics.

The Law of Georgia on Elimination of all Forms of Discrimination prohibits all forms of discrimination, being it direct or indirect, as well as provides definitions for direct and indirect forms of discrimination. Multiple discrimination – that is discrimination based on the combination of two or more characteristics – is forbidden by the Law as well. Besides, according to the law “...any action carried out for the purpose of forcing, encouraging, or supporting a person to discriminate against a third person within the meaning of this article” shall be unlawful.

The requirements laid down in the Law shall apply to the actions of public institutions, organisations, and the actions of natural and legal persons in all spheres, only if the actions are not regulated by other legal acts, which are in conformity with definition of discrimination provided by the law.

Pursuant to the Law, Public Defender of Georgia carries out the oversight on the issues of elimination of discrimination and ensuring equality (Article 6 (1)). With the purpose of implementing this authority Public Defender:

- a) Reviews applications and complaints by natural and legal persons or groups of persons, who consider themselves victims of discrimination;
- b) Examines cases of discrimination where an application or complaint exists, as well as *ex officio* and issue relevant recommendations;
- c) Elaborates and submits to relevant agencies or persons suggestions of a general nature on the issues of prevention and combating discrimination;
- d) Develops opinions on the necessary legislative amendments and submits them to the Parliament of Georgia in the form of a legislative proposal;

- e) Summons the victim of discrimination and alleged perpetrator of discrimination and attempts to resolve the case through amicable settlement;
- f) For the purpose of restoration of the rights of the victim of discrimination, addresses a relevant body or person, if settlement is impossible and sufficient materials confirming discrimination exist;
- g) Is authorised to address the court pursuant to the Code of Administrative Procedure of Georgia, as an interested party and request issuance of an administrative ruling or execution of an action, if no response to the recommendation has been given by the administrative body or the recommendation has not been taken into consideration and sufficient evidence confirming discrimination exists;
- h) Collects and analyses statistical data on discrimination cases;
- i) Carries out measures to raise public awareness on discrimination issues;
- j) Cooperates with different international state and non-governmental organisations on discrimination issues, as well as with local NGOs and civil society representatives.

As of 17 March 2015, there are approximately 50 pending cases at the Office of Public Defender of Georgia on alleged discrimination.

The Law of Georgia on Elimination of all Forms of Discrimination provides minimum procedural framework for the implementation of relevant authorities granted to the Public Defender of Georgia. In order to make the competences of the Public Defender of Georgia effective in terms of realization of his new mandate, it is of crucial importance to review practices and relevant procedures for the implementation of anti-discrimination legislation of different equality bodies abroad. To this end, the Analytical Department under the Office of Public Defender of Georgia (the Department) carried out a comparative study on the admissibility of cases on alleged discrimination, as well as their adjudication by the equality bodies in Norway, Moldova, United Kingdom of Great Britain, Hungary and Northern Ireland and Ireland.

The Department has further prepared comments on the practical implementation of the Law of Georgia on Elimination of all Forms of Discrimination. Present document constitutes an internal guide for the Office of Public Defender of Georgia to carry out procedural actions in accordance with the Law of Georgia on Elimination of all Forms of Discrimination.

Pursuant to the Law of Georgia on Elimination of all Forms of Discrimination, Public Defender of Georgia is authorised to develop opinions on the necessary legislative amendments in order to ensure the compliance of national legislation with the anti-discrimination law. The Office of Public Defender of Georgia addressed the Prime Minister of Georgia regarding the Governmental Decree No. 45 of 1 March 2013, on *Designation and Issuance of Compensation for Health Injuries Incurred by Employees while Carrying out Their Official Duties*. The Office of Public Defender of Georgia has no information on the outcome of the above communication.

Office of Public Defender of Georgia prepared a legislative proposal on the amendments to the Law of Georgia on State Compensation and State Academic Scholarship, regarding the equal treatment of Judges of Common Courts, General Auditor and his Deputies with the Members of the Parliament of Georgia and Constitutional Court of Georgia in terms of allocation of state compensation before the expiration of their terms of offices. On 27 November 2014, by the Decree of the Chairman of the Committee of Health and Social Issues under the Parliament of Georgia, a working group was established to amend the Law of Georgia on State Compensation and State Academic Scholarship. Representatives of Public Defender of Georgia also take part in the working group meetings. Working group met twice in December.

On 22 August 2014, by the Decree No. 140 of the Public Defender of Georgia, amendments were introduced to the Statute of the Office of Public Defender of Georgia establishing the Equality Department, which will be tasked to carry out the responsibilities assigned by the Law of Georgia on Elimination of all Forms of Discrimination. The Department is responsible before the Public Defender of Georgia and Deputy Public Defender of Georgia, who carry out the official oversight on its activities. The functions of the Department are the following:

- Examination of applications on alleged discrimination submitted to the Office of Public Defender of Georgia and preparation of relevant conclusions/recommendations/ proposals;
- Drafting constitutional complaints under its competences;
- Preparation of relevant parts of the Ombudsman's report;
- Monitoring the implementation of the recommendations made by the Ombudsman of Georgia on issues within its competence;
- Planning and implementing educational activities on issues of equality;
- Analysis of laws/draft laws and preparation of recommendations/proposals.

The Department consists of the Head of the Department, Deputy Head of the Department and Chief Specialists. The Public Defender of Georgia plans to gradually recruit 17 employees, who will have expertise in different fields of discrimination.

Recruitment of the Head of the Department and two specialists took place through a competitive process in October-November 2014. Vacancies were posted on Ombudsman's webpage and on the vacancy portal for public service - www.hr.gov.ge. The recruitment is the competence of the specially established Commission which consists of the representatives of different departments of the Office of Public Defender as well as the HR manager. Commission is headed by the First Deputy Public Defender. Selection took place through two stages: review of applications and an interview. Two additional Specialists were recruited in December 2014. In accordance with the needs of the Office, Public Defender of Georgia plans to gradually recruit additional employees – 17 in total.

In order to ensure effective operation of the Equality Department, Government of Georgia issued an order No. 1529 on 5 September 2014, by which the Office of Public Defender of Georgia was provided with the funding in the amount of 356,155 GEL (approximately 158,291 EUR). The amount entails salaries of the Department employees, business trips within the country and abroad, technical equipment, representative costs, as well as expenses related to the awareness raising activities.

1.1.6 Personal Data Protection

In March 2013, the official procedures were launched to sign and ratify 2001 Additional Protocol to the Council of Europe Convention 108 for the Protection of Individuals with regard to Automatic Processing of Personal Data regarding supervisory authorities and cross-border flows. The Additional Protocol was signed in Strasbourg on 15 May 2013, ratified by the Parliament of Georgia on 27 July 2013.

On 1 August 2014, Parliament of Georgia adopted Amendments Package on personal data protection legislation. The Amendments entered into force on 1 September 2014. According to the Amendments the scope of Georgian Law on Personal Data Protection (hereinafter “PDP Law”) extended to the processing of the personal data by the automatic means for the purposes of the crime prevention, investigation, operative-investigational activities and protection of the public order regarded as state secret. The Amendments also introduced election of Inspector by the Parliament of Georgia. Besides, the provisions of the PDP Law related to the powers of the Inspector to conduct inspections and impose sanctions towards private sector were enacted on 1 November 2014 instead of 2016.

The Data Protection Supervisory Authority – the Personal Data Protection Inspector of Georgia was appointed in July 2013. The Inspector's functions are: consulting the data controllers, data processors and other interested persons on data processing and data protection issues; review of complaints submitted by data subjects; inspection of the legality of data processing; raising public awareness and educating public, as well as data controllers and data processors on data protection; participation in the law-making process related to the personal data protection issues; imposition of administrative responsibility for the violations of the personal data protection regulations.

According to the Law of Georgia on "Personal Data Protection" while exercising his/her powers an Inspector is independent and is not subordinated to any other public official or body. The Inspector is guided by the Constitution of Georgia, international agreements, Law on Personal Data Protection, other normative acts and a statute. Any influence on or interference in the Inspector's activities is prohibited and punished by the law. The Inspector has the right not to testify concerning the fact confided to him/her as to an Inspector. This right shall be preserved to him/her even after the termination of the term of office.

The Structure and Statute of the Office were approved by the Inspector in July 2013. There are two Departments: (i) Citizens' Complaints and Inspection Department; and (ii) International Relations and Communications Department. The Deputy Personal Data Protection Inspector is at the same time Head of Citizens' Complaints and Inspection Department. In the light of the recent legislative amendments expanding the scope of the application of PDP Law and mandate of the Inspector towards data processing in police sector, the structure of the Office has changed and the staff has enlarged. The renewed structure is already developed. According to the new structure several Departments and units are added for better performance of the functions imposed on the Inspector and its Office.

The Office of the Inspector for the purposes of the proper implementation of the data protection legislation initiated elaboration of the thematic and sector specific guidelines and recommendations. The Recommendations on the Data Processing in the Labor Relations, the Direct Marketing and Video Surveillance have been already issued and are available on the web-page – www.personaldata.ge. Documents were prepared on the basis of Recommendations of the CoE Committee of the Ministers, OECD guidelines and other international regulations and best practices of the European states. In addition, the Office of the Inspector issued the act defining the list of the countries providing for the adequate level of the data protection – the so called "white list" of countries where data transfer is possible without the prior authorization of the Inspector.

In spring 2014, Georgian DPA Georgia became a member of the Central and Eastern European Personal Data Protection Authorities (CEEPPDA). The membership was issued to the Georgia on the 16th meeting of the CEEPPDA, where Georgia presented basic directions of its activities and state of the data protection in the country. Georgia was also accredited to participate in the in the European Conference of Data Protection Authorities (so called Spring Conference). Accreditation was provided on the Conference organised jointly by the Council of Europe and the French "*Commission Nationale de l'Informatique et des Libertés*" (CNIL) on 5 June 2014.

In addition, in June 2014, the representative of the Georgian DPA was elected as a Bureau member of the Council of Europe Consultative Committee of the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (T-PD).

On 1 March 2014, the Personal Data Protection Inspector published the first Annual Report on the State of the Personal Data Protection in Georgia. The Report was publicized on the web-page of the Office and presented to public and mass-media representatives as well. Annual Report analyzes the current situation in terms of data protection on the basis of the citizens' complaints, conducted inspections and held consultations and summarizes the respective findings. Report covers all important issues related to the personal data protection in Georgia, *inter alia*, practice of applying basic

principles of data protection, legal grounds for data processing, processing of biometric data, conducting video surveillance, direct marketing, etc. In addition, the Report provides for the recommendations to the Government in order to ensure high level of personal data protection in the country.

One of the main directions of the Office of the Personal Data Protection Inspectors is to raise public awareness and conduct educational activities on personal data protection related issues. The Office fruitfully cooperates with the number of public bodies. The Memorandums of Understanding were signed with the Training Center of Justice and Academy of the Ministry of the Internal Affairs. Within the scope of the MoUs numerous trainings were conducted.

For the purposes of awareness raising the Office elaborated, printed and disseminated brochures and flyers on citizens' right on data protection, obligations of data controllers and data processors and supervisory authority. In addition, special videos and information materials were developed for individuals aiming to focus their attention on the importance of the privacy and their rights to the data protection. Furthermore, the Inspector issued several statements on different data protection related issues such as disclosure of personal data, use of personal data for commercial purposes, etc.

The web-page of the Office of the Personal Data Protection - www.personaldata.ge; www.pdp.ge - was officially launched on Data Protection Day, 28 January 2014. The web-page provides information on the structure, staff, basic activities and budget of the Inspector's Office. Publications, statements of the Inspector, national legislation and international acts on data protection are available on the web-page.

According to the statistical data, in 2014 the Office provided 863 verbal and 97 written consultations; discussed 19 citizen's complaints; conducted 14 inspections of the public bodies and private organisations; issued 14 authorizations on transborder data flow; trained 1404 public officials and private sector representatives on personal data protection related issues.

In order to raise awareness employees of MIA, concerning the provisions of the Instruction and personal data protection standards, training modules have been elaborated and as of 5 June 2014 is included in all of the educational programmes (training and in-service re-training courses) by the LEPL Academy of the MIA.

Within the framework of the Memorandum of Cooperation between the LEPL Academy of MIA and the Office of Personal Data Protection Inspector signed on 15 February 2014, representatives of the Office of Personal Data Protection Inspector and MIA carried out joint training on personal data protection for the employees of MIA.

As of September 2014, special group responsible for ensuring the protection of personal data standards was established within the Ministry of Internal Affairs. The group coordinates fulfilment of personal data legislation by the MIA structural divisions, conducts periodical monitoring for these purposes, receives and reviews complains from individuals, issues recommendations and guidelines on data protection issues and cooperates with the Personal Data Protection Inspector.

1.1.7 Reform of the Judiciary

The Government of Georgia continues its efforts to ensure true independence of judiciary without any outside interference and increase public trust towards the court system of Georgia. The reform is being carried out in several stages.

In May 2013, the **first stage of institutional reform** was completed through adoption of a whole range of legislative amendments. The rules regulating composition of the HCoJ, Administrative

Committee of Judicial Conference and Disciplinary Chamber were modified in order to decentralise and balance allocation of powers within the judiciary, as well as to involve civil society in the decision-making. The enacted amendments ensure participation of judges in the formation of the HCoJ and in decision-making process. Right to nominate the candidates is now guaranteed to any judge. Transparency of the judicial proceedings and disciplinary process has been increased.

The draft amendments were elaborated on the basis of international and European standards, including the Venice Commission Report on the European Standards as Regards the Independence of the Judicial System. The recommendations of the coalition of civil society organisations working on the independence of judiciary have been taken into account. In November 2012, public discussion of the draft amendments was held with the participation of legislative, executive, and judicial authorities, foreign and international missions accredited in Georgia, as well as Georgian and foreign non-governmental organisations.

The second stage of the reform covers constitutional amendment, which introduced **the principle of life tenure for judges**. Moreover, the Organic Law of Georgia on Common Courts, in line with the constitutional authorisation, provides for the appointment of a judge for 3-year probation period. For this, a structured, transparent and objective mechanism for the appraisal of judges will be established. Mentioned mechanism will ensure the appointment of professional judges after three years period of probation time; those who have proved that they are qualified, conscientious, and impartial and truly deserve the robe of a judge. On the other hand, the law imposes an obligation on the HCoJ to be objective and impartial in assessing the performance of the judge. In addition, the law provides for the legal guarantees for the protection of the rights and interests of the judges.

During 28 February – 1 March 2014, a conference on “Lifetime Appointment, Probation Period, Monitoring and Appraisal of Judges” was organised with the participation of representatives of the legislative, executive and judicial branches of Georgia, as well as non-governmental and international organisations and embassies. Judges from Poland, Germany, Great Britain, Austria and the United States of America, as well as member of the Venice Commission participated in the conference. The goal of the conference was to share the experience of the European and the U.S. judges that can be used as a basis for elaboration of the effective system of monitoring and evaluation. The latter will be in line with international standards on one hand and, at the same time, it will be adjusted to the reality, demands and challenges of Georgian society.

The law consists of the following main principles:

According to law the evaluation will be **carried out based on two essential criteria – good faith and competence**. During the three-year probation period the judge is yearly evaluated during one month by a judge and a non-judge member of the High Council of Justice. All three assessments, each of them containing two parallel assessments of the relevant period, will be undertaken by different members of the Council.

During the evaluation period, the evaluators carry out all necessary measures to obtain required information for assessing a judge according to the established criteria. They study five judgments of the cases that were heard by the judge, attend trials, meet with the judge in person and obtain other information according to the rules prescribed by law.

The competence of the judge is measured by scores. As for the good faith, in this criterion the result of the evaluation is whether the judge meets/fully meets with the requirements or does not satisfy them. The results are filled into the forms and submitted to the HCoJ.

After interviewing the judge and considering the results of the evaluation, the HCoJ makes a substantiated decision on the life-time appointment of the judge by two thirds majority of votes.

The judge has the right to appeal the decision on the refusal to a special board that will be set up within the system of the Supreme Court of Georgia. In this case the judge will have to prove that there was a violation of the procedure that affected the decision of the HCoJ.

If the board finds the violation of the procedure, the decision on the refusal is annulled and the HCoJ has an obligation to consider the issue again taking into consideration the findings of the board.

The second stage of the reform was completed in August 2014 through adoption of whole range of legislative amendments by the Parliament.

The **third stage of the reform** was launched in autumn 2013, focusing on the guarantees of independence of the individual judges and their involvement in the activities of the court. The amendments proposed by the MoJ are as follows:

- All candidates will take the position of a judge after going through an open competition. Currently, according to the law the candidates might be the graduates of the High School of Justice (HSoJ) and persons released from studying at the HSoJ (former judges, etc.). However, the latter category of candidates has a chance to be appointed as a judge only if the graduates of the HSoJ have not applied for the vacancy. The draft amendments make the procedure non-discriminatory. The graduates of the HSoJ and the people released from studying at the HSoJ will all participate in the open competition. Besides, currently the law is vague with regard to the procedure of the selection and appointment of the judges. The draft law will also regulate the issue of the procedure for the background check of the candidates for the office. It is noteworthy that the draft law gives the candidates the right to appeal the decisions on the appointment;
- The guarantees for non-interference in the activities of a judge will be clearly articulated, namely the law will state that no one has the right to instruct on the decision of the case outside of the scope of the relevant procedural laws;
- Judges will elect the chairperson of the relevant court by themselves. In addition, the draft law establishes the grounds for termination of the authority of the court chairperson/deputy chairperson;
- Administrative functions of the court chair will be distributed; namely, the court staff will be managed by the court manager and the chairperson will only retain the supervisory functions;
- The chairperson will no longer be authorised to initiate disciplinary proceedings against judges. The function will be transferred to the HCoJ;
- The principle of automatic allocation of cases will be introduced;
- Transfer of a judge to different court will be further regulated. Transfer of a judge without their consent will be allowed only in exceptional circumstances and from a closely situated court. The HCoJ will remain obliged to make substantiated decision regarding the transfer of a judge;
- The procedure for disciplinary proceedings will be refined. In particular, the draft law optimises the stages of the disciplinary proceedings and their terms. According to the draft law the right to official promotion will be restricted for the judges against whom the disciplinary proceedings are being carried out. The proposal of the disciplinary panel regarding the initiation of disciplinary prosecution against a judge based on new grounds will no longer be the reason for initiating disciplinary proceeding against a judge. The disciplinary panel will no longer be authorised to change the qualification of a judge's conduct with any kind of disciplinary violation. In addition, the draft requires that the disciplinary panel bears in mind that removal from the office as a disciplinary sanction is the last resort and will be used only in

exceptional cases. The draft further increases the transparency of the disciplinary proceedings by allowing the judge to make the proceeding open to the public upon request;

- It will be possible to appoint a judge of the district (city) court at the court of appeal, if s/he has been carrying out the judicial authority at the district (city) court for at least 5 years (instead of currently existing 2-year term);
- The draft law increases the transparency of the HCoJ by imposing the obligation to publish the information about the adopted decisions, session dates, agenda and all the relevant information related to its activities on the council's website;
- The functions of the HCoJ and the Independent Council of the High School of Justice in the selection process of the students of the High School of Justice will be clearly articulated. The draft amendments envisage giving additional rights to the students of the High School of Justice; in particular the candidate students will be granted the possibility to appeal the decisions during the selection process. The right of the students of the HSoJ to access the information about them will also be regulated.

The draft laws reflecting the third stage of the reform had already been sent to the Venice Commission for the expertise. They have been accordingly refined and will be submitted to the Parliament for the adoption during spring session 2015.

Plea Bargaining

Reform of the plea bargaining institute is another major theme on the criminal justice reform agenda. The Georgian plea bargain mechanism has been subject of harsh and valid critique as it failed to ensure the observance of presumption of innocence and other fundamental guarantees of fair trial.

The Government initiated robust steps in order to overhaul the mechanism and ensure fair and truly voluntary plea bargaining process for the defendant. To bring the mechanism in line with the best international practices and common European standards, the MoJ in close cooperation with expert of the EU-funded Project "Support to the Reform of the Criminal Justice System", Agnieszka Klonowiecka-Milart and USDOJ Resident Legal Advisor, Steven Neff, prepared legal analysis and drafted legislative amendments to the Criminal Procedure Code of Georgia. The amendments to be introduced are aimed at enhancing powers of judges in the process of plea-bargain and determination of punishments, enhancing role of the victim in the plea-bargaining process and improving transparency of procedure.

The amendments bring in the following key changes:

- Plea agreement on sentence (nolo plea) is revoked and the only way to render judgment without substantial consideration of case is a guilty plea;
- The victims now have a standing before the court to claim the damage incurred ;
- The prosecutors are obliged to keep the record of minutes of the plea-bargaining negotiations with defendants;
- The evidentiary threshold for judicial confirmation of the plea agreement is increased and the right to appeal this confirmation expanded accordingly.

The amendments were finalised and approved by the GoG on 4 April 2014 and submitted to the Parliament for adoption. The amendments entered into force on 24 July 2014.

Rights of Victims

Addressing the problem of the lack of standing of victims in the criminal proceedings had been one of the major priorities of the Ministry of Justice. A comprehensive work was undertaken with support of

the EU and the Council of Europe. The modern standards on the rights of victims, as well as the flaws in the Georgian criminal legislation were thoroughly analysed. The amendments adopted by the Parliament in July 2014 rely on the recent EU victims' rights directive (Directive 2012/29 of the European Parliament and of the Council of 25 October 2012, on establishing minimum standards on the rights, support and protection of victims of crime) and the jurisprudence of the European Court of Human Rights (see, for instance, *Enukidze and Girgylani v. Georgia*, app. no. 25091/07).

The amendments entitle a victim with an access to the case file, provide with a standing before the court and the right to appeal a denied request for being legally recognised as a victim of a particular case. The right to appeal a decision not to prosecute for an alleged commission of an especially grave crime has also been enacted.

1.1.8 Reform of Court System

Develop Criteria for the promotion of judges

Article 41 of the Organic Law of Georgia on the Courts of General Jurisdiction addresses the issue of promotion of judges. Under the Law, the promotion criteria are to be developed by the High Council of Justice (HCOJ). In 2011, the Council adopted a decision No. 1/226 on "The Rules for Assessing the Efficiency of Judges of the Courts of General Jurisdiction" and amended in 2012, establishing the criteria for evaluating judges. The decision was adopted in order to evaluate the efficiency of judicial work of a judge on a quantitative basis. Since the evaluation procedure has merely been based on quantitative and not on qualitative criteria, it has not been used for the promotion of a judge. The Council works on improvement of the decision in terms of development of qualitative criteria for the evaluation of judicial work with the assistance of relevant projects of donor organisations.

Continue appointment of judges in accordance with the Law on "High School of Justice"; Continue conducting the qualifying exam for judges in an electronic format

In September 2014, judicial qualification exam was held in an electronic format. Based on the final results of examination 61 candidates were successful out of 203 candidates.

The vacant places of judges are being filled using the new rules of the selection of judges (High School of Justice). Up to this time the number of people who have finished the school of justice (High School of Justice) is 84. Since 2007, 70 judges have been appointed in accordance with the new rule of selection of judicial candidates.

On 27 May 2014, ten selected applicants were appointed as a judge for three-year probation period before their life-time appointment by the High Council of Justice. Seven candidates out of ten were justice listeners and three-former judges. In June 2014, three former judges from the reserve list were also appointed as judges.

In October 2014, High Council of Justice announced judges' selection contest and 78 candidates have applied for this position. In December 2014, HCOJ announced selection contest for HSOJ listeners.

Modernisation of the judicial system; Continue reorganisation process

The merging process of District (City) courts was finished in 2012. Up to date, 26 unified district (City) courts are functioning.

Develop Electronic Court Case Management Software and Conduct trainings for judges and staff members of the judiciary on the application of the computer programs

It is one of the priorities for the Judiciary that the judges are proficient in using the Electronic Case Management System in order to streamline the access to justice and court procedures. Therefore, training was organised in 2014 regarding the Electronic Case Management System and 53 judges' assistants were able to undergo the mentioned training.

Conduct need-based trainings for acting judges and staff members of the judiciary within the framework of the High School of Justice

The High School of Justice provides continuous training for sitting judges, so that they regularly improve their qualification. During September-November of each year, the HSoJ, with active participation of judges, develops the continuous training curriculum for the following year. Firstly, the Trainings Sector of the High School of Justice consults with judges and receives from them the list of all the issues regarding which judges are willing to undergo the training.

Based on the received information, the Directorate of the High School of Justice in consultation with the Teachers of the School elaborates the continuous training program which is later approved by the Independent Board of the High School of Justice.

In accordance with continuous training program of 2014, 53 seminars have been organised for acting judges during January - December 2014, namely:

- 2 seminars on Administrative Offences, attended by 36 judges;
- 1 seminar on Court Practice about Appealing the Decisions of Administrative Bodies on On-spot Penalizing Directly to the Court, attended by 16 judges;
- 1 training on Suspension of the Appealed Individual-administrative Act; Court Practice on Using the Measures for Securement of the Suit, attended by 16 judges;
- 1 seminar on Problematic Issues of Tax Procedures and Avoiding Taxes, attended by 14 judges;
- 1 seminar on Election Legislation, attended by 64 judges;
- 5 seminars on Substantiation of Judgment; Use of Preventive Measures and its Reasoning; Removal of Conviction, attended by 91 judges;
- 1 seminar on Jury Trial, attended by 8 judges;
- 1 seminar on Trafficking; Illegal Transfer of Migrants on the Border, attended by 9 judges;
- 1 seminar on Cybercrime Cases, attended by 24 judges;
- 1 seminar on Corporate Law, attended by 18 judges;
- 1 training on Issues Concerning Money Laundering, attended by 13 judges;
- 1 training on Competition Law, attended by 13 judges;
- 1 seminar on Leasing, attended by 15 judges;
- 2 seminars on Intellectual Property Law, attended by 37 judges;
- 2 seminars on Labour Legislation, attended by 27 judges;
- 1 seminar on Problematic Issues of Insurance law, attended by 17 judges;
- 2 seminars on Law on "Personal Data Protection" and Access to Public Information, attended by 29 judges;
- 2 seminars on ECHR: Right to Respect for Private and Family Life; Prohibition of Discrimination, attended by 22 judges;
- 2 seminars on ECHR: Right to a Fair Trial; the Right to Liberty and Security, attended by 25 judges;
- 1 training on Articles Provided by the European Convention on Human Rights: Freedom of religion; Freedom of expression; Property rights, attended by 9 judges;
- 2 seminars on Using the European Convention on Human Rights, attended by 17 judges;

- 1 seminar on Reopening of Domestic Judicial Proceedings on the Basis of the Judgment/decisions of the European Court of Human Rights, attended by 13 judges;
- 3 seminars on Decisions of the European Court of Human Rights against Georgia, attended by 44 judges;
- 4 seminars on Standards of Communication and Speech for Judges, attended by 73 judges;
- 2 seminars on Legal Method, Legal Reasoning and Norm Interpretation, attended by 35 judges;
- 1 seminar on ToT in Teaching Methodology, attended by 9 judges;
- 1 seminar on Gender Equality, attended by 9 judges;
- 1 training on Domestic Violence: Threshold Between Administrative and Criminal Responsibilities; Difference/Separation of the Restraining and Protective orders, attended by 12 judges;
- 6 seminars on Judicial Ethics, attended by 112 judges;
- 1 seminar on Relation method, attended by 9 judges;
- 1 training on the Judicial Mediation, attended by 7 judges.

Apart from working with sitting judges, the High School of Justice is also in charge of training and retraining of judges' assistants and other court staff. As with continuous training program for judges, the High School of Justice starts planning these activities in advance, taking into consideration the most pressing needs of the judiciary and the court staff in particular.

During 2014, HSoJ organised 19 trainings for the assistants to judges and court managers. Namely:

- 1 seminar on Important Issues of the Law of Administrative Procedure, attended by 27 assistants;
- 3 seminars on Substantiation of Judgment; Use of Preventive Measures and its Reasoning; Removal of Conviction, attended by 53 assistants;
- 2 seminars on Decisions of the European Court of Human Rights against Georgia, attended by 28 assistants;
- 2 seminars on Universal and Regional Human Rights Standards, attended by 44 assistants;
- 1 seminar on Electronic Programs Established in the Court, attended by 53 assistants;
- 1 seminar in Legal Writing, attended by 18 assistants.
- 2 seminars on Important Current Issues of Civil Procedure Law, attended by 36 assistants;
- 1 training on Establishment of Legal Facts, attended by 22 assistants;
- 1 training on the Judicial Mediation, attended by 20 assistants;
- 2 trainings on Result-oriented Management; Human Recourse Management, attended by 25 court managers;
- 1 ToT on Management Issues, attended by 3 court managers;
- 1 training on Issues of Court Management, attended by 16 court managers;
- 1 training on Effective Service; Releasing the Public Information, attended by 11 court managers.

In addition, 1 seminar has been organised for court managers in Effective management, attended by 11 court managers.

Raise the public awareness on the reform in judiciary through different forms of communication

In the current year, following activities have taken place:

The newspaper inserts have been prepared, many of which were published in the regional newspapers. 60 newspaper inserts have been prepared altogether.

TV Show was prepared and aired in the Kvemo Kartli Region for the ethnic minorities. The aim of the show was to raise awareness among the Azeri language population about the courts and law in general.

12 Radio shows for the Radio stations have been prepared; the shows discussed the work of the regional courts. The programs have been prepared and transmitted for the populations of Imereti and Adjara Regions.

The informational leaflet on the judicial reform of 2004-2014 has been prepared and printed.

The guidelines for the regional courts have been prepared. The guides include the rules of addressing the courts and other important information on them.

The Brochure - Guide to the Court labyrinths has been published. The brochure describes the procedural issues when dealing with the courts in the Q&A format. The brochure describing the hearing of cases in the Supreme Court has been published.

Various meetings have been held with the school and university students, 920 Students have participated in the meetings altogether. In 2014, 22 Moot courts have been organised in the Supreme Court. 869 students have participated in the moot courts. Along with this, training has been held for journalists. 30 different media organisations have participated in it.

Strengthen the role and independence of the High Council of Justice

On 6 December 2013, Decision on the Rules of Electronic Case Management was adopted by the High Council of Justice (HCOJ). Now it is possible to start legal proceedings in a court via electronic records management programme, which means that court user can apply to the court by using electronic statement or claim. After the electronic documents (cases) are received by the court, appropriate court employee evaluates the formal admissibility of the document (case). The court user receives notification electronically on record of case file and possible omission.

In order to differentiate court gives unique bar code to every electronic statement or claim, which is received by the court. If documents are not applied in court electronically, appropriate court employee will scan it.

In 2014 legislative amendment on new salaries for judges entered into force. In particular District (city) Court Judge has now a salary of 4000 GEL. A judge of the Appellate Court - 5000 GEL and the salary of the Supreme Court judge is 6000 GEL.

The High Council of Justice also works on improvement of compensation system for judges.

Cooperation with the civil society and the international organisations throughout the reform process

Interns and the staff of the Supreme Court's Human Rights Centre were trained with the help of the Human Dynamics Project - Support to the Reform of the Criminal Justice System in Georgia.

In 2014, special commission was established in the Supreme Court with the aim to strengthen the substantiation and the reasoning of court decisions. The work of commission is facilitated by the Council of Europe, U.S. Department of Justice and the Human Dynamics Project - Support to the Reform of the Criminal Justice System in Georgia.

Develop the court mediation

Since January 2014, the court mediation is out of testing process and the selected mediators successfully exercise their authority.

Provide the evaluation and promotion criteria for staff members of the courts of general jurisdiction

Department of Human Resources Management of the High Council of Justice is actively working on implementation of relevant system of evaluation and motivation of staff members of the judicial system (courts of general jurisdiction and HCOJ). At this stage, the rule and the form of evaluation is drafted, however, it has not been yet adopted by senior management. The rule of evaluation and motivation of staff will be finally adopted on the basis of general discussions. Pilot model of evaluation will be conducted at the High Council of Justice, then at the courts of general jurisdiction.

Launch the unified web-page for the courts of general jurisdiction

Since the beginning of 2012, the electronic case management software has been operating at the unified district (city) courts. Since the beginning of 2014 the Courts of Appeals have been integrated into the unified system of electronic case management.

Evaluate on the standards for assessing the quality of work of the court personnel

In April, May and June 2014, for the purpose of improving and strengthening communication skills, monitoring over the fulfilment of communication standards in the courts of general jurisdiction of Georgia was held by the initiation of the Department of Public Relations and Quality Management of the High Council of Justice. Monitoring process was conducted by the means of “Mysterious Costumer”. For this purpose, selected interns were trained in relevant skills.

Different types of communication were used during the monitoring process:

- E-mail communication;
- Telephone communication;
- Face to face/immediate communication with the court staff.

Telephone and e-mail communication monitoring was conducted in the courts of first instance, Appellate Courts and the Supreme Court. „Mysterious costumers” visited almost all the First instance and Appellate courts. As a result of monitoring, communication standards are implemented in accordance with the stated rules and there have not been manifested significant violations.

On purpose to improve communication skills and eradicate violations, written recommendations have been sent to the courts of general jurisdiction of Georgia.

With the purpose of formation the cooperation between the Georgian and the EU Member State’s courts, realizing the according performances, which contains: preparation of the exchange programs, finding and getting familiar with the EU Member States judicial practice.

With the assistance of various International Organisations study visits were planned and conducted for the purpose of getting acquainted with the judicial system and functioning of the European Countries. As a result, Georgian professionals visited Germany, France, Poland, Austria, Norway, Malta, Lithuania, Armenia and Cyprus. Study visits were also conducted in U.S.

In June 2014, the Conference of Chief Justices of Central and Eastern Europe was organised by the Supreme Court. Chief Justices of 13 European Countries, including the EU Member States, participated in the conference. The participants discussed the issues of general importance including the substantiation in courts, disciplinary mechanisms, management of the long-term judicial process, alternative dispute resolution and so on.

1.1.9 Enhancing the effectiveness of the National Bureau of Enforcement (NBE)

The National Bureau of Enforcement is a governmental institution operating under the auspices of the Ministry of Justice. It is a legal entity of public law employing 405 professionals with a wide range of responsibilities and functions.

Although, the NBE is preferably engaged in the enforcement of judiciary and administrative decisions, it also encompasses various other types of public services such as: evaluation of property, insolvency regulation, statements of facts, summary proceedings etc.

NBE is a growing organisation with management dedicated to sophisticate and enrich its functions and services. Reporting period was no exception and the Bureau implemented and developed number of projects and plans. The most significant of which will be recalled below:

NBE developed short term strategic plan for 2014 and already implemented its part, undertook major structural changes, refined whole business process of enforcement, introduced new functions within organisation that will support development as a constant process within organisation, enhanced corporate social responsibility and implemented transparent and objective bonus system.

Important topics were addressed within the framework of common project with the Swedish Enforcement Authority, namely: mapping of the services of statement of facts and summary proceedings; refinement and development of internal communication tools/channels, human resources management and development, checking of soil for the development of new services like cross border enforcement, debt relief, preventive communication, management issues – mentorship program, monitoring and follow up systems.

Strategic development

Late 2013, NBE developed strategic plan for 2014 part of which is almost entirely implemented. In the document, NBE proclaimed its mission to be ensuring effective and competitive functioning of the system, in order to meet commitments while maintaining high legal standard. The main strategic goals for the organisation were: 1. Effective management of ongoing operations, 2. Development of current and new services, 3. Development of human resources, and 4. Formation of stable, clear and transparent legal regulations. In order to achieve these goals NBE narrowed it to strategic tasks aimed to change organizational structure, minimise the backlog, further develop current services, develop performance evaluation systems, improve human resources management systems, refine enforcement legislation, enhance financial stability and exercise corporate social responsibility policy. Most crucial among these tasks, which was decisive for other tasks to be accomplished was development of new organisation chart, as far as the challenges NBE was facing required systematic solutions.

New organisational structure developed

Discussions and working meetings to implement new organisational structure started late 2013 and lasted through May 2014. Among many changes it was most crucial to introduce system of three deputy chairs, where each of them would have certain areas or directions under custody. Like first deputy who is in charge of effective management of ongoing business processes have all enforcement

bureaus under supervision, as well as office of doc-flow and information and logistics. Second deputy is in charge to monitor the ongoing services, give follow-ups and analysis; consequently this person supervises offices like case coordination office, office on the protection of the interests of the parties etc. Third deputy will concentrate on the development of human resources, financial matters, public image of the organisation and human resources. Also three separate collective bodies were introduced which was not prior existent at NBE. The bodies are: Board of Directors, Council on the Protection of the Parties' interests and Council on Development. The periods between the gatherings of the collective bodies vary. The new structure, in order to address the present challenges the organisation was facing, introduced few crucial structural units and positions, which will be addressed below.

Improved human resources management and development

There is totally new turn with regard to the management and optimization of human resources. It was one of the challenges before the National Bureau of Enforcement, to constantly develop its employees, to attract and keep the most valuable people within the organisation. The work of the Office on Human Resources Management should not only encompass with the supportive and administrative tasks it should bear a key responsibility in professional growth and satisfaction of an employee. The organisation was lacking in short and long-term human resources optimization plans that would help it to introduce solutions for the problems of quick adaptation of new comers and job-satisfaction of experienced employees.

Reformed and empowered Human Resources Office except for providing administrative support will dedicate biggest part of its workload to the development. More precisely, it will ensure the consistency of personnel with the positions they hold, that they are consonantly growing professionally and their job-satisfaction remains high. The office now is concentrated on the implementation and development of new management methodologies, improvement of employees' base, initiation of the activities that will raise the competencies. The office organises needs assessment surveys and composes plans for the trainings; provides analysis on the adequacy of positions to the salaries employees have. HR office organises various types of activities in order to boost team spirit, motivation and non-formal firm professional relationships within the organisation. The renewed human resources office will be liable if the staff turnover increases, if personnel incompetent for certain positions will cause problems or if the employee dissatisfaction with the job increases. The inalienable part of job satisfaction is the existing clear, easily understood and transparent reporting and evaluation system that serves as the source for quarterly bonuses to be awarded.

Protection of balance between the parties' interests

Due to the fact that the enforcement cases quite vary in type, each of them is particularly unique in some way; thus, the conveyor type approach towards it does not correspond holistically to the problem. Maintaining the balance between the rights of the parties is very challenging. Although NBE declared its mission to be provision of effective and competitive functioning of the system, in order to meet commitments and keep high legal standard, still society foresees this organisation as an executor of customer's i.e. creditor's will. If organisation tries to be empathic towards the problems of the debtor it meets confronting opposition in the other part of society, which understands this as an underperformance from the responsible agency.

In order to maintain balance between the righteous interests of the parties, their demands and expectations, separate office on the protection of the interests of the parties' was created, which has have its representative almost in every NBE office across Georgia. This unit actively takes part in the prevention of the breeches of the parties', in revealing an analysing such cases. In case if the system approach is required, the topical issue will be raised up to the collective body on the protection of the interests, which is composed by the top and middle layer management of the organisation. The

collective body will initiate necessary changes in the policy or the respective regulations. Communication with the parties of enforcement proceedings, to hear their complaints and reaction on them will take whole new turn; this will save many hours of enforcement agents' work. This unit will also be entitled to diminish cases of customer dissatisfaction and complaints.

Ensuring permanent supervision and development of services

Usually it's up to the will and motivation of employees and of the management to give assignments to their subordinates to identify flaws and gaps within the existing services and ensure that they are eradicated. Organisation is in need to have development as a regular business process in house. Under the third deputy chair, which is responsible for the development in general, the separate office of services' development was created. The unit ensures that constant development and refinement of services is irreversible. Office on Services' Development will supervise proceedings to be effective and smooth within both enforcement and non-enforcement services of NBE, it will examine how technical, material and other issues can be hindering to the streamlining of business processes. Special tools will be developed, which will ensure high quality management of conceptual and newly implemented services. Best practice analysis is part of the everyday work of this office. Customer feedback and satisfaction surveys will be of regular character as well.

Software development

From March 2014, parties of enforcement proceedings at NBE receive notifications when e-auction is commenced on their cases. According to the latest amendments, that were made by the NBE personnel with the support of IT office of the National Agency of Public Registry, the parties of enforcement proceedings registered at NBE receive electronic notifications about bidding being open on www.eauction.ge. The service facilitates active communications with the parties. It will also be an extra tool for those involved in enforcement proceedings and their representatives to take control of their case proceedings and monitor the auction processes. In order to get a notification, a person should make a written application while registering an enforcement sheet or during the enforcement process and write down the email address on which she/he wants to be notified later on. According to current legislative regulations, a person conducting the enforcement proceedings has no obligation to pro-actively notify a party when e-auction is launched on their cases. The Project has been planned and implemented bearing in mind high public interest. The change aims at more transparency of enforcement procedures and the enhancement of control mechanisms for citizens.

In June, NBE and Revenue Service signed a Memorandum of Understanding. The MoU implies the establishment of partnership in a variety of ongoing issues in compliance with Paragraph E of part 2 of Article 39 of the Tax Code of Georgia and Paragraphs 1 and 2 of Article 17 of the Law on Enforcement Proceedings. The Document supports the smooth launch of new scheme that will ensure the efficiency of sending-reception of data in enforcement proceedings. Technical part envisaged by the signed document is already in place. This means for the purposes of enforcement proceedings, enforcement agents have direct connection with the databases of Revenue Service and can extract information regarding the debtor without prolonged procedures. This time-saving solution proved to be very handy for enforcement officers. This cooperation between government agencies will significantly reduce the time that is required for conducting mandatory actions during the enforcement procedures.

It is noteworthy that the direct information exchange system between NBE and Bank institutions is being developed. There were first major steps undertaken in that direction to completely extract paper based information exchange methodology that is still existent up to dates. The system is already in place with number of banks registered in Georgia, it's planned to be implemented with all banking institutions operating in the country.

Cooperation with Swedish Enforcement Authority within the frameworks of Sida project

Elaboration of the Map for Statement of Facts and Summary Proceedings Services

Within the framework of the Swedish international development cooperation agency (hereinafter Sida) funded project on cooperation between the National Bureau of Enforcement of the Ministry of Justice and the Swedish Enforcement Agency (hereinafter SEA), a working group (WG) has been established within NBE in order to develop the guiding principles of statements of facts and summary proceedings. The WG was tasked to further optimize the working process, as well as to introduce unified and common professional working standards of these two services of NBE. The WG has performed most of the work in 2014, certain activities are planned for 2015 as well.

The main purpose with this activity was to visualize the processes within these services in order to develop the process map that constitute a baseline for future strategic discussions of the role and responsibilities of the NBE, as well as to unify routines. One of the major effects of the activity concerning mapping of processes is that the NBE has become acquainted with the method of process mapping, and is now able to use this methodology to carry out further mapping exercises on its own. The NBE has a well prepared staff, which can independently develop mapping documents for various business processes based on these skills acquired from this activity. On larger scale map documents for statements of facts and summary proceedings were developed internally by NBE personnel, which is success for both Georgian enforcement system and Sida funded project. On 24-25 February 2015, WG has gathered once again along with the experts of the Swedish Enforcement Agency to develop new Process Mapping guidelines for the Statement of Facts. Another activity is planned in the second half of 2015 to refine the guideline system for the Business Process Mapping.

HR Activity within the frames of Sida project

In December 2013, the SEA presented a fact finding based on interviews about HR-related issues with managers and other key staff. The findings and conclusions emphasized that the effective staff development at NBE requires an effective Human Resource Management system. There were several key issues, which were raised as to how the HR-function may develop. One of the necessary improvements was how to meet the challenges of the high staff turnover in the organisation.

As a first step to design a project support, the SEA HR-function made a project proposal for project support concerning HR-matters. In June a scope of the HR-project was authored; a more detailed draft on recommendations how to strengthen and develop the HR-function.

The SEA proposal was discussed with the NBE at a video meeting in August 2014. It became clear that currently not much of the SEA offers were applicable to the existing environment. The personnel handbook was discussed as one activity which still seemed suitable to elaborate. Based on the existing situation, it was decided to review which HR-issues that were possible to work on. It was decided that the two SEA HR-specialists visit NBE on September 30th-1st October to conduct a session to continue the partnership focused on developing and strengthen the HR-function.

On its behalf NBE identified following HR topics as the subject of its utter interest:

- Personnel Performance Evaluations Systems – how the work of the person during workday, month or quarter is evaluated; what to value during the process what to check and stimulate with the assessment of employee's performance;
- Corporate Culture – enhancement of notions of team work and the culture of collaboration within the organisation, how SEA's strives to reach that; what can be a policy for NBE;

- Accountability – how SEA’s is driving and sustaining real accountability, as its widely known when you can easily identify accountable person for any wrong doing it is another step forward to employees’ adequacy and high level of engagement;
- Talent acquisition & talent management challenges – what to do to attract the outstanding personnel and make them to keep staying at the organisation for extensive period of time, what systems to develop and invoke;
- Salary systems – how to measure the adequacy of salary with the position a person occupies, how to have salary grid that is fair and does not lead to the employee dissatisfaction; what should be a period for revising the salary systems;
- Necessary Competences – how to identify where the personnel is deficient of some of the core competences that is crucial or would be an asset for the organisation;
- Training systems – how to organise special systems of assessment for needs of trainings for certain personnel; What is the time an employee can dedicate during the year for trainings; How can one say that he/she can go on the compromise that the employee is not performing some work for some period but is on the training, what is the right ratio between trainings and work etc; how can you measure the necessity of training, i.e. how crucial it is for you; Whether there are there any tools for that;
- HR effectiveness measurement - How to measure the effectiveness of HR itself, how can one say that the office has to identify new task, how to find right ratio between management and development, how to identify the necessity of changes, what systems to engage for this;
- Succession planning – organisation should be ready for any challenge especially for the situations when the key person leaves the company;
- Adaptation of newcomers – How to ensure that the newcomers are easily adapted to the new working environment, they absorb the information and knowledge to undertake working duties flawlessly, how to strive to diminish the adaptation period of the newcomers, how to identify what position requires how much time for adaptation.

The workshops conducted in October 2014 brought more clarity to the topic of strategic areas for NBE’s Human Resources’ Management and Development Office. It is decided that throughout 2015, the NBE’s Human Resources’ Management and Development Office along with Swedish Enforcement Authority will work together to refine the welcome package for the new employees and the adaptation period for the first six months.

Management issues - Developing a mentorship program

Cooperation between the NBE and the Swedish Enforcement Authority (SEA) was also aimed at management development and the establishment and realization of a mentorship program. The activity is progressing as planned. The first step in this activity, to elaborate a leadership strategy and create a strategic management approach at the NBE has come to a completion. In mid-May a third workshop on management issues was carried out. A final draft of the leadership strategy was discussed and analysed and ideas were shared on what and how to do to make the strategy come alive and be a vital document for the managers in their everyday work. Furthermore the Swedish short Term Experts had dialogues with the chairman of NBE, the new HR-manager, as well as a couple of NBE managers in order to get ideas and input for the upcoming development of the mentorship program. The interviews both related to the contents of the program but also the set up and approach used during the training of mentors. One important matter, which was discussed, is what the project can do to support NBE in creating sustainability of the mentorship program and make it a lasting one, which can be functional long after the project has been concluded. The activity will now be continued with the elaboration of a draft curriculum, stating the purpose and main objectives with the mentorship training, the expected outcomes and the general content of the training program. One important matter, which was needed to be settled was if the training could be a traditional mentor training mainly focused on producing mentors or if it could be a bit more unconventional aiming at training “ambassadors” for the NBE

leadership philosophy. This matter was settled by the steering committee of NBE and Swedish project managers, selecting the second option. The curriculum draft was presented to the NBE in order for the authority to provide remarks and suggestions. NBE continued the development of the leadership strategy. The final document was elaborated. The ambition of the project was carried out in the first mentorship trainings in October 2014. The course consisted of 12 trainees, future NBE leaders. On 4-6 October, a workshop was held in Kvareli where 12 participants from NBE management were present. Focus was set on coaching and practical implementations with several coaching exercises. The scheme of having 3 day workshops is considered to be a success since there is more time to get deeper into the different subjects as well as giving ample time for conducting different practical exercises. Another workshop took place on 28-30 November. On that occasion further training, specifically in the coaching of groups, was held as well as discussions and work around the leadership strategy and its practical implementations. Finally, there were trainings on direct communication, giving and receiving feedback, both theory and practice. On 17-18 February's training, future leaders of NBE have looked at group coaching methods. One more activity along the mentorship project is planned in the second half of 2015.

Preventive Communication

The National Bureau of Enforcement was also active in the field of preventive communication. The factual situation in Georgia is that the level of public awareness regarding personal economy and negative consequences of indebtedness is very poor. The NBE sees it as its social responsibility, and strives to enrich knowledge within society to reduce the number of harsh results of bearing unnecessary pecuniary obligations. For this purpose, the NBE applies various tools to heighten the awareness in this area.

After several discussions between the NBE working group and the Swedish Short Term Experts (STEs) it was finally decided that the pilot project - taking in to consideration the NBE communication strategy – should focus on providing high school students with information and knowledge regarding economic issues and especially concerning the risks and consequences of indebtedness. In addition the content of such school information could also include information about the NBE and its role and function, as well as showing students the necessity of enforcement in a democratic and modern society. It could also be an opportunity for NBE to show a more “human side” of an authority which is not always very well-known and sometimes regarded as threatening and offensive. The target group for the pilot activity – 17-18 years old students - is optimal since the young people are the future of Georgia and they usually also have a more unbiased attitude towards the NBE and the message to spread compared to the older generations.

In mid-March, the project supported the NBE in developing and designing this “school information activity” targeted towards students. During the sessions it was tried to establish the outcomes, which the NBE wants to achieve with the activity. The STEs provided information and experience on how the SEA over the years has worked with school information. This included information about the content and set up of similar school information activities which have been performed by the SEA. Practical examples were also shown. The workshop included discussions regarding the scope and extent of the school information activity, e.g. which age classes should be targeted, how many students should be given the information and also if this activity should be performed all around Georgia or only in some parts etc. The different messages which the NBE wants to send to the students were also elaborated. An activity plan stating what should be done, by whom and when was elaborated. Two video meetings were held in April and May 2014, as well as an additional workshop took place in June 2014 where the SEA experts were presented Power Point presentation on preventive communications prepared by the NBE working group; presentation was positively assessed by the SEA experts.

The pilot preventive communication activity which will be launched in the autumn of 2014 is coming along as scheduled. The pilot will focus on providing students with information and knowledge regarding economic issues and especially concerning the risks and consequences of indebtedness. In addition the content of such school information will include facts about the NBE and its role and function as well as showing students the necessity of enforcement in a democratic and modern society. NBE personnel has developed and printed out all the materials to be shared and communicated with the high school students, namely: powerPoint presentation document, animated video clip, a brochure, certificate of attendance and evaluation sheets.

Internal communication

The workshop on communication was held on 9-10 September 2014.

In the first workshop, mid-January 2014, NBE was presented with an overview of how internal and external communication works within the SEA, and the benefits of having a well thought out strategy for communication implemented by an organisation.

In this mission, emphasis was put on a versatile and useful model for internal communication that can be of generic use and can be adapted for any organisation. Part of the mission was to assess the current situation at the NBE. Since they do not have a functioning intranet, most of the communication is done through e-mail and there are no guidelines when it comes to which information should be passed on and to whom. The result is that it is easy to miss vital information. Now the task for NBE is to start a group responsible for developing a guideline concerning internal communication. This will be further elaborated upon through a video meeting with the STEs to decide how to proceed and the content of the next workshop which will be held in the first half of 2015.

Monitoring and follow up procedures

Monitoring and follow up was discussed with the NBE during the study visit to Sweden in the beginning of March 2015. The model implemented by SEA was presented and NBE showed interest in developing their own indicators as to better measure the performance of their processes. A previous fact finding mission, which was carried out in June, showed that NBE did not perform any qualitative follow up regarding its business processes. The strategic plan for NBE has not been fully implemented and there are no clear and measurable goals set for the different processes. The objectives set for the organisation are instead quantitative rather than qualitative. Focus is on the size of the back log and the amount of money collected for the creditors omitting other important factors pertaining to the quality of the process as for example the time it takes to handle a case. NBE's possibilities in this area have been hampered further by the lack of technical solutions needed in order to look at other indicators. That specific problem will improve as new software development is under way that will give NBE a wider range of searchable indicators to use in monitoring its processes.

In September, a video meeting was held between SEA controllers and NBE representatives. This meeting confirmed the need for NBE to develop and allocate resources in order to improve its monitoring and abilities to follow up different processes. Furthermore it was determined that NBE needs knowledge of how to run the process of controlling itself, how to conduct effective follow up meetings and the role of controllers as support to management in strategic decisions and business development. In the first mission (on the 3rd and 4th of February) it was explained to NBE how to organize and work with planning, follow up, analysis and effective measures. Examples were given of which indicators the SEA uses in order to follow up its own processes. A task will be sent to the NBE to continue the work with developing the process pertaining to follow up and analysis until the second mission will be held- mid April 2015.

Gender analysis

An analysis of the NBE with regard to both the operational and institutional level was conducted in the second half of 2014 by NCG (Nordic Consulting Group). In short, the mission has examined if NBE is considered to be a gender balanced authority and the effect internal steering documents has on gender equality, together with a look at the recruitment and promotion of staff. They have also examined the perspective of the stakeholders and if they perceive they are being treated differently because of gender. Finally, they have also examined the legislation and if there are any affects that differ according to gender. The final report was submitted to NBE and SEA in the late November 2014.

EU funded DEEP Project

EU funded project for development of enforcement legislation in Georgia, which started in fall 2013 gained new turns. In 2014, 3 additional experts were recruited to provide help to international experts. Together with NBE personnel, 3 experts form legislative working group (LWG). LWG is working regularly on drafting new law of Georgia on enforcement proceedings; the outcome of their work is weekly communicated with international experts and respective personnel at Ministry of Justice. The new law is almost completely drafted. Later on, in the first half of the fall, this year, the result of their work should be communicated with external stakeholders. The new law is supposed to help Georgian enforcement system to copy best European practice, to be more adapted to European standards and encompassing all the main principles respective EU legislation is built upon.

The EU-financed project was finalised by the end of October 2014. The draft was presented at the last workshop of the project on 30 October. Different stakeholders were present, such as, personnel from the NBE, private bailiffs, creditors and lawyers. The draft will now be on referral to different stakeholders. It could be accepted as a whole or in part with certain amendments. European experts employed simultaneously will be preparing the additional recommendations to be considered while drafting new law.

1.1.10 Corrections (Penitentiary and Probation) System in Georgia

After major efforts conducted during the 2013 to tackle inherited urgent problems within the system, including the increased protection of human rights, prevention of torture and ill-treatment, reduction of overcrowding, improvement of living conditions and ensuring access of prisoners to the quality healthcare system - the **Ministry of Corrections (MoC)** continued implementation of targeted goals in 2014. Simultaneously increased focus is made to establish uniform and sustainable psycho-social rehabilitation programs targeting successful re-socialisation of convicts and eventually reduction of crime recidivism.

In order to enhance strategic planning and reporting capacity of the Corrections System the **Standing Working Group** responsible for the elaboration of the comprehensive institutional development mid-term strategy/action plan and improve reporting of the system on the implementation of human rights obligation was established by the ministerial order in April 2014. The strategy (2015-2020) and the related Action Plan (2015-2018) are approved by the end of the year after the conclusion of wide consultations with external partners and interested human rights defender organisations. Both strategy and AP is focused on the protection of the special groups of inmates, including women, juveniles and persons with disabilities.

Living conditions/Infrastructure

The Ministry has advanced substantially in creating more human and adequate living conditions for inmates, partly resulting from the improved living infrastructure, new living space entitlements, also

because of the maintained reduced number of prison population resulting from effective operation of parole boards.

- The Prison in Batumi (for 224 inmates) was fully renovated, equipped and re-opened in April 2014. The establishment has automatic security system, sophisticated surveillance and modern equipment.
- **Prison Central Hospital** (for 140 persons) was renovated, equipped and opened in June 2014. The hospital is equipped according to the civilian hospital standards, licensed according to the civilian health care licensing protocol, has a drug-edicts treatment unit and long-term care department for the patients with disabilities.
- The first “**Half-way House**” was opened (for up to 100 persons) in February 2014, under the umbrella of the **National Probation Agency**. The Ministry is considering the possibility of constructing the second half way house for female probationers. On the basis of individual assessment, inmates are entitled to leave establishments for weekends. They are provided with the work and study opportunities.
- The reconstruction and equipment of a new type – low risk semi-open Establishment in Rustavi (for 1048 inmates) is expected to start functioning in the nearest months. The latter will have a strengthened focus on programs targeting education, psycho-social rehabilitation and re-socialization of inmates. The factory, education centre and other related facilities will function on its territory.
- The construction of high security type prison (for 574 inmates) in Laituri, West Georgia is in progress and is planned to open in 2016.

Early conditional release

According to the data, the total number of inmates by December 2014 amounts to 10372 people, including 10008 male, 281 female and 83 juveniles. Early conditional release mechanism is now diversified, effective and methodologically functional; it is main mechanism to avoid the overcrowding and maintain stable number of inmates. In order to increase efficiency of the early conditional release mechanism two additional parole boards were established in May 2014 (including separate one for women), consequently the Ministry of Corrections runs 5 parole boards including one on juveniles and one for the consideration of cases of female prisoners.

Legislative changes

In May 2014, legislative amendments to the **Imprisonment Code** entered into force bringing the living space entitlements for prisoners in line with the International Standards (4 m² per sentenced and 3 m² per pre-trial prisoner). Requiring the penitentiary department to establish 2 new type establishments (Low-risk semi-open type special and high risk), increasing entitlements for the number of long-term and short-term visits for inmates and widening of the circle of persons eligible to visit prisoners; As the result of the mentioned amendments the terms of usage of the disciplinary penalties and use of special means came in line with international standards, etc.

Based on legislative amendments the Ministry of Corrections plans to introduce objective classification system, including a personal assessment of risks and needs. While the respective methodology will certainly consider sentence information, it will equally take into account an inmate's behaviour, criminal, institutional and personal history. Accordingly, inmates will be sent to relevant institutions, where individual sentence plan will be developed. The on-going plan of the Ministry of Corrections is to link the early conditional release criteria with the results of the individual sentence plan. Individual sentence planning has so far been successfully implemented in relation to juvenile inmates and during 2015 will be piloted in one female and in one male penitentiary establishments.

Healthcare

The primary healthcare system in line with the civil sector standards is available in all penitentiary establishments. The medical staff's salaries are improving, staff is regularly trained and currently the correlation of the number of prisoners and physicians/nurses has reached the European standard. Annual expenditure per inmate in terms of medication is increased to 184 GEL. **“National program for Prevention, Diagnostics and Treatment of Hepatitis C”** has started to operate since December 2013 and brought first positive results. Within this programme, 7 000 inmates underwent the screening procedure. 180 inmates completed the hepatitis C treatment course. The program will gradually cover all infected inmates (42% of prison population).

The **Program for Suicide Prevention** has been developed and put into operation from December 2013, which provides intensive multi-disciplinary assistance to the prisoners at risk so as doctor, psychiatrist, psychologist, social worker, and security officer work together with the person in need to decrease the risk of suicide.

The standard for food diet was renewed (the quality, calorie intake and diversity of the diet had been improved) in 2014 resulting in the availability of 12 types of ratios for inmates having different physical activities, category and health condition. Prisoners' mortality rate during 2014 was 27 per 10000 inmates, lower than previous years.

Probation

The National Agency of Execution of Non-Custodial Sentences and Probation, with the surveillance and crime prevention functions, is oriented on the re-socialisation and rehabilitation of suspended sentenced persons. In order to strengthen this direction, in January 2014, a new Unit of psycho-social rehabilitation service has been established at the National Probation Agency.

The multidisciplinary group of the **National Probation Agency** developed Individual sentence plans for each probationer tied to the psycho-social rehabilitation and educational programs. By August 2014, 2728 probationers were involved in various rehabilitation programs. Among the rehabilitation programs were: Educational programs (computer skills, foreign languages, various vocational trainings and etc.) – 807 probationers; 1665 probationers took part into psycho-rehabilitation programs; 2315 probationers were involved in different social-cultural and sport activities.

The National Probation Agency consists of 11 regional bureaus and 54 district offices located in various parts of Georgia. The agency is finalising the process of renovation and re-equipment of all offices. According to the data by the end of 2014, the total number of probationers amounted 15361 people, including 14404 male, 702 female and 255 juvenile probationers.

Social Programs

The **Corrections System** is currently focused on development of a unified standard and improved quality of psycho-social rehabilitation and education programs for prisoners and probationers. In order to facilitate the successful re-socialization and reintegration of inmates into society, various educational, vocational, and rehabilitation programs and courses are provided by the Corrections System in cooperation with different local and international organisations. These projects aim at ensuring their re-socialisation through professional and personal development.

The formal survey was conducted among all prisoners in 2013 targeting identification of the needs for vocational training of inmates. The information was used to fine tune rehabilitative and educational programs for 2014. During 2014, 2281 convicts completed different vocational, educational and

rehabilitation programmes and 2716 convicts have been engaged in ongoing vocational, educational and rehabilitation programmes in the penitentiary institutions.

During 2014, more than 864 inmates have been employed within the establishments with the annual income of average 200-250 GEL/gross (app.115-145 USD) per month.

Training Center (PPTC)

The **Penitentiary and Probation Training Center (PPTC)** aims to support the ongoing legal reforms within the Ministry of Corrections and provides relevant training modules for public officials, current the employees of the Ministry of Corrections (MoC) or candidates who wish to work in the penitentiary or probation systems. The PPTC has the roster of about 50 trainers regularly invited for the conduct of study modules.

Training programs carried out by the PPTC are divided into the general and specific modules. Initial Basic Training programs are provided for the staff of the penitentiary, as well as probation systems. Short-term trainings are also available on issues related to the prevention of torture; human rights in the administration of justice, juvenile justice, health promotion and prevention of diseases in penitentiary establishments, procedural safeguards, treatment of women prisoners, non-custodial measures, management of hunger strikes in prisons, management of probation and penitentiary systems and etc.

Number of conducted trainings increased in 2014. 2384 persons underwent different trainings in the PPTC, while in 2013 – 1228 persons were retrained.

1.1.11 Reforms in Criminal Justice System

1) Reforms in the criminal justice system in accordance with the relevant Strategy and Action Plan.

During the 2012-2013, the Criminal Justice Reform Interagency Council (hereinafter “Council”) continued to conduct the criminal justice reform implementation process through the assistance of its Secretariat and the active work of ten Working Groups.

After the Parliamentary election on 1 October 2012, the Government of Georgia expressed its strong commitment to **continue in-depth criminal justice reform and has identified new reform objectives, which includes increased judicial independence, improved prison conditions, renovation of the existing prison healthcare system; ensuring full independence of the Legal Aid Service, etc.**

For the reporting period, a number of WG meetings, with active participation of the representatives of international and non-governmental organisations, were organised and facilitated by the Secretariat. Furthermore, in December 2012 the Government revised the composition of the Council;

In the first half of 2013 as a result of consultative process the Criminal Justice Reform Strategy and Action Plan were updated and approved by the council at the 10th Session on 14 June 2013. Apart from the Criminal Justice Reform Strategy and Action Plan, a number of important documents were approved by the Council, such as Concept Note of Revision of Criminal Code of Georgia, Community Service Concept Note, Draft Law on Legal Aid Service, Ethics Rules for NGOs providing services in penitentiary and 4th Progress Report of Criminal Justice Reform. On 11 March 2014, the 11th Session of the Council was held, where the following documents were approved by the Council: Draft General Part of Criminal Code of Georgia, Draft Amendments (on the following themes: 1. plea bargaining; 2. rights of victims; and 3. postponement of execution of judgment) to the Criminal Procedure Code of

Georgia, Juvenile Justice Reform Renewed Strategy and 5th Progress Report of the Criminal Justice Reform.

2) Implementation of the projects related to juvenile justice

Prevention of juvenile crime, development of alternatives to criminal prosecution, as well as rehabilitation of children in conflict with the law, are one of the key priorities of the Government within the Juvenile Justice Reform.

A diversion and mediation mechanism as an alternative to criminal prosecution was introduced on 15 of November 2010. It aims to expand the use of alternatives to prosecution in dealing with juvenile offenders by diverting the first-time juvenile offenders from the criminal prosecution to alternative measures.

Initially, the program covered four cities of Georgia: Tbilisi, Kutaisi, Batumi and Rustavi. In 2012, the program was expanded to additional eleven cities: Gori, Samtredia, Mtskheta, Gardabani, Kaspi, Tskaltubo, Vani, Khoni, Bagdati, Tkibuli and Kobuleti. By the end of the 2013 the program was expanded to the whole territory of Georgia. The programme is monitored by the Diversion Coordinator, who is assigned at the LEPL - Centre for Crime Prevention.

In total, by the end of 2014, after four years of its functioning 742 juveniles benefited from the programme and were diverted from criminal liability. The number only throughout 2014 was 203.

After almost 4 years of implementation, it is planned to evaluate the program, elaborate recommendations for rethinking and overhauling the mechanism. With this aim, the Sub-WG on Diversion created in the framework of the Juvenile Justice WG discussed the recommendations to be elaborated aimed at increasing application of diversion in practice and the mediation component and timeframe for the bio-psycho-social evaluation of a juvenile. Results of evaluation will form basis for subsequent review of guidelines for professionals, simplification of procedures and broadening the scope of application of the programme.

Successful functioning of diversion depends much on its supporting projects, which aim to assist delinquent minors in analysing and handling the consequences of their delinquent activities and bring their conduct in compliance with the law. Several supporting projects were launched since March 2012, by the Ministry of Justice and other stakeholders with the cooperation of civil society and international organisations. For example, E-Book Project provided one-year community service opportunities for diverted juveniles, helping them to develop computer skills and increase overall literacy. Furthermore, a whole range of other prevention and rehabilitation projects providing psychological assistance to juvenile offenders and their parents (i.e. “Psychological Assistance to the Juveniles in Conflict with Law”, “Psychological Rehabilitation for Juveniles in Conflict with Law”, “Teaching the Healthy Way of Life”, “My Senior Friend”, “Community Service Activities”, “Pilot Project of Positive Studying for Parents”) were initiated by the Ministry of Justice. These initiatives were implemented by local non-Governmental organisations in partnership and with the financial support of the Ministry of Justice within the framework of the “Grants Program” initiated in 2011. In addition, the Ministry of Justice with the support of UNICEF prepared standards for the institutions that are authorized to provide different services for juveniles in conflict with the law.

In 2013, the UNICEF Georgia elaborated policy option paper - “Justice for Children in Georgia” which proposes the options for policy and legislative reform in order to ensure better realization of children’s rights in all areas of the legal system. This concept which broadens the existing policy of “juvenile justice” to “justice for children” was endorsed by the Government agencies and became the bases for new “Justice for Children Strategy” thereby broadening the scope of Juvenile Justice

Strategy. The Justice for Children's Strategy was discussed by the JJ WG in February, 2014 and its finalised version was approved by the Council at its 11th Session on 11 March 2014. The updated JJ Action Plan was lately adopted by the Council on 8 July 2014.

Juvenile Justice Code

Juvenile Justice Reform is one of the key priorities for the Government of Georgia. Ministry of Justice in cooperation with UNICEF and EU is currently working on the first ever standalone juvenile justice law based on the model law on juvenile justice prepared by the UN. The aim of the law is to fully incorporate into the legislation the best interest of child and other principles of juvenile justice enshrined in the Convention on the Rights of the Child and relevant international standards, to expand the alternatives to criminal prosecution and diversify the sanctions available to the judge to ensure that the detention and imprisonment are used only as measures of last resort against juveniles. Priority will be given to the restorative justice and mediation against criminal prosecution. Key area in the proposed draft will be also the wider use of individual approaches at every stage of juvenile justice proceedings, through pre-sentence report and other instruments that assess the needs of the child. The main innovation of the code is establishment of special institute for juveniles who have not attained 18 years of age. After adoption of the Code in accordance with the Article 40 Paragraph 3 of the Convention on the Rights of Child, Georgia will take responsibility to have specialised policemen, investigators, prosecutors and judges dealing with cases of juveniles.

The drafting of the Juvenile Justice Code in partnership and with the support of the EU Technical Assistance Project and UNICEF is currently underway. The first draft Juvenile Justice Code was elaborated by the Ministry of Justice in cooperation with UNICEF and EU in August 2014. Afterwards the draft was submitted for the international expertise. Wider discussions with the relevant public agencies and other stakeholders were held in the period of October 2014 – February 2015.

The draft of the Juvenile Justice Code was presented to the Criminal Justice Reform Interagency Council at the session of January 2015 and submitted to the members of the council as well as to the respective working groups for their comments. Additionally, special meetings were held for the representatives of the public agencies and non-governmental organisations with the participation of international experts. The meetings were held with respective working groups – Juvenile Justice Reform Group, Criminal Justice Reform Group, and Judiciary Reform Group giving floor to a detailed and comprehensive discussion on the draft Juvenile Justice Code. Furthermore, the Ministry of Justice received written comments from different members of the council and working groups and the draft code was revised accordingly. On 28 January, the Minister of Justice presented Draft of the Juvenile Justice Code to the World Congress on Juvenile Justice.

The submission of the draft code to the Government for the approval is planned in the nearest future and afterwards it will be submitted to the Parliament for adoption.

3) Further development of the Integrated Criminal Case Management System.

In 2010, the Integrated Criminal Case Management System (ICCMS), which replaced the existing paper-based case-files with entirely electronic files, and integrating all agencies involved in criminal case within a single system, was introduced by the Ministry of Justice. By 2012, the ICCMS was fully implemented across Georgia; therefore, currently, all criminal cases are fully managed electronically.

In 2012, an analytical module was added to the ICCMS, which collects crime-related statistical data from all relevant agencies, including the Ministry of Internal Affairs and the Prosecution Office. The ICCMS processes the information through statistical and analytical methodology, and offers a database on crime dynamics and data regarding criminal justice in Georgia.

The Judiciary in Georgia is currently developing its own Case Management System, which will allow for the exchange of relevant/permitted information through the ICCMS. This initiative is aimed to improve the quality of analysis of statistical data and provide an extensive criminal justice system database.

4) Revision of Criminal Code

The revision of the Criminal Code of Georgia was launched in 2011 within the Criminal Legislation Working Group established under the Criminal Justice Reform Council. Research and drafting is undertaken by the expert level Sub-Working Group, which is authorized to elaborate and present drafts for consideration and for approval to the Criminal Legislation Working Group. The working process is divided in two parts: 1) revision the General Part of the Code 2) the focus will be on the Special Part of the Code addressing particular offences.

The revision of the Criminal Code and bringing it in compliance with international standards is still considered to be one of the key priorities of the Government of Georgia. The revision process is implemented in line with the Concept Note on the Revision of the Criminal Code of Georgia, elaborated by the Ministry of Justice based on the principles agreed upon during the extensive work conducted in consultation with relevant experts. According to the Concept Note, the main objective of the revision of the Criminal Code is to reform substantive criminal law in light of the new liberalisation policy and bring it in compliance with the international and European human rights standards.

a) General Part of the Criminal Code

Comprehensive and all-encompassing work was done within the framework of the Criminal Justice Reform Council and its Working Group to revise the General Part of the Criminal Code in 2013-2014. In particular, a number of meetings and conferences devoted to the revision of the General Part of the Criminal Code were organised under auspices of the CL WG. Several Georgian and foreign experts were assigned with research and drafting of the specific provisions. As a result, the Draft of the General Part of the Criminal Code was finalised by the MoJ and presented for approval before the Criminal Justice Reform Interagency Coordination Council. The Council approved the draft at its 11th Session on 11 March 2014.

During the working phase of research and analysis, the expert level Sub-Working Group closely cooperated with law students. Profound comparative legal researches of other national and international jurisprudences were prepared by the members of the expert working group in cooperation with national and international organisations (NORLAG, RLA of the U.S. Department of Justice). To achieve transparency and increased public engagement in the process of the revision of the Criminal Code, the e-democracy project was launched in 2012 through the web-portal of the Legislative Gazette of Georgia, www.matsne.gov.ge with financial support from the Council of Europe. Any user of the web-portal, who will sign up by indicating an e-mail address, will have the possibility to open a topic for a discussion on any structural element of the Code (chapters, articles, clauses, sub-clauses) or leave a comment. The home page of the web-portal indicates the list of the most recent and most frequently commented topics, and web-users will be able to see the comments left by others.

Furthermore, in order to identify a list of problems related to the application process of the Criminal Code by the Georgian judiciary, the project of systematization and analysis of the criminal case-law was implemented in 2011 within the Criminal Legislation Working Group. Within the framework of

this project, 1400 criminal judgments adopted by the Supreme Court and Appellate Courts of Georgia in 2011 were briefed by fourteen trained law students. The latter project ended in December 2012.

b) Special Part of the Criminal Code

Revision of the **Special Part of the Criminal Code** started in early February 2014. **Special WG of Criminal Law Experts** (Representative of the Parliament, respective Ministries, bar, prosecutors, judges, representatives of academia) retreated in Kachreti for a workshop to plan the process, the timeline and procedures of the revision of the Special Part of the Code were discussed and agreed upon. In addition, the criteria and guiding principles for revision process have been elaborated. Four **Sub-WGs of Criminal Law Experts** were created to divide the tasks and ensure consistency of the process. The following institutions were represented in each working group to contribute to the process with their unique experience and expertise: Judiciary, Parliament, State Chancellery, Prosecution Service, Ministry of Internal Affairs and Ministry of Justice and the Georgian Bar association. The specialists of particular area (such as for example: cybercrime, environmental crimes etc.) were invited to the meetings where necessary. The sources for the working process have been identified and agreed upon as well, which included the international treaties, statistics, case-law and comparative criminal law analysis where needed. The task of the Sub-WGs was to identify the problems in the Special Part of the Code, conduct comparative legal research on debated issues and draft the relevant articles, taking into account the criteria and guiding principles. In the process of drafting, attention was paid to the following aspects: conformity of title with content of Article; content of Article: accuracy, clarity and foreseeability; practical difficulties in application of certain provisions; compliance with international and European human rights standards in the field of criminal law; location of Article in the criminal code structure – corresponding section/chapter; proportionality of sanctions; Compliance with the international obligations arising from the international agreements binding for Georgia.

The meetings of the above-mentioned four **Sub-WGs** were held on a weekly basis from February to May 2014. The detailed minutes, as well as follow up documents were produced by Secretariat after each meeting. The first draft of the Special Part of the Code was elaborated and presented to the **WG of Criminal Law Experts** for consideration at the meetings on 22, 23 and 27 May 2014. During these meeting the work was centered on overall systematization of the Special Part of the Code, the draft was discussed and analysed in detail and series of considerable amendments were finalised. After taking into consideration the comments and recommendations **WG of Criminal Law Experts**, furthermore, the first draft was presented to and submitted for the comments to the CL WG on 13 June 2014.

After finalisation of revision, including the analysis of related recommendations and comments received from the members of the CL WG, the draft amendments were published on the web-portal of the Legislative Gazette of Georgia, www.matsne.gov.ge on 30 June and were submitted for international (CoE) expertise in July 2014. The submission of the draft amendments (both general and special part) to the Parliament for adoption is planned in 2015.

5) *Reform of the Prosecution Service of Georgia.*

On 27 December 2014, at the 13th session of the Criminal Justice Reform Inter-Agency Coordination Council chaired by the Minister of Justice, the discussion was opened on the institutional reform of the Prosecution Service of Georgia. The institutional reform aimed at increasing independence and transparency of Prosecution Office, while taking into account international standards and recommendations addressed to Georgia. The participants of the session agreed that despite the institutional model of the Prosecution Service, the reform process will result in a well-organised and comprehensive mechanism of Prosecution Service. In 2015, the GoG will continue the reform of the

Prosecutor's Office aimed at ensuring independence of Chief Prosecutor's Office's from political and other influence, on the one hand, and public monitoring and accountability to the society, on the other.

1.2 Good Governance

1.2.1 Civil Service Reform

The Government of Georgia considers the civil service reform as an important process in its political agenda. An efficient and stable civil service is an important step for the future integration into European and Euro-Atlantic organisations. The aim of the reform is to create depoliticised, professional, and transparent state institutions in Georgia while ensuring a fair and equal treatment of its citizens.

In 2014, the civil service reform moved to an active phase of development with the introduction of the Civil Service Reform Concept, which provides a solid basis for the development of a new law on Civil Service and was adopted by the Governmental Decree No. 627 in November 2014. The Civil Service Reform Concept includes recommendations that draw upon ten categories that have been used for other countries in transition and provide an exhaustive checklist for civil service reform initiatives. The categories can be summarised as follows: Definition of Civil Service, Civil Service Employees, Central System for Management of Civil Service, Entry into the Civil Service System, Classification System of Civil Servants, System of Remuneration, Management of Civil Servants, Rights and Duties of Civil Servants, Training and Professional Development, and Gender Equity in Civil Service.

Prior to the adoption, in July 2014, the Prime Minister of Georgia instructed the Head of the Civil Service Bureau to present the Concept individually to each minister and provide each of them a deeper insight into the changes envisaged in the Concept. Most of the meetings with the ministers were successfully conducted during August and agreed the conceptual direction (merit-based civil service) of the reform described in the Concept was agreed upon.

The existing report represents the summary of the major activities undertaken by the CSB for the modernisation and development of the Georgian civil service, besides, to promote the rapid implementation of the Concept for the transitional phase of the ongoing reform during 2014.

Enhancement of the CSB's Capabilities and Resources

In 2014, many important steps were made towards the enhancement of CSB's capabilities and resources. These steps were taken to prepare the CSB to be able to implement the important and challenging reforms foreseen in the Civil Service Reform Concept.

The CSB, which had previously been under the authority of the President, has been transferred to the Prime Minister expressed by the fact that the head of the CSB is now appointed by the Prime Minister. This solution will allow the CSB to push through difficult reforms. In addition, the CSB will be able to influence the Government in making faster and more efficient decisions by being close to the Prime Minister, as well as raising issues in government meetings directly by the Prime Minister. This institutional change is a key pre-condition for the strengthening of the CSB.

According to the concept of the civil service reform, the CSB should be a strong, centralised institution, which should lead the implementation and execution of the reform process. Consequently, it should be provided with adequate financial and human resources. Several important steps have already been taken to this end. More specifically, the role of the CSB has been increased in the civil service human resources selection process and it was also charged to coordinate the internship process

in civil service. In addition, a further 150,000 GEL was added to the 2014 yearly budget of the CSB and also given the right to hire 18 additional freelance staff members during the 2014.

Development of Competition and Attestation Rules for Civil Service

The Government of Georgia developed the Governmental Decrees No. 411 and No. 412 on the Approval of the Rules for Conducting Attestation of Civil Servants and on the Approval of Competition Procedures specified under the Law of Georgia on Civil Service. The Decrees determine the transparency of recruitment procedures, ensures an effective and flexible nature of the rule for public institutions and informs the Government of Georgia about conducted competitions and attestations within state agencies. The purpose of this decree is to increase the confidence of society in the competition process within the civil service and prepare a platform for ongoing civil service reform. Hence, adopted procedures are supposed to create a background for transparent competition and the attestation process, ensure protection of applicants' rights and that employers have flexible and effective guiding rules. In order to guarantee transparency the participation of an independent expert in the work of the commissions is envisaged.

Common Rule for Bonus System

Under the initiative of the Prime Minister of Georgia, the CSB developed the “Rules for Determination of the Amount of Bonus in Public Institutions” for all high public officials and civil servants and was approved by the Governmental Decree No. 449 on 15 July 2014. The decree creates a transparent, flexible, and fair bonus system, which means that officials will not be able to subscribe bonuses for themselves and the frequency and amount of the bonuses will be determined.

Modernisation of Human Resource Management System

The CSB is responsible for the Civil Service Reform; therefore, one of its main aims is the improvement of the HRMS in Georgian state institutions. As a part of the HRMS improvement project, the CSB has been actively working to develop the Minimum Standard for the Human Resources Management Software for State Institutions (e-HRMS). The Governmental Decree defines the obligation for introducing the HRMS software in all public agencies and the implementation of the minimum standard in all central agencies is foreseen by the end of 2015. The system will be implemented in two stages. Initially it was introduced into the CSB in November 2014, while at the later stage other central agencies will be also linked to the e-HMRS.

The development process of position assessment and the analysis of assessment systems for future implementation have been also started. The two-stage training was delivered for HR managers and practitioners on Strengthening Capacities for Development of Job Description for Civil Service Positions in order to introduce uniform standards and principles for job descriptions. As a result, 12 job descriptions within each central government agency were developed. In addition, the Governmental Decree No. 627 asks all state government entities, local self-government agencies and legal entities of public law, to provide functional analyse of their institutions.

The CSB is continuing to work on the development of the Human Resource Management Manual for Government Agencies. The first part of the manual focuses on strategic HR planning, functions of the HR unit, recruitment and the selection process. It was accompanied by the training of HR managers and specialists of central and local government agencies. The second part of the Human Resources Management Manual was introduced in March 2014, while the third part of the manual was presented in December 2014 and is logically concluding the discussion of the HRM cycle presenting discussion of best practices and recommendations on job termination and equal treatment.

Introduction of the Asset Declaration Monitoring System

The CSB is responsible for the collection and publication of asset declarations of senior officials. The Online Asset Declaration System (www.declaration.gov.ge) is fostering the financial accountability of senior public officials. All submitted asset declarations are published online encouraging citizens and interested groups to monitor the income and expenditures of high-ranking officials closely. For the further advancement of the system, the CSB continues working on the full introduction of the asset declarations monitoring system. The introduction of such a system will ensure the accountability and financial transparency of senior government officials and contribute to the eradication of corruption cases. Several meetings and round tables were held in this regard, and an international expert has provided additional recommendations. In the near future, the CSB is planning to prepare concrete legislative proposals and submit them to the Government of Georgia for approval. Moreover, in order to reduce corruption in public service, new positions have been added to the list of high officials who are obliged to submit asset declarations. At present, more than 5000 officials are already obliged to submit their declarations.

Guidelines on Ethics for Public Servants

The CSB continues to work on the development of the guidelines on ethics and the curriculum for trainers. The aim of the project is to design a model for workshops on ethics for public servants and the training of Georgian trainers. After the completion of the process, the newly recognised trainers will conduct trainings for public servants on ethics.

Internships in the Civil Service

Under the Initiative of the Prime Minister of Georgia, Georgian students and recent graduates will be given an opportunity to gain experience by serving in the civil service institutions of Georgia. The initiative was followed by the approval of the Governmental Decree for the Rules of Internship and the Memorandum of Understanding was signed between the Administration of the Government of Georgia, the CSB and 28 Universities. The memorandum was developed for students and graduates to do internships in civil service institutions, taking into consideration their academic performance and education profiles. The initiative will play a crucial role in overcoming the problem of unemployment in Georgia.

Strengthening Whistleblower Protection Mechanisms

The institute of whistleblower protection was first introduced into the Georgian legislative system in 2009. However, the amendments were quite limited and did not meet international standards. In line with the Visa Liberalisation Action Plan, amendments were made to the “Law on the Conflict of Interest and Corruption in the Public Service” (Chapter V¹) in April 2014, which was an important step towards the strengthening whistleblower protection mechanisms. Unlike previously existing norms, it includes issues such as the broadening of the definition of whistleblowing, the protection of anonymity and an increase in the number of whistle blowing investigation units. Such changes create a proper environment necessary for fighting corruption in the public service. These changes have significantly improved the whistleblower protection mechanisms in Georgia. Additionally, trainings for representatives of local self-government entities for awareness-raising on whistleblower protection have been planned.

Moreover, for the successful implementation of the new whistleblower protection regulation, the CSB has conducted extensive training sessions and information meetings for the Georgian civil servants throughout August 2014.

1.2.2 Local Governance

Regional Development Policy

Regional Development Program for 2015-2017 (RDP) was adopted by the Decree No. 1215 of the Government of Georgia on 9 July 2014. The RDP is a mid-term governmental document, which defines main objectives and tasks of regional development policy of Georgia, its respective priorities and activities and the framework for systemic support towards achievement of the balanced and sustainable socio-economic development of Georgian regions.

The Program represents national level supplementary effort that reinforces defined objectives envisaged through the already adopted region-specific development strategies (adopted by the Government of Georgia in 2013) and thus, ensures due synergy between bottom-up and top-down planning efforts. It sets efficient framework on regional development policies and articulates key priorities and set of respective programmatic measures for implementing those policies over the next three years. That is preceded by the comprehensive review of the situation in terms of regional development and the identified basic needs.

The Program has been prepared in pursuance with the Decree No. 1315 of the Government of Georgia, dated 10 September 2013, with due participation of the relevant line ministries and the governmental commission on regional development (GCRD).

At the same time, the preparation and implementation of the Program is important in the frames of ongoing and pending cooperation programs between the European Union and Georgia, including the Sector Policy Support Programme (SPSP) of the EU. What is even more important, the adoption of the Program and its effective implementation goes in line with the relevant provisions of the Association Agreement between the EU and Georgia and the Association Agenda.

The approach, which has been reflected in the RDP, is more complex, inclusive and coordinated than it had been before; it requires higher standard of cooperation and engagement of those line ministries and state institutions whose activities may have influence on the country's regional development.

Following the implementation of the Program activities, it is expected that: i) disparities between the regions of Georgia are reduced; ii) partially, their competitiveness is raised; iii) the EU standards on planning and implementing regional policies are introduced.

As already reported, seven Region-specific Development Strategies were adopted in 2013. By the end of 2014, respective Action Plans for 2015-2017 were elaborated and approved by the Regional Consultative Councils to facilitate the consistent and effective implementation of the Strategies. It involved the broad participation of the various national and local stakeholders, as well as international organisations.

To conclude with, the negotiations over the EU initiative on the II phase of the Sector Policy Support Programme (SPSP) (30 mln Euro) have also been successfully completed and respective Financial Agreement was signed in November to commence the programme.

Local Self-Government Reform

The Parliament of Georgia adopted the Organic Law of Georgia on the “Local Self-Government Code” in February 2014. The Code defines higher standards of local democracy, provides the basis for improving the functioning of local governing structures and delivering better public services for the local population. Moreover, whilst making due account of the principles of decentralisation,

subsidiarity and good governance, the Code has created legal basis for developing qualitatively new model of self-governance, *inter alia*, in terms of territorial optimisation of municipalities, introducing direct elections of mayors and local governors; strengthening considerably the functions and resources of local self-governments.

It is also planned to ensure consistent and complex improvement of the reformed system to ensure its institutional, financial-economic and management efficiency and more public involvement. It is planned to define the scheme for fairer distribution of tax revenues between the local and central budgets, which among other initiatives will importantly increase local governments' own revenues and subsequently, the quality of their public service.

It is worth indicating that all the interested parties have been engaged in the elaboration of this important Code.

Training of local public servants

The Ministry of Regional Development and Infrastructure through its sub-agency – LEPL “Center for Effective Governance System and Territorial Arrangement Reform” carries out training of local public servants. Based on the decree No. 1182 of the GoG issued on 18 June 2012, the Center organised trainings for public servants of the MRDI and the regional administrations (administrations of State Attorney-Governors) in the first and second quarters of 2014.

Overall, 228 public servants took part in the trainings for raising their qualification through 11 training-modules, including: ministry's representation at the court, state procurement, project management, effective communication, strategic planning, legal basis of self-governance, public service, human resource management, budgetary procedures, fundraising, and foundations of management.

In 2014, the Ministry of Education and Science through its LEPL - Zurab Zhvania School of Public Administration (ZSPA) has renewed the delivery of the trainings for servants at the local authorities, as well as regional offices of line ministries representing the regions settled by the ethnic minorities as well as high mountainous regions of Georgia. Starting from April 2014, the ZSPA has delivered the trainings in state procurement, public finance and internal audit, public sector management, human resource management and public administration. The ZSPA has also delivered the state language courses for the ethnic minorities, employed in the public sector. Totally up to 1800 servants benefited from the training programmes of ZSPA in 2014.

Infrastructural Development

Infrastructural projects

The main priority for the local and regional development for 2014 is the implementation of small and large-scale infrastructural projects. According to No. 34 order on “Issuing money for the local self-governmental units from the fund for implementing projects in Georgian regions” adopted on January 13/2014, 140 mln GEL has been allocated through the regional development fund (“the fund for implementing projects in Georgian regions”) for financing more than 500 projects at various municipalities. In 2014, the relevant financial sources from the Fund were mainly allocated for: roads – 78 mln GEL, water – 16.4 mln GEL, rehabilitation of kindergartens (construction/equipment) – 7 mln GEL, establishment/rehabilitation of torrent canals – 7 mln GEL.

Furthermore, Government of Georgia has affirmed the projects to be financed within the Village Support Program. Based on the Decree No. 471 of the GoG issued on March 20, 2014 (on “Issuing

money for the local self-governing units from the state budget within the village support program”), the Ministry of Finances of Georgia was ordered to issue 49,951,407 mln GEL in total for the local self-governing units. Around 7,000 projects have been financed across Georgia. The main direction of the projects financed in the frames of Village Support Program are: village roads and bridges (around 13.5 mln GEL), drinking water and sewerage systems (9.4 mln GEL), arrangement of ritual houses (5.2 mln GEL), outdoor lightning (4.6 mln GEL), kindergartens (3.8 mln GEL), provision of fences around various objects in the villages (2.6 mln GEL), torrent canals (2.4 mln GEL), sport squares, park (2.2 mln GEL), rehabilitation of cultural and administrative buildings (1.7 mln GEL), irrigation systems (1 mln GEL).

The LEPL under the Ministry of Regional Development and Infrastructure are carrying out the following number of projects with support of donors:

- Municipal Development Fund: USAID – 20, EU/SB – 3, GOG – 61, ADB – 4, EBRD – 1, EIB – 12, IBRD – 14, WB – 10, KfW – 5, MDF – 1;
- Roads Department of Georgia: Asian Development Bank - 2, European Investment Bank - 2, Japan International Cooperation Agency - 3, World Bank - 27, state budget - 121;
- United Water Supply Company: Asian development Bank - 5, Government of Georgia - 6;
- Solid Waste Management Company: State budget - 19, KfW/European Union/State budget - 1, EBRD/European Union/State budget - 1.

The Solid Waste Management Company carried out in the first part of 2014 and is still implementing the following projects: registration of 51 plots of land (with garbage dumps) as the company’s property; works are underway on the registration of 3 dumps; 9 regional offices (in Ambrolauri, Rustavi, Akhaltsikhe, Gori, Mtskheta, Zugdidi, Ozurgeti, Kutaisi and Telavi) were established and equipped with the relevant facilities and means of transportation; regional offices have been staffed by coordinators and dump operators, special equipment and facilities have been provided; 5 projects for improving the existing garbage dumps have been finished, whilst 4 projects are underway for improving the existing dumps; the system for registering the amount of domestic waste has also been introduced.

Development of Community Centers

Since 2011 Public Service Development Agency (PSDA) of the Ministry of Justice has been actively working to support Local Self-governments in strengthening their capacity and improving the way they serve the local population. These efforts are underscored by the aim to bring Public Administration as much closer as possible to citizens through the production of services increasingly more tailored to the needs of users. The Agency is undertaking a number of measures to achieve the above goal. Among these initiatives is the Development of Community Centers in Georgia, the main aim of which is to ensure provision of public and most sought-after private sector services to the local population on the village level. As a result, through modern technologies, local citizens can easily interact with Government and receive up to 200 public services locally, without the necessity to travel to the municipal center or the capital.

The Community Centre (CC) represents a modern, multi-functional infrastructure equipped with the latest technology. Carefully selected and trained local staff ensures provision of the central Government’s, municipal and private sector services through e-Governance. The CCs host local authorities (municipality representative on village level). Local population has an opportunity to access free internet, computers, video conference equipment, and e-library, coupled with access to

ATM and Pay Box machines. Moreover the income generated from the private sector in the form of lease payments¹ ensures their financial sustainability.

Apart from CCs important role in the delivery of public services, the centers are viewed as a platform for stimulating civic engagement activities on the ground by offering relevant facilities (meeting/conference rooms, audio-video equipment, etc.). Hence as part of the Community Centers Development Project the agency intends to contribute to the creation of equal development opportunities for the local population as a precondition for increased civic engagement and people participation in political and economic processes at the local level. This type of intervention will stimulate local inhabitants to engage in local decision-making processes and will increase the level of civil awareness among the village population.

The above-described measures have allowed significant improvements in the process of ‘production and consumption’ of public services, due to substantial innovations in terms of services (what is offered), but mainly in terms of process (how it is offered).

Currently, 17 Community Centers are fully operational across Georgia. Construction of 13 additional CCs is planned throughout 2015.

It is worth noting that since the establishment of the CCs in total 112,630 public services have been delivered through the Community Centers to the local population.

1.2.3 Fight Against Corruption

The fight against corruption remains highly important in the agenda of the Government. Georgia has already achieved significant success in eradicating corruption. However, further persistent efforts must be undertaken to implement major reforms related to public administration, strengthen the institutional capacity, overhaul political party financing legislation and tackle larger area of issues related to the prevention of corruption.

Anti-Corruption Council

The Anti-Corruption Council continued its active work throughout 2012 – February 2015.

Earlier in 2012 and then in January 2013, the membership of the Anti-Corruption Council was expanded, involving larger amount of civil society organisations (7 new organisations), international agencies (4 new agencies) and including business representatives (1 local and 2 international) for the first time. By the end of 2013, 7 new members (6 Government agencies and one non-governmental organisation) were invited to the council. On 4 February 2015, at the session of the council, 5 new members were invited to join (Chairman of the National Communications Commission, Consumer Rights Public Defender functioning at the National Communications Commission, Chairman of the Energy and Water Supply Regulatory Commission, Consumer Rights Public Defender functioning at the Energy and Water Supply Regulatory Commission, Head of the LEPL - Georgian Competition Agency). Currently, the council consists of 46 members, including 22 high-level governmental representatives, 2 members from Parliament, 4 members of independent regulatory commissions and relevant Defender’s Offices and 1 from the judiciary; 17 observers represent local and international NGOs, international organisations, donors and the business associations. Membership was also asked (and is pending) to the Ministry of Education and Science.

¹ The concept of Community Centers includes provision of a number of private sector services, such as bank, telecommunications and insurance companies which are represented at the local level by renting space at the CCs.

After the presidential elections in October 2013, based on the legislative amendments introduced to the Law on the Conflict of Interests and Corruption in Public Sector, the Anti-Corruption Council became accountable before the Government of Georgia. Therefore, the Statute and the membership of the Anti-Corruption Council were adopted by the Government Decree No. 390 on 30 December 2013.

Anti-Corruption Strategy and Action Plan

The revision of the Anti-Corruption Strategy and work on new Action Plan started from January, 2013. In February 2013, the Anti-Corruption Council Working Group discussed the comments and feedbacks collected and set further steps for the revision process and implementation of existing policies. The representatives of civil society organisations actively participated in the meeting.

In partnership with the UNODC, the Secretariat of the Anti-Corruption Council organised a strategic planning workshop for the Secretariat and the Anti-Corruption Council Working Group in March 2013, about “The Development of a National Anti-Corruption Strategy and Action Plan for Georgia”. The workshop aimed at strengthening the capacity of the Secretariat for strategic planning and monitoring of implementation of the Action Plan and designing the new Action Plan for 2014 and beyond, while identifying specific objectives, activities, results, performance indicators, clear timeframes and touching upon the issues of human and financial resources. Additionally, the objectives of the workshop included evaluation of the implementation of the Anti-Corruption Strategy adopted in 2010 and the 2010-2013 Action Plan with the involvement of civil society organisations.

As a result of the workshop, the Working Group came up with the list of priorities for the new Action Plan. These priorities were presented to the Anti-Corruption Council that analysed, discussed and decided upon eleven strategic priorities for Fight against Corruption of 2014-2016. In April 2014 and in February 2015, the Anti-Corruption Council approved twelfth and thirteenth Strategic Priorities on Fight against Corruption of 2015-2016 (Prevention of Corruption in Defence Sector; Prevention of Corruption in Regulatory Bodies). The revision of the Anti-Corruption Strategy and elaboration of the new Action Plan (2015-2016) was carried out on the basis of these priorities. The Council has also created 9 thematic sub-Working Groups (WG) responsible for drafting the respective parts of the new Action Plan.

The revised Strategy and new Action Plan (2015-2016) is based on the thorough analysis of the previous Action Plan (2010-2013) implementation results, in particular the Evaluation Report on implementation of the Anti-Corruption Action Plan 2010-2013 drafted by the Secretariat of the Anti-Corruption Council. The Evaluation Report is the assessment of the anticorruption measures and their effectiveness by the Secretariat based on the information received from responsible agencies, in person meetings with the relevant agencies when necessary, relevant evaluations and reports by international, as well as non-governmental organisations. The Evaluation Report analyses the progress made in relation to each priority area identified by the Action Plan, as well as indicates existing gaps and outlines the future steps to be taken. The Evaluation Report was presented to the Council on 4 February 2015.

With the aim to analyse corruption-related risks and identify existing challenges in the area of fight against corruption in Georgia, various international assessments, surveys, analytical documents and research papers have been used by Secretariat in the new Action Plan elaboration process. Particular attention was paid to elaboration of outcome oriented and measurable indicators and respective timelines. To that affect, on 2 May 2014, with the support of Council of Europe, the Workshop on Revision of the Anti-Corruption Strategy and Development of the Action Plan was organised. The first session of the workshop aimed at discussing the new Monitoring Methodology and Evaluation Report of the Implementation of 2010-2013 Anti-Corruption Action-Plan prepared by Secretariat of ACC. The second session aimed at discussing the logical framework of the Draft Anti-Corruption Strategy.

In addition, Council of Europe expert presented the result-based indicators for Strategic Priorities with the aim to assist working group in developing outcome/output oriented rather than process/input oriented indicators that would subsequently ensure efficient assessment of implementation of objectives set by the Strategy and Action Plan.

The work on the development of the Anti-Corruption Strategy and Action Plan within the framework of nine thematic Working Groups has been initiated from 4 April, when the first meeting of the WG members took place. Subsequently, through the active work of the Secretariat and consultations with the parties concerned the Logical Frameworks of the Strategy and Action Plan have been elaborated. By 22 July, 17 meetings of the thematic WGs and five expert level WGs were organised by the secretariat. The revised Strategy and Action Plan have been adopted by the council on 4 February 2015. Documents will be finalised and submitted for the approval to the Government of Georgia by the end of February.

The Secretariat is currently working on a new detailed methodology for monitoring and evaluation of implementation of the Anti-Corruption Action Plan. Monitoring methodology will assess the implementation process of activities set out for 13 priority areas of the Anti-Corruption Strategy and Action Plan, whereas the evaluation methodology will make it possible to identify achieved outcomes as well as gaps and major challenges in relation to specific strategic priorities. The Secretariat is to prepare a) Monitoring Report and b) Evaluation Report. The Monitoring Report is the compilation of the reports received from the responsible agencies in line with their Action Plan commitments, whereas the Evaluation Report, as mentioned above, is the assessment of the anticorruption measures and their effectiveness by the secretariat. After completion of the Action Plan, secretariat will assess results achieved based on the indicators.

The draft methodology was discussed within the Expert Level WG and approved by the Anti-Corruption Council in February 2014.

Anti-corruption Policy in Defence and Security/Building Integrity Programme

In 2013, Georgia has officially joined the NATO Building Integrity (BI) initiative and completed the Building Integrity Self-Assessment Survey. In 2014, the MoD received a BI Peer Review report that positively assessed defence and security sector developments in terms of transparency, accountability and integrity. The report revealed areas that require further improvement and highlighted good practices and innovative approaches (e-procurement system, enhanced cooperation with the civil society sector, establishment of the Citizen Reception Office, selection boards, an online asset declaration system) that Georgia ought to share with other countries using NATO and SEDM tools.

MoD published BI Peer Review report (December 2013) on official web-site and shared the report with civil society organisations and Georgian media representatives. Based on BI Peer Review Report recommendations, MoD approved BI Action Plan 2014-2015, established Defence Institution Building Team responsible for sharing lessons learned and best practices to the partner nations, created Internal Audit Department and established Georgian BI course to provide intensive and regular anti-corruption training to its employees.

The MoD has already started sharing its best practices with the partner countries.

Anti-Corruption Agency of the Ministry of Internal Affairs of Georgia

Anti-Corruption Agency (department) was established as a result of implemented structural reforms at the ministry at the end of 2012. The agency investigates the cases of conflicts of interest in the public service and fights against corruption and malfeasance by officials within their competence. The

agency is also assigned to conduct preventive and suppressive measures necessary for the fight against corruption.

In 2014, the Anti-Corruption Agency employees were tested in order to assess existing capacities and identify needs and plan further capacity building activities.

As of April 2014, the Anti-Corruption Agency, in cooperation with LEPL Academy of the Ministry of Internal Affairs began to retrain its employees. This program envisages capacity building of operative personnel with regards to legislative regulations related to criminal law, criminal procedural law, tax law and public service. The three groups of 67 employees already underwent 2.5 month long retraining (completed on 21 November) and step by step all employees anti-corruption agency (both at the central and regional levels) will be retrained.

On 14-18 July 2014, the Bureau of International Narcotics and Law Enforcement Affairs organised training course on corruption in public sector, 5 employees of anti-corruption agency participated.

Open Government Partnership Georgia (OGP)

Georgia was amongst the first countries to declare its intention to join OGP in September 2011. Taking into account guidelines for OGP, together with the civil society organisations, Government developed and launched National Action Plan of Georgia on Open Government 2012-2013 (Action Plan) in April 2012. After the adoption of the Action Plan the Ministry of Justice created NGO Forum as a regular coordination mechanism to monitor and assist the implementation process of the Action Plan.

In September 2013, the Government approved nine Strategic Priorities for the new OGP Action Plan (2014-2015) developed by the Secretariat of Anti-Corruption Council of Georgia (Analytical Department of the Ministry of Justice).

Georgia's first Action Plan implementation period was expired at the end of 2013. To assess the progress achieved, the Self-assessment Report was elaborated by the Secretariat, based on the information received from the responsible agencies and the round table discussions conducted with an active participation of civil society organisations.

To enhance cooperation with civil society and to remodel the NGO Forum into the national coordination mechanism in line with the regulations of OGP, the Secretariat elaborated the Terms of Reference (TOR) and rules of procedure for the forum, prescribing in detail functions and procedures related to its work. The composition of the forum has been expanded to include responsible agencies and to ensure better representation of local and international organisations. The functions of the forum include supporting the elaboration of the Action Plan, as well as planning and implementing related public consultations; supporting and monitoring of implementation of Action Plan, raising public awareness on OGP related issues. New model of the forum is fully in line with the recommendations of IRM to Georgia in this regard.

The first meeting of the remodelled forum took place in January 2014. During the meeting, the Forum adopted the TOR, discussed and agreed on the format of the second Action Plan taking into consideration guidelines and the sample of the Action Plan provided by the OGP Secretariat the forum meetings are being held regularly, on the first Wednesday of each month at the premises of the Ministry of Justice.

In total, 4 regular working meetings and 2 *ad hoc* meetings of the forum, 2 roundtable discussions along with several bilateral meetings and intense consultations between the secretariat, responsible

agencies and civil society were dedicated to the elaboration of the Action Plan. The first draft of the Action Plan was presented to the Anti-Corruption Council Session on 14 April 2014.

Regulations of OGP require the Action Plans to be elaborated not only based on the consultations with civil society but through public consultations as well. 19 Public consultations were held in 15 cities of Georgia and the total number of participants was up to 700. Target groups included representatives of local government, media, NGOs, political parties, librarians, students, teachers and professors. Five universities were involved in consultations.

In addition to the public consultations, online consultation module was created under the Open Government Georgia's banner on the web-page of the Ministry of Justice and the schedule of consultations was placed on the web page as well.

Based on the minutes of public consultations provided by the participants, the secretariat elaborated Report on Public Consultations of 2014 and presented it to the Anti-Corruption Council of Georgia Session on 14 April 2014.

Discussion on the final version of the Action Plan was held at the 6th session of the Forum. Georgia's second Action Plan of 2014-2015 with its 27 commitments taken by 16 responsible agencies is fully reflecting OGP values and principles as articulated in OGP declaration of principles: transparency, accountability, citizen participation, technology and innovation. Commitments under the Action Plan correspond to the following Grand Challenges of OGP: Improving Public Services, Increasing Public Integrity, More Effectively Managing Public Resources and Creating Safer Communities.

The Action Plan of 2014-2015 was submitted to the OGP Secretariat of in June and was approved by the Government of Georgia with its Decree No. 557 of 18 September.

The Forum Activity Report of 2014 was submitted to the Anti-Corruption Council of Georgia Session on 4 February 2015.

In August 2014, through voting among the OGP Member States, Georgia was elected as one of the OGP Steering Committee (SC) members for two years term. The SC is comprised of government and civil society representatives that together guide the on-going development and direction of OGP, maintaining the highest standards for the initiative and ensuring its long-term sustainability. The Minister of Justice represents the Government of Georgia in the committee.

Freedom of Information

In May 2012, legislative amendments were introduced to the General Administrative Code of Georgia, establishing the obligation of proactive disclosure of public information, as well as possibility of e-request of public information. These amendments entered into force on 1 September 2013.

In 2013 the Ministry of Justice was tasked by the Government of Georgia to elaborate the respective by-law with the list of information to be published proactively. The Secretariat in cooperation with NGOs and government institutions elaborated draft Decree of the Government of Georgia providing for the standards and procedures of proactive disclosure of information and electronic request of public information together with a list of public information to be published by the state institutions proactively. With the assistance of USAID G3 Program several round table discussions were held with participation of the representatives of the governmental institutions, judiciary, NGOs and international experts. The draft Decree was adopted by the Government of Georgia as its Decree No. 219 on 26 August 2013 and entered into force on 1 September 2013.

Apart from the Decree, the Government of Georgia requested the Ministry of Justice to develop the following documents:

- Recommendations on the Necessary Measures for the Implementations of Electronic Request and Proactive Publication of Public Information;
- Recommendations on the Necessary Measures for Civic Engagement in Policy Making Process;
- Recommendations on the Legislative Amendments in relations to Access to Public Information.

For the purpose of elaboration of all aforementioned documents, the Ministry of Justice facilitated a number of meetings and events aimed at ensuring the policy dialogue and participation of all relevant stakeholders. These documents were submitted to the Government on 1 August 2013.

In 2013, at the OGP Annual Summit the Georgian authorities officially announced a new commitment – adoption of a stand-alone Freedom of Information (FOI) Act in line with international standards and best practices as an ambitious commitment for 2014-2015.

The draft-law elaboration process is being carried out in the framework of Anti-Corruption Council (ACC), led by the Ministry of Justice with the support of Open Society Georgia (OSFG) through the drafting group comprised of experts from the Ministry of Justice and OSGF and three thematic working groups.

The drafting process has been officially launched in February 2014 in the framework of a round table where public agencies, NGOs and international organisations were represented. The first meetings of the thematic working groups were held in March 2014. The problematic issues according to the subjects defined for thematic working groups were identified and recommendations were given to the Ministry of Justice and OSGF. The drafting group held its working meetings from March to June, 2014 to elaborate the text of the draft law. Open discussion meetings were also held with the focus groups of journalists, NGOs, FOI officers and judges to contribute to the working process of the drafting group.

In June 2014, a high level roundtable discussion was held, aimed at facilitating the FOI reform in Georgia, in particular, international standards and best practices were reviewed by Mr. Kevin Dunion – Director of the Centre for Freedom of Information of Scotland. Drafting group proposed solutions elaborated in the process of FOI legislation reform in Georgia.

In August 2014, in the framework of FOI legislation reform a study visit of a delegation from Georgia to Federal Institute for Access to Information and Data Protection (IFAI) of Mexico was organised. The Georgian delegation was headed by the first Deputy Minister of Justice. The visit was dedicated to exchanging the experience on transparency regime in Mexico, organisational structure of a constitutionally autonomous body – IFAI, electronic tools for advancing the right of access to information, mechanisms for monitoring, records management in public agencies and other related issues in the field of access to information.

Next steps include the agreement on the draft within the Ministry of Justice and opening the public discussions to finalise reform.

The final draft law of the FOI Act will be submitted to the Government of Georgia and to the Parliament of Georgia by the end of 2015.

International Agreements

In January-February 2013, Georgia has launched official procedures to sign and ratify the Additional Protocol to the Council of Europe Criminal law Convention on Corruption (ratified on 27.07.2013)

International Organisations

In 2012, Georgia underwent the review process under the UN Convention Against Corruption (UNCAC) implementation review mechanism.

In July 2013, GRECO published the Third Evaluation Round Compliance Report of Georgia where the assessment of the measures taken by the Georgian authorities to implement 15 recommendations issued in the Third Round Evaluation Report was presented. GRECO concluded that Georgia satisfactorily implemented six out of fifteen recommendations, eight were partly implemented and only one recommendation was assessed as not implemented. Moreover, as indicated in the Third Round Evaluation Report, Georgia has been able to demonstrate that substantial reforms with the potential of achieving an acceptable level of compliance with the pending recommendations. The Government of Georgia will report on the progress of implementation of outstanding recommendations by February 2015.

In September 2013, OECD-ACN adopted the Third Round Monitoring Report of Georgia. The report analyses anti-corruption reforms, recent developments and provides a set of recommendations in three major areas – anti-corruption policy and institution, criminalization and prevention of corruption. The finding and recommendations of the Third Round Monitoring Report were presented and discussed at the round table on 10 December 2013 by the representative of the OECD monitoring mission and with the participation of the Anti-Corruption Council Working Group members. Worth noting is that significant progress made by the Georgian authorities implementation of the OECD recommendations was emphasized by the OECD Deputy Secretary-General, William Danvers in his official letter to the Prime Minister of Georgia. In particular, Deputy Secretary-General once again underlined that “the report (*Third Round Monitoring Report of Georgia*) comments Georgia for the significant progress it has achieved over the past decade in reducing corruption”. In April 2014, the Georgian authorities submitted the Progress Report on implementation of recommendations from the Third Monitoring Round Report and as a result of the monitoring process the progress was recorded in the implementation of the 9 out of 15 recommendations only in 6 months since the adoption of the monitoring report. The second Progress Report was submitted in September, 2014. The progress was recorded in the implementation of 10 out of 15 recommendations. Next progress report will be submitted to the OECD-ACN Secretariat in April 2015.

In 2014-2015, the Government of Georgia continued to implement recommendations of GRECO, OECD and UNODC. In order to prepare relevant amendments to the political party funding legislation and implement the recommendations of GRECO and OECD, an *ad hoc* working group was established by the Anti-Corruption Council on its session of 14 April 2014. Furthermore, recommendations provided by the international organisations were thoroughly analysed and incorporated in concrete activities of the new Anti-Corruption Action Plan 2015-2016.

Whistle-blower protection

The Government of Georgia considers the whistle-blower protection to be an important anti-corruption mechanism. Therefore, in 2013 with the aim to contribute to overhauling the institution of whistle-blower protection and bringing it in compliance with international standards in cooperation with the Civil Service Bureau the relevant draft amendments were elaborated by the Ministry of

Justice. The amendments will be made to the existing Chapter V¹ (protection of whistle-blower) of the Law of Georgia on Conflict of Interest and Corruption in Public Service.

The amendments are based on researches made by the Ministry of Justice, as well as guidelines issued by different international organisations such as the Transparency International, European Commission, etc. Furthermore, within the framework of EAP/CoE Facility Project on “Good Governance and Fight against Corruption”, the amendments were submitted to the CoE for expertise. The CoE adopted its Recommendations (Technical Paper) on the Draft Amendments to the Law of Georgia on Conflict of Interest and Corruption in Public Service in September 2013. The amendments were refined accordingly by the Ministry of Justice in November 2013.

The final version of the draft amendments were approved by the Government of Georgia in February 2014 and subsequently adopted by the Parliament and entered into force in April 2014.

2. Political Dialogue and Regional Cooperation

2.1 Political dialogue with the EU

The reporting period was outstanding in terms of intensified interaction between Georgia and the EU that was mainly reflected in exchange of numerous high level visits from the EU and Georgia. In particular, Prime Minister Irakli Garibashvili visited Brussels in the beginning of February, where he met with high ranking EU officials; On 17 February, Minister of Foreign Affairs of Georgia Maia Panjikidze paid a working visit to Brussels, where she had an opportunity to address the Foreign Affairs Committee of the European Parliament; On 20-21 February, Commissioner for Energy Günter Oettinger visited Georgia; On 4 March, Tbilisi hosted Commissioner for Enlargement and European Neighbourhood Policy Stefan Füle; On 13-14 May, European Council President Herman Van Rompuy and on 13 June, President of the European Commission José Manuel Barroso visited Georgia that was a clear demonstration of the EU’s strong support and solidarity to Georgia and its European integration course.

Apart from high level visits, innovative events of major importance for promoting Georgia’s European integration process were organised. On 21 May 2014, an unprecedented meeting of executive to executive dialogue between the Government of Georgia and the Commission took place in Brussels, which reflected Georgia's unique relationship with the EU. It gave both sides a good opportunity to discuss priority cooperation issues in specific sectors and agree on the next steps.

On 13 June 2014, during the visit of President José Manuel Barroso, Tbilisi hosted a successful joint EU-Georgia International Investment Conference. The conference demonstrated the EU’s and other international partners’, as well as businesses’ support to Georgia. It also proved an excellent opportunity to display investment opportunities opened by the DCFTA in Georgia.

In the reporting period, the following meetings of the EU-Georgia Cooperation institutions were held:

- On 18 June 2014, Tbilisi – 7th meeting of the Co-operation Subcommittee of Justice, Freedom and Security;
- On 19 June 2014, Tbilisi – 7th meeting of the EU-Georgia Human Rights Dialogue;
- On 17 November, Brussels – 1st meeting of the EU-Georgia Association Council.

2.2 Alignment with the EU statements

Deepening cooperation under the Common Foreign and Security Policy (CFSP), including the Common Security and Defence Policy (CSDP) is among the priorities of EU-Georgia relations. Since

2007, Georgia has been aligning with the EU statements and declarations made under the CFSP. *(Note: In the period of 1 January 2014 – 31 December 2014, Georgia aligned with 252 statements (and did not align with 71 statements)).*

2.3 Cooperation on CFSP/CSDP

Georgia attaches particular importance to participate in the EU-led crisis management operations under the CSDP and thus, contribute to the Union's efforts to build peace and security. In this context, as a second largest participant, Georgian one light infantry company (156 PAX) was deployed under the EU-led operation in the Central African Republic (EUFOR RCA) from June to December 2014. Moreover, with the request of the EU and considering the security situation on the ground in the RCA, Georgia extended participation to the mission with the 2 Platoons (up to 90 PAX) until March 2015. Furthermore, Georgia had secured two positions and planned to deploy 2 officers in the EU Mali mission (EUTM Mali), however, due to Ebola virus outbreak in West African states has handicapped Georgia's intention to support the mission at this stage.

On 20 January 2014, the EU Foreign Affairs Council authorized the opening of negotiations with Georgia for the Agreement on Exchange of Classified Information. On October 15, technical consultations were held between the EEAS and the representatives of the relevant Georgian ministries/agencies, whereby the EU provided the Georgian side with the initial text of the agreement. The respective internal procedures were launched.

2.4 Regional Cooperation

2.4.1 GUAM

Cooperation within Organization for Democracy and Economic Development – GUAM (January 2014 – December 2014)

On 1 January 2014, the Republic of Moldova took over the GUAM Chairmanship from Georgia.

A working meeting of the GUAM Council of Ministers of Foreign Affairs (CMFA) was held on 28 April 2014 in Budapest at the sidelines of V4 – Eastern Partnership Ministerial, as well as two traditional CMFA meetings on 26 September, in New York on the sidelines of the Opening of the 69th Plenary Session of UN GA and on 5 December in Basel, within the 21st OSCE Ministerial Council. The meetings of the Council of National Coordinators also took place in March, September and November in Kyiv.

In 2014, the GUAM working group meetings were also held to discuss the ongoing sectoral cooperation and implementation of mutual projects to define new directions of interagency interaction and elaborate new regional project proposals within the GUAM.

The year was active in terms of enhancing political consolidation within the organization. GUAM made supportive statement during voting on the UNGA Resolution on the "Status of the Internally Displaced Persons and Refugees from Abkhazia, Georgia and the Tskhinvali Region/South Ossetia, Georgia" on 5 June 2014. The GUAM statements condemning the so-called "parliamentary elections" held in the Tskhinvali Region/South Ossetia, Georgia and the so-called "presidential elections" held in Abkhazia, Georgia were issued in June and in August respectively. Several statements supporting territorial integrity and sovereignty of Ukraine were also made within GUAM.

GUAM Member States continued further enhancement of cooperation with partner states and organizations in GUAM+ formats, as well as implementation of mutual projects. The joint high level meeting of GUAM-USA format took place in New York, on 26 September and in Basel, on 5 December, following which a Joint GUAM-US statement was adopted. It once again reaffirms support for the sovereignty and territorial integrity of the GUAM Member States.

The inter-parliamentary cooperation has also been actively promoted. On 10-11 November, Moldova hosted the 7th Plenary Session of the GUAM Parliamentary Assembly, which was also attended by delegations from the Baltic Assembly, the Parliamentary Assembly of Turkic-speaking Countries, the Black Sea Economic Co-operation Parliamentary Assembly and the Polish Parliament. A “Joint Statement of the GUAM Parliamentary Assembly, the Baltic Assembly and the Polish parliamentary delegation” was adopted during this Plenary Session, which outlined the European aspirations of GUAM Member States and expressed support for their sovereignty and territorial integrity within their internationally recognised borders.

The observers’ group of GUAM Parliamentary Assembly traditionally participated in monitoring mission of both Ukraine’s presidential (on 25 May) and parliamentary (on 26 October) elections, as well as of Moldova’s parliamentary elections (on 30 November).

2.4.2 BSEC

Continuation of cooperation within the Organization of the Black Sea Economic Cooperation (BSEC)

Georgia is committed to support the enhancement and further promotion of the Organization of the Black Sea Economic Cooperation (BSEC).

In the reporting period, the functions of the BSEC Chairmanship-in-office were assumed by the Republic of Armenia, Republic of Bulgaria and the Hellenic Republic. A number of meetings within the relevant working groups, as well as the ministerial meetings and the meetings of the Committee of Senior Officials (SCO) have been held during the period.

1. The 29th Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States was held in Thessaloniki, on 12 December 2013. It was preceded by the Meeting of the BSEC Committee of Senior Officials on 10-11 December 2014;
2. The 30th Meeting of the Council of Ministers of Foreign Affairs of the BSEC Member States was held in Varna, on 19 June 2014. It was preceded by the Meeting of the BSEC Committee of Senior Officials on 17-18 June 2014;
3. The Meeting of the BSEC Working Group on Agriculture and Agro-Industry was held at the BSEC Headquarters on 28 March 2014;
4. The Meeting of the BSEC Ad Hoc Working Group of Experts in Seismic Risk was held at the BSEC Headquarters, on 2 June 2014;
5. The Meeting of the BSEC Ad Hoc Working Group of Experts in Seismic Risk was held at the BSEC Headquarters, on 2 June 2014.

Georgia has continued active cooperation in the framework of the Black Sea Economic Cooperation (BSEC) in the fields of transport, energy, trade, infrastructure, small and medium business enterprises, fighting organised crime, environment, and good governance.

2.4.3 Infrastructural cooperation

Facilitate the realisation of top-priority energy projects

Georgia continues to support the initiatives related to transportation of hydrocarbon resources in the framework of the Southern Gas Corridor. The priority is given to the projects that mostly contribute to ensuring energy security of the European Union and especially the East-West European Countries.

Decision taken by Shah Deniz Consortium approving Trans Adriatic Pipeline (TAP) for delivering Caspian natural gas from Shah Deniz fields to Europe via Georgia and Turkey is another proof of reliability of Southern Corridor. Georgia also actively supports the Trans-Anatolia gas pipeline project (TANAP), which will be connected to TAP and will carry the first Azerbaijani gas to Turkey and Europe (mainly South Eastern European countries) by 2018-2019. TANAP also provides multiple opportunities for further transport of Caspian natural gas to some of the largest European markets such as Germany, France, UK, Switzerland and Austria.

Georgia is committed to further developing its transit capacity. Realisation of the Azerbaijan-Georgia-Romania Interconnector Project (AGRI) with the participation of Hungary is aimed at transporting liquefied natural gas (LNG) via Black Sea to Europe. The feasibility study of the project which is being performed by the Oil and Gas Engineering Group Penspen Limited (UK registered 60 company) is finalised.

Georgia is actively supporting the “Euro-Asian Oil Transportation Corridor” (EAOTC) project, involving Azerbaijan, Georgia, Ukraine, as well as two EU Member States - Lithuania and Poland and expresses readiness to continue work in order to re-evaluate the feasibility of the project considering new political and economic realities of the region.

The construction of the “Black Sea Energy Transmission Line” project’s Akhaltsikhe 500/400/220 kV substation and 400 kV high voltage transmission line that connects Georgian and Turkish power systems has been finalised and launched. In July 2014, GSE (Georgian State Electrosystem) started transmission of electricity to Turkey via 400 kV transmission line Meskheta (Akhaltsikhe-Borchkha). Total amount of exported electric power during the months of July and August was 172 mln kWh (162 mln kWh in July and 10 mln kWh in August).

Support to the realisation of transport projects

The Georgian side attaches high importance to the successful implementation of the regional transport projects.

Implementation of the Baku-Tbilisi-Kars regional railway project will encourage development of regional cooperation in the field of transport and trade between Central Asia, Black Sea Region and Europe, and will attract new cargo flows. Up to the recent period 60% of the works has been done on the Georgian section. Completion of the project is planned in 2015.

By continuing active cooperation with the Transport Corridor Europe-Caucasus-Asia – TRACECA Programme and with its on-going projects, Georgia strives to ensure that outcomes of the implemented projects reinforce competitiveness and attractiveness of the TRACECA corridor for trade liberalisation and reduction of barriers through the corridor.

The Silk Wind Multimodal Block Train project is aimed to the development of container transportation through railway from China via Kazakhstan, Azerbaijan, Georgia and Turkey and further to Europe and is expected to accelerate the delivery of goods from the border of the People’s

Republic of China to Europe and backwards. The Intergovernmental Agreement on the Block Train Project Silk Wind between Georgia, Republic of Azerbaijan, Republic of Turkey and Republic of Kazakhstan is planned to be signed in the near future. The Government of Georgia has already finalised internal state procedures with regard to the draft agreement.

Georgia welcomes the initiative of the Government of Afghanistan on the Black Sea Corridor - Quadrilateral Cooperation on Transit, Transport and Trade between Georgia, Republic of Azerbaijan, Republic of Turkmenistan and Afghanistan that will enhance the regional economic cooperation and connectivity between the countries. On 3 September 2014, the representatives of 4 states held quadrilateral meeting in Ashgabat, Turkmenistan. The meeting was conducted within the framework of the international conference “Role of the Transport and Transit Corridors in Ensuring International Cooperation, Stability and Sustainable Development”. A joint working group on Cooperation on Transit, Transport and Trade between Afghanistan, Turkmenistan, Azerbaijan and Georgia was established. The Republic of Turkey also joined the Project. The first technical meeting was held in Ashgabat on 15 November 2014. The Afghan side presented the Draft Agreement on Transport, Transit and Trade Cooperation between Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey (Lapis Lasuli Agreement). The Georgian side has started the internal procedures on the Agreement. At the 69th Session of the UN General Assembly, Prime Minister H.E. Irakli Garibashvili proposed an idea of revitalising/reinvigorating the historic “Silk Road” and voiced an initiative of establishing the “**Tbilisi Silk Road Forum**”, the annual high level meeting of all interested states and international organizations. A high level Conference – “**Tbilisi Silk Road Forum**” – Cooperation for Peace and Development” will be an additional venue to elaborate new ideas in the fields of transport, energy and trade across the historic “Silk Road”. Georgia will organise the Forum in October 2015.

The Agreement envisages attraction of additional cargo flows between the countries, simplification of border crossing procedures and harmonization of administrative procedures.

2.4.4 Eastern Partnership

In the reporting period Georgia continued the active engagement in the successful implementation of the EaP through bilateral, as well as multilateral formats of cooperation.

2.4.4.1 Bilateral Cooperation

Association Agreement

The Government’s efforts were focused on timely finalisation of internal procedures necessary for the signature and on the provisional application of the EU-Georgia Association Agreement (AA), including the Deep and Comprehensive Free Trade Area (DCFTA).

The EU-Georgia Association Agreement was signed on 27 June 2014 that marked the beginning of a very important and qualitatively new process in the EU-Georgia relations, making the European integration Georgia’s domestic policy. Through this Agreement, Georgia commits itself to gradual establishment of the European political, economic, social, and legislative standards, which will bring prosperity, welfare, and stability to the population.

The Parliament of Georgia ratified the EU-Georgia Association Agreement on 18 July 2014. The provisional application of the Association Agreement commenced on 1 September 2014.

Association Agenda

On 23 January 2014, the negotiations started on the **Association Agenda**. The following rounds continued through video-conferences. The negotiations, which proceeded in a constructive environment, finalised with the approval of the document on 21 May 2014 at the executive to executive dialogue meeting between the Government of Georgia and the European Commission. Following the approval, the Association Agenda was adopted on 26 June 2014.

The Association Agenda, which substitutes the **European Neighbourhood Policy Action Plan (ENP AP)**, establishes a set of jointly agreed priorities for the period 2014-2016 and thus serves as a main implementation tool of the Association Agreement.

The Office of the State Minister on European and Euro-Atlantic Integration, in cooperation with relevant government agencies, has elaborated the 2014 National Action Plan for the Implementation of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part and Association Agenda between the European Union and Georgia. The 2014 National Action Plan was approved by the Decree No. 1516 of the Government of Georgia on 3 September 2014. The work on the National Action Plan for 2015 is already at the final stage, subject to adoption by the Government of Georgia in January 2015.

2.4.4.2 Multilateral Cooperation

Eastern Partnership Multilateral Dimension

The Government of Georgia is dedicated to further advance cooperation under the multilateral format in order to ensure effective political association and deep economic integration with the EU and enhance cooperation with all partner countries.

Since the launch of the EaP, Georgia has been actively involved in the EaP multilateral dimension and the Government of Georgia exploits all possibilities provided by this format of cooperation.

The EaP multilateral dimension has proved being the valuable forum for sharing information and best practices on reforms and modernisation.

The overall coordination of the multilateral framework of the Eastern Partnership is implemented by the Office of the State Minister of Georgia on European and Euro-Atlantic Integration. The following line ministries coordinate and are responsible for the relevant platforms:

- Platform 1 - **Democracy, good governance and stability** – Office of the State Minister on European and Euro-Atlantic Integration;
- Platform 2 - **Economic integration and convergence with EU policies** – Ministry of Economy and Sustainable Development;
- Platform 3 - **Energy Security** – Ministry of Energy;
- Platform 4 - **Contacts between people** – Ministry of Culture and Monument Protection.

In the reporting period, Georgia continued the active participation in the work of relevant thematic platforms, as well as respective panels, flagship initiatives, various events and meetings.

The Government of Georgia welcomes the visibility Strategy for the EaP and highlights the importance of the visibility of the EaP in the partner countries. Georgia continues to successfully host various events in the EaP multilateral framework. In fact, Tbilisi is one of the most attractive meeting spots for the events organised within the EaP framework namely:

In 2014, Tbilisi hosted the third Plenary Meeting of the **Eastern Partnership Network of Regulators for the Electronic Communications** (EaPeReg Network) on 1-2 April 2014, organised by the Georgian National Communications Commission. This event supported strengthening ties and networking among the National Regulatory Authorities from the EaP and the Body of European Regulators for Electronic Communications (BEREC). During the Plenary Meeting the Georgian National Communications Commission was unanimously nominated as the coordinator and the chairing country of the EaPeReg Network in 2015.

The Government of Georgia also hosted the following events:

- Annual Meeting of the **CORLEAP** on 29 September 2014 in Tbilisi;
- **7th meeting of the Panel on Public Administration Reform** on 16 October 2014 in Tbilisi;
- **8th meeting of the Trade Panel - Reforms of Systems of Technical Regulations and of Related Infrastructure** on 21-22 October 2014 in Tbilisi;
- **5th meeting of the SME Panel** on 23-24 October 2014 in Kvareli;
- **6th EaP Civil Society Forum** on 20-21 November 2014 in Batumi;
- The **Regional Torino Process Meeting** to assess progress in VET reforms 2012-2014 on 3-4 December 2014 in Tbilisi.

The Georgian side participated in all high-level meetings within the EaP format:

- On 28-29 April 2014, the V4+EaP Ministerial meeting was held in Budapest, with the participation of the Ministers of Foreign Affairs of countries of the Visegrád Group and the EaP. This format of extended V4 Ministerial meetings provides additional opportunity to discuss EU-related topical issues at the high political level. Participants of the Budapest meeting took stock of the progress achieved in the implementation of the EaP and future development prospects of the initiative, particularly with the view of the next EaP Summit in Riga scheduled for 2015;
- On 10 June 2014, the EaP Senior Officials Meeting (SOM) took place in Brussels, involving high-ranking officials from the EEAS, EU Commission, EU Member States and EaP Partner Countries. The meeting provided an opportunity to prepare for the EaP Foreign Ministers meeting. The participants reviewed the progress made in the EaP implementation since the Vilnius Summit and exchanged views on their expectations for the Riga Summit in 2015;
- On 22 July 2014, the 5th the Eastern Partnership Foreign Ministers meeting was held in Brussels. The representatives of the EU, the Eastern Partnership countries and the EU Member States discussed the progress, which has been made following the Vilnius Summit towards implementing the Eastern Partnership policy. In this context, special emphasis was put on the signing of the Association Agreements with Georgia, Moldova and Ukraine. The meeting praised the dynamism of Georgia-EU relations and the progress made in various fields and areas. The Georgian delegation expressed its firm readiness to implement effectively the EU-Georgia Association Agreement and demonstrate concrete results at the Eastern Partnership Riga Summit. The need to intensify cooperation on visa dialogue with the EU was also underlined. The Ministerial focused on the need to use relevantly the differentiation and more for more principle in the frames of the Eastern Partnership initiative. The Ministerial also focused on the need to use relevantly the differentiation and more for more principle in the frames of the Eastern Partnership initiative;
- On 9 September 2014, the 4th Informal Eastern Partnership Dialogue took place in Baku. The Ministers of Foreign Affairs of the EaP countries assessed the progress that has been achieved in terms of the implementation of the Eastern Partnership focusing on the plans for the Riga Summit;
- On 25 November, the Senior Officials Meeting of the Eastern Partnership took place in Brussels bringing together the senior officials of the EU institutions, EU Member States and six partner

countries to take stock of the progress achieved in the implementation of the EaP and the way ahead for the Riga Summit.

In 2014, the 12th meetings of the thematic platforms and various events were held, namely:

In the framework of **Platform 1**:

- On 18 February 2014 in Brussels – CSDP Panel Workshop on Legal Aspects of International Deployments;
- On 26 March in Brussels – 2nd meeting of the CSDP Panel;
- On 26-27 March in Chisinau – Panel on Migration and Asylum, Expert Meeting on detention of illegally residing migrants Legal Aspects of International Deployments;
- On 27 March in Vilnius – Panel on Public Administration Reform, Seminar “Civil Service selection, training system and IT system for public administration institutions”;
- On 10 April in Bucharest – 6th Meeting of the Panel on Public Administration Reform;
- On 10 June in Brussels – Senior Officials Meeting;
- On 11 June in Brussels – 11th meeting of the Platform 1;
- On 10-11 June in Vilnius – Panel on Migration and Asylum, Meeting on Human Smuggling;
- On 11-12 June in Minsk – 10th meeting of the IBM Panel;
- On 8 July in Brussels – 6th meeting of the Panel on Fight against Corruption;
- On 24-25 September in Brussels – 3rd meeting of the CSDP Panel and Round Table discussion on civilian CSDP capabilities;
- On 4 November in Kiev – 3rd meeting of the Judiciary Panel;
- On 5 November in Brussels – 11th meeting of the Panel on Integrated Border Management (IBM);
- On 6-7 November in Warsaw – Meeting on the labour migration of the Panel on the Migration and Asylum;
- On 26 November in Brussels – 12th meeting of the Platform 1;
- On 8-9 December in The Hague – Expert meeting on Credibility Assessment in Asylum Procedures of the Panel on Migration and Asylum.

In the framework of **Platform 2**:

- On 13 January in Brussels – 2nd meeting of the Panel on Agriculture and Rural Development;
- On 11 March in Brussels – Road transport policy seminar;
- On 12 March in Brussels – 6th meeting of the Transport Panel;
- On 13 May in Brussels – 11th meeting of the Platform 2;
- On 3-6 June in Brussels and Antwerp – EaP seminar on waste and follow-up events;
- On 29 July in Brussels – Workshop “Towards Harmonisation of Digital Markets in the Eastern Partnership”;
- On 8-19 September in Otwock (Warsaw District) – Customs and trade facilitation workshop for young managers of customs departments;
- 9-13 September in Berlin – Study tour on MRV for industrial installations, regulatory and institutional framework organised by Clima East;
- 8 October in Minsk – The 3rd EaP Green Programme’s Steering Committee meeting organised by OECD;
- 9-10 October in Brussels – 7th meeting of the Transport Panel;
- 21-22 October in Brussels – Workshop “Towards Harmonisation of Digital Markets in the Eastern Partnership”;
- 21-22 October in Tbilisi – 8th meeting of the Trade Panel - Reforms of Systems of Technical Regulations and of Related Infrastructure;

- 23-24 October in Kvareli – 5th meeting of the Panel on SME Policy;
- 11 November in Brussels – 3rd meeting of Agriculture Panel;
- 12 November in Brussels – 12th meeting of Platform 2;
- 13-14 November in Berlin – Eastern Partnership Panel seminar on international climate negotiations organised by Clima East;
- 1-5 December in Prague – Study tour on Strategic Environmental Assessment organised by UNECE

In the framework of **Platform 3**:

- On 27-28 May in London – 3rd workshop on “Building regional electricity markets – regulatory aspects of market integration;
- On 23-24 June in Brussels – 11th meeting of the Platform 3 and Event on the Covenant of Mayors;
- On 23 October in Brussels – 12th meeting of the Platform 3.

In the framework of **Platform 4**:

- On 21 May in Brussels – 2nd meeting of the Panel on Research and Innovation;
- On 22 May in Brussels – 11th meeting of the Platform 4;
- On 23-24 October in Kiev – Conference: cultural policy development in Europe today;
- On 3 December in Brussels – 12th meeting of the Platform 4.

With regard to the EaP Electronic Communications Regulators Network, the Memorandum of Cooperation between the Georgian National Communications Commission and the Czech Telecommunication Office was signed on 11 April 2014, under the EaPeReg project to develop bilateral cooperation of EaP and EU regulatory bodies.

Within the framework of the EaPeReg Project, 8th Workshop on Frequency Assignment and Digital Dividend was held in Tbilisi on 23-25 September 2014, to develop regional electronic communications regulatory framework harmonisation between the EU and the EaP Partner Countries. The Georgian National Communications Commission was the local organiser of the Workshop.

The Memorandum of Understanding between the Group of Eastern Partnership Regulators for Electronic Communications Networks and Services (EaPeReg Network) and the Body of European Regulators for Electronic Communications (BEREC) was drafted by the EaP NRAs including the GNCC and the BEREC electronic communications regulators. The MoU covers three main areas of activities, namely: annual summits, joint working groups and information exchange (e.g. questionnaires, working papers, specific events, etc.). The MoU was introduced to BEREC Board on its meeting in Rome on 24-25 September 2014. The BEREC Board officially approved the MoU text by BEREC Board right after the BEREC Board Meeting in Rome by means of e-voting procedure. The MoU between EaPeReg and BEREC was signed on BEREC Plenary Meeting in Brussels on 4 December. Representatives of the 4 EaP Countries’ Electronic Communications NRAs, including the Chairman of the Georgian National Communications Commission attended the submission of the MoU.

The fourth Plenary Session of the EaPeReg was held on 11 and 12 December 2014 in Prague, Czech Republic. The Georgian National Communications Commission (GNCC) has been elected as the new Chair of the Network for the following year. The Swedish Post and Telecoms Authority (PTS) has been elected as the new Vice-Chair of the EaPeReg for the following year. The Plenary Assembly has also approved the new Work Plan for 2015 with preliminary indication of the dates and venues of the following events within the platform to take place in Georgia, Belarus, Lithuania and Moldova. The

Session was attended by representatives of 5 EaP countries (Armenia, Belarus, Georgia, Moldova and Ukraine) and representatives of 11 EU Member States (Austria, Czech Republic, Germany, Hungary, Latvia, Lithuania, Poland, Portugal, Slovakia, Sweden and Romania), the representative of European Commission and the European Bank for Reconstruction and Development and the technical assistance consultants. The event was organised to encourage the Network and experience sharing between the regulatory bodies for electronic communications of the Eastern Partnership countries and the EU Member States.

The Georgian side has agreed to the establishment of the Panel on Statistics. The Government of Georgia is committed to continue respective endeavours to further advance cooperation with the EU and the partner countries.

The Georgian side expects that cooperation in the multilateral framework needs to be further intensified, in order to reach tangible results on issues such as: tackling consequences of the economic and financial crisis, promoting legal migration and assisting the partner countries to cope with respective commitments. In this regard, the Georgian Side is ready to contribute by sharing its success and positive experience in areas such as the fight against corruption and organised crime, integrated border management, money laundering, etc.

Furthermore, the Government of Georgia is eager to implement joint projects, especially in the fields of energy security, integrated border management, economic development, transport, culture and education.

Georgia welcomes the increased involvement of the EIB and EBRD (permanent participants of the platforms 2 and 3) in implementation of concrete infrastructure projects thus supporting implementation of the EaP sectorial priorities. In order to facilitate investments and business-to-business cooperation within the EaP area, the International Conference - Economic Integration with the European Union Prospects and Opportunities, together with the Business Forum & Exhibition of Georgian Manufacturing Companies was held on 26-28 March 2014.

The Georgian side values the contributions from the EU Member States and private sector in the implementation of investment projects.

The Government of Georgia is dedicated to **broadening the dialogue with civil society** and considers the **Civil Society Forum (CSF)** as one of the most important institutions of the EaP with particular responsibility of building a democratic European neighbourhood. Enhancing the participation of the **Georgian National Platform of the EaP Civil Society Forum** in implementation Georgia's European Integration Agenda is of utmost importance.

Georgian non-governmental organisations from the Georgian National Platform take part in the annual **EaP Civil Society Forum**. The **Office of the State Minister on European and Euro-Atlantic Integration** regularly meets representatives of the Georgian National Platform and is committed to increasing dialogue with NGOs involved in all four directions with active participation of all line ministries.

Euronest

Since the beginning of 2014 members of Georgian delegation to the Euronest Parliamentary Assembly were actively engaged in the work of the respective committees.

On 22 January and 4 November, delegation of the Parliament of Georgia participated in the meetings of the Committee on Economic Integration, Legal Approximation and Convergence with EU Policies held in Brussels. In January meeting, the Committee members exchanged views on the draft report on

“Infrastructural cooperation between the EU and Eastern Partnership countries: road, rail and air transport joint projects”, on EU Transport Policy towards Eastern Partnership Countries, on potential impact and benefits of the DCFTA on the Eastern Partnership countries and customs cooperation issues between the EU and EaP countries. In November meeting, the Committee members elected the new co-chair and vice co-chairs of the Committee, exchanged views on the presentations of European Commission officials on the work programme 2014-2017 of the EaP Platform 2 - Economic Integration and Convergence with EU Policies and on the EU multiannual financial perspectives and their impact on Eastern Partnership countries economic cooperation. The members of the Committee discussed the draft report on “Infrastructural cooperation between the EU and Eastern Partnership countries: road, rail and air transport joint projects” and defined on 16 January 2015 for the submission of amendments.

On 11 February and 4 November, a delegation of the Parliament of Georgia participated in the meetings of the Committee of Political Affairs, Human Rights and Democracy. On February meeting, Co-chair of the Committee, Victor Dolidze and Member of the European Parliament, Jacek Protasiewicz presented the draft report on “Engaging in a stronger partnership between the EU and Eastern European partner countries through the European Neighbourhood Instrument for 2014-2020”. Members of the committee also discussed the issues concerning the prospects of Eastern Partnership, EU financing of the Eastern Partnership through the European Neighbourhood Instrument for 2014-2020 and involvement of civil society in the programmes and activities of the European Neighbourhood Instrument. On November meeting, the Committee members elected the new co-chair and vice co-chairs of the Committee, exchanged views on the presentation of the EEAS official on the development of Eastern Partnership for 2014-2017 and the work programme 2014-2017 of the EaP Platform 1 - Democracy, Good governance and Stability, OSCE official on the 2014 election observation activities and senior research fellow of the Centre for European for European Policy Studies on the challenges facing the Eastern Partnership. The members of the Committee discussed the draft report on “Engaging in a stronger partnership between the EU and Eastern European partner countries through the European Neighbourhood Instrument for 2014-2020” and defined 16 January 2015 for the submission of amendments.

On 12 February and 4 November, delegation of the Parliament of Georgia participated in the meeting of the Committee on Energy Security held in Brussels. In February meeting, the Committee members discussed the draft report - “Challenges, potential and new engagement in cooperating on energy efficiency and renewable sources within the Eastern Partnership”, exchanged views on the prospect of the energy cooperation within the Eastern Partnership until the 2015 Riga Summit and on the outlook for renewable energy development in Europe for 2030. On November meeting, the Committee members elected new co-chair and vice co-chairs of the Committee, exchanged views on the presentation of NATO official on current threats over Energy Security in Europe and the European Commission official on the work programme 2014-2017 of the EaP Platform 3 - Energy Security. The members of the Committee discussed the draft report on “Challenges, potential and new engagement in cooperating on energy efficiency and renewable sources within the Eastern Partnership” and defined 16 January 2015 for the submission of amendments.

On 13 February, a delegation of the Parliament of Georgia participated in the meeting of the Committee on Social Affairs, Education, Culture and Civil Society held in Brussels. The members of the Committee exchanged views on the Civil Society developments in Ukraine, culture and intercultural dialogue in the context of the Eastern Partnership and future priorities of the Committee.

The Bureau meetings of the Euronest were held on 31 March 2014 and 16 October 2014 in Brussels and were attended by Head of the Georgian delegation, Victor Dolidze. In March meeting, the Members of the Bureau discussed the issues concerning the functioning of the Assembly, achieved results and future plans, developments in Ukraine and the calendar for the second half of 2014. On

October meeting, the Bureau members exchanged views on the planned Parliamentary elections in Ukraine and Moldova, discussed the calendar of activities for the remaining part of 2014 and first half of 2015.

3. Conflict Resolution and Reintegration

3.1 Peaceful conflict resolution

Engagement policy 2014

In the situation of ongoing occupation, the GoG remains committed to peaceful, pragmatic, flexible and constructive course of action, with an objective to strengthen the policy of engagement with Georgian regions of Abkhazia and the Tskhinvali region/South Ossetia and provide favourable environment for reconciliation and comprehensive settlement of the conflict. With the EU-Georgia Association Agreement and the Association Agenda, the GoG, in much closer cooperation with the EU, pursues the policy of achieving the peaceful and lasting conflict resolution, facilitating confidence building and reconciliation, and seeking the ways to share the benefits and opportunities stemming from the EU-Georgia Visa Liberalisation Dialogue, political association and economic integration process, with the populations residing in Georgian regions of Abkhazia and the Tskhinvali region/South Ossetia.

With the aim to advance the reconciliation and confidence building agenda and address previously existing requests, in 2014 the GoG introduced a new title for the Office of the State Minister for Reintegration and renamed as the Office of the State Minister for Reconciliation and Civic Equality (SMRCE) that will contribute to establishing a more favourable environment for interaction and trust building.

For effective application of its policy directions, SMRCE continues the realization of the major dimensions of the “State Strategy towards the Occupied Territories: Engagement through Cooperation” and of the respective Action Plan for Engagement. In particular, the GoG actively implements the provision of healthcare services to the residents of the occupied territories, works towards the establishment of advanced mechanisms for students from the Georgian regions of Abkhazia and the Tskhinvali region/South Ossetia to receive/continue education in the rest of Georgia and/or abroad, supports and facilitates the confidence building measures and people-to-people contacts, as well as the unimpeded operation and engagement of international and local organisations with the occupied territories of Georgia.

In 2014, the GoG maintained the effective operation of the State Referral Program that covers the free of charge medical treatment of persons residing in Georgian regions of Abkhazia and the Tskhinvali region/South Ossetia. The residents of these territories coming over the occupation line are eligible to receive a full-scale, needs-based medical treatment in any medical institution of Georgia. On the other hand, the GoG also works towards the improvement of medical services inside the occupied territories and thereby supports the operation of medical units there.

Through the Liaison Mechanism (LM) effectively operating under the Action Plan for Engagement, the GoG continues to regularly deliver to Abkhazia region necessary vaccines, including immunization and veterinary vaccines, diabetes and HIV/AIDS treatment and medicine for tuberculosis. In addition, in 2014 the GoG has delivered to Abkhazia region a special vehicle with dentist cab, field operating room, and various medical techniques. For the reporting period, the overall budget allocated by the GoG towards addressing the healthcare needs of the occupied territories equalled approximately to 3 mln GEL.

As an integral part of the peace-building process, the GoG pursues the open and human-centric policy, oriented at creating the opportunities and provision of the benefits for the residents of Georgian regions of Abkhazia and the Tskhinvali region/South Ossetia. This includes the establishment of special conditions for receiving education in the rest of Georgia and/or abroad. With this aim, the GoG maintains the operation of “4+1” program that implies the simplified procedures for the representatives of ethnic minorities, *inter alia*, Abkhazians and Ossetians, to enrol in higher education institutions of Georgia by passing only one exam in their native language, with one year in Georgian language training followed by four years of undergraduate studies in a program at one’s own choice. In 2014, the GoG has also started to actively work on simplifying the existing procedures for diploma recognition that will diminish the technical impediments and pave the way for the residents of the occupied territories to continue education in the rest of Georgia and/or abroad. This includes the provision of opportunities provided by the EU-Georgia cooperation in the sphere of education. In addition, within the frames of the International Education Centre (IEC) established in May 2014, under the Prime Minister of Georgia, MA and PhD education opportunities in leading European and US universities will be provided to the residents of the country, and among them the residents of the occupied territories. The Centre accepts applications from persons living in Georgian regions of Abkhazia and the Tskhinvali region/South Ossetia holding Georgian ID or status neutral document and if successful, will fund their study abroad.

In 2014, the GoG has maintained availability of the Status Neutral Documents for the residents of the occupied territories and continued consultations with international community to advance further recognition of the Status Neutral Travel Document (SNTD) as an effective instrument for exercising the freedom of movement.

The GoG is actively engaged in supporting and facilitating implementation of confidence building projects (CBMs) and maintaining people-to-people diplomacy. In this regard, bilateral CBMs were implemented in 2014 together with the Council of Europe (CoE) and with the involvement of the LM. In May, participants from Tbilisi and Sokhumi gathered in Istanbul and conducted a meeting related to cultural heritage existing in Abkhazia region that was followed by a study visit to Macedonia later in autumn. The project also envisages professional discussions, training of experts, update of archive documents and the improvement of knowledge about the cultural heritage monuments existing in Abkhazia region. Further to this, the projects implemented in 2014 include: training of teachers inside Abkhazia region by the European experts; visit of Georgian-Abkhazian and Georgian-Ossetian teachers to Graz, Austria for the seminar on foreign language teaching methodology; meeting of Georgian-Abkhazian teachers in Istanbul for agreeing on and planning of future workshops and trainings with the aim of experience sharing and awareness rising about the modern teaching standards; meeting of Georgian-Abkhazian Public Defenders and civil society representatives in Istanbul to discuss human rights issues.

In 2014, the GoG continued to actively seek donor assistance with the aim to establish the Endowment for Reconciliation - a funding mechanism that will further facilitate and increase the number of confidence building-initiatives/projects. SMRCE has already conducted relevant consultations with partners and plans to organise additional fund-raising events.

In frames of the Communication and Information Strategy of the Government of Georgia in the sphere of the EU Integration, SMRCE conducted several activities in 2014: 1. Prepared and aired a video clip on the Association Agreement in Georgian and four minority languages (Abkhazian, Armenian, Azeri, Ossetian), jointly with a leading NGO “Liberal Academy- Tbilisi”; 2. Conducted an essay competition on the topic of European integration for ethnic minority students enrolled in Georgian universities under the “4+1” scheme; 3. Assisted the Office of the State Minister for European and Euro-Atlantic

Integration in the translation of material for the brochures on Association Agreement in minority languages (including in Abkhazian and Ossetian).

One of the key directions of the SMRCE's work has been the efforts to alleviate the consequences of the installation of barbed wire fences and other physical barriers in villages adjacent to the occupation line by the Russian soldiers. Addressing the needs of the local population on both sides of the divide separated from their communities and improving their living conditions are important not only from purely humanitarian but also human security and peace-building perspectives. The Temporary Governmental Commission Addressing the Needs of Affected Communities in Villages along the Dividing Line (Commission), established by the Government on 4 October 2013 and co-chaired by SMRCE together with the Ministry of Regional Development and Infrastructure (MRDI), proved an important mechanism for assessing needs and communicating with partners and donors as they try to carry out the projects in the area that benefit local population. SMRCE has successfully liaised with the EU, UNHCR, UNDP, USAID, Japanese Embassy, Swiss Agency for Development and Cooperation, other organisations and partner countries, and solicited valuable donor assistance in solving some of the pressing problems locally.

The Commission accomplished some important results, including the following: total of 11,440 families in 50 villages near the dividing line received 200 GEL assistance each from state budget for heating supplies during wintertime (2,288,000 GEL in total); tuition fees for the 2013-2014 academic year were covered for 433 undergraduate and graduate students; some school infrastructure in the area was rehabilitated; the potable water boreholes were arranged in four villages; Tiriponi main channel of the Saltvisi-Tiriponi irrigation system was restored; the work for provision of gas supply to the villages has started; ambulatories began to be arranged in 19 villages.

However, major needs and challenges remain yet to be met. Therefore, SMRCE, together with MRDI and other state agencies, developed a long-term State Strategy on Socio-Economic Development of Conflict-Affected Regions, which was approved by the Interagency Commission and is ready for the adoption by the Government. The Strategy outlines ends, ways and means for improving social conditions, promoting economic development on both sides of the dividing line, as much as circumstances permit and identifying socio-economic areas for confidence-building between the divided communities.

Contribute to de-occupation of the Georgian territories occupied by the Russian Federation and to restoration of territorial integrity of Georgia

The Government of Georgia highly appreciates the EU's role in peaceful resolution of the Russia-Georgia conflict, among others, through maintaining the EU Monitoring Mission, participating in the Geneva International Discussions, supporting and implementing its non-recognition policy towards the occupied regions of Georgia.

During the bilateral meetings with the high level EU representatives or at other international fora, the Government of Georgia continuously raises the issues of de-occupation of the Georgian territories and the full implementation of the obligations taken by the Russian side under the 12 August 2008 Six-Point Ceasefire Agreement. Moreover, the Georgian side considers it important to maintain the issue of Georgia in the agenda of the EU-Russia political dialogue.

Georgia continues to actively cooperate with the international community to preserve the effectiveness of the non-recognition policy of Georgia's occupied regions. Despite the best of joint efforts, the Government of Georgia remains altered by Russia's persisting attempts to gain the recognition of Georgia's regions through political and financial leverages, which risks causing the chain of recognitions from the most vulnerable states.

Security situation on the ground remains volatile and alarming. The Russian Federation remains in breach of the 12 August 2008 Six-Point Ceasefire Agreement. Russia has failed to withdraw its forces to the status quo ante positions, as required by the point 5 of the Agreement.

Russia undertakes further steps against the territorial integrity of Georgia, as it is clearly initiating the annexation process of Georgia's occupied territories of Abkhazia and the Tskhinvali region/South Ossetia. The so called "treaties" on "alliance and strategic partnership" or "integration" signed with Abkhazia and being prepared to sign shortly with the Tskhinvali region/South Ossetia, are clearly directed against Georgia's sovereignty and territorial integrity, as they envisage further integration of the occupied Tskhinvali region into the Russian Federation in all spheres, including the factual abolishment of the Georgia-Russia state border on the segments of Abkhazia and the Tskhinvali region/South Ossetia. Among the direct effects of these so called "treaties" will be the toughening of the occupation line and undermining people-to-people contacts, freedom of movement and thus, confidence building between the communities. This will also seriously affect the situation of IDPs by placing a permanent obstacle to the implementation of their right to safe and dignified return. Georgia raised this issue within various international fora, first and foremost at the Geneva International Discussions.

The Kremlin continues to exacerbate the already fragile situation through unceasing militarization of Georgia's occupied regions, intrusions into Georgian-controlled airspace and frequent military exercises. On 5 December 2014, the Russian Federation conducted large-scale military exercises in the Tskhinvali region, with the involvement of heavy military equipment. Against the background of Georgia's declared policy to normalise relations with Russia and in the context of already undertaken steps in this direction, Moscow continues its destructive policy to complete the process of annexation of occupied territories, intrude deeper into the territory controlled by the central Government, to escalate security situation in the occupied regions and in their adjacent areas and exercise discriminatory measures against Georgian population.

After the Sochi Olympic Games, Russian occupation forces reactivated the process of the installation of barbed wire and metal fences across the occupation line in the Tskhinvali region, launched in 2011 and continued in January 2014. By now, the total length of barbed wire fence along the Tskhinvali occupation line has reached 60 km and the process of arrangement is still in progress, especially in the Abkhazia region. In certain segments, the barbed wire fence goes far beyond the initial occupation line and intrudes into the territory controlled by the central Government of Georgia, in flagrant violation of Georgia's sovereignty, territorial integrity and its internationally recognised borders and the 12 August 2008 Six-Point Ceasefire Agreement. The installation of artificial obstacles along the occupation line significantly affects the livelihoods of the local population, divides families and communities, and prevents people-to-people contacts. Such illegal activities have blocked the access of the local population to their agricultural lands and potable and irrigation water systems. Residents are prevented from accessing the local cemeteries and reaching emergency medical services. As a result, several families had to abandon their houses left behind the barbed wire fence.

For last few months, Georgia has continued raising the issue of the installation of barbed wire fences at the Geneva International Discussions and at the Incident Prevention and Reaction Mechanism meetings, yet without any progress.

The Government of Georgia is confident that adequate reaction of the international community in response to the existing reality and the diplomatic pressure exercised on Russia will help stop Russia's illegal activities along the Tskhinvali and Abkhazia occupation lines.

Alongside with worrying security-related developments, the Russian occupation forces are responsible for the continuous human rights violations in Georgia's occupied region of Abkhazia and Tskhinvali. The discriminatory measures exercised against Georgian population include, but are not limited to, ethnically targeted violence, destruction of property, indiscriminate shooting, prohibition of education in native language, heavy restrictions on the freedom of movement. The practice of detentions for crossing the so called "border" has further intensified both in the Abkhazia and Tskhinvali regions. The civilian population residing on the occupied territories is deprived of the minimal safeguards for the protection of their rights provided by the international conventions.

Only holders of the so called "Abkhaz" passports or foreign passports are allowed to cross the occupation line. Such heavy restrictions on the freedom of movement extend even to the most vulnerable population seeking an immediate medical assistance. Moreover, after the so called "presidential elections", the occupation regime started the process of "examining the passport details" of ethnic Georgians residing in the Gali, Ochamchire and Tkvarcheli districts, who allegedly obtained passports of "a citizen of the Republic of Abkhazia" in violation of applicable rules. According to the data of the Sokhumi occupation regime of April 2014, 1188 "Abkhaz" passports were declared illegally granted and therefore annulled. The process is aimed at further restricting social, economic, and other fundamental rights of the ethnically Georgian population.

The Russian Federation and Sokhumi occupation regime deprive the ethnic Georgian population of the right to education ensured by fundamental human rights and freedoms. Russian military troops have not been allowing schoolchildren of Georgian ethnicity from the Gali district to cross the occupation line to attend classes on Georgia-controlled territory, thus coercing them to go to the Russian-language school.

On 8 June 2014, the so called "parliamentary elections" were held in the Tskhinvali region, in which the political party "United Ossetia", actively promoting the idea of holding a referendum on possible integration of the Tskhinvali region to the Russian Federation received the absolute majority of votes.

On 24 August 2014, the so called "presidential elections" were held in the Abkhazia region following the internal unrest in Sokhumi and as a result, the resignation of the previous regime in control. Off-year "presidential elections" were won by Raul Khadjimba, former KGB officer turned ultra-nationalist. Notably, the local residents of Georgian origin concentrated in the Ochamchire, Tkvarcheli and Gali districts were also deprived their voting rights.

After the so called "elections", the human rights and humanitarian situation in the Abkhazia region has further deteriorated. Prior to the "elections" and its aftermath, calls were made to restrict civil, social and economic rights of ethnic Georgians, withdraw so-called Abkhaz passports and even expel them altogether from Abkhazia. Recently, the new leader of Sokhumi regime vocalised intention to close the existing crossing points across the occupation line, which will further oppress the local population and significantly undermine the security situation on the ground. Since the beginning of the new school year, the new regime in control has further decreased already limited curriculum of Georgian lessons at schools, and toughened control over the transportation of Georgian textbooks across the occupation line.

As for the Tskhinvali region, in particular the Akhagori district, the local regime has toughened the crossing regulations and started issuing new "permits" for crossing the so called "border". Most alarmingly, those "permits" are granted on a selective basis and most of applications of local residents are rejected without any explanation (as of August 2014, 2527 out of 4518 applications were rejected). Since September 2014, the textbooks on the history of Georgia have been substituted by the textbooks on the "history of South Ossetia" in Akhagori district, thus completely distorting the existing reality.

On 5 June 2014, the UN General Assembly, within the 68th session, adopted the resolution on the “Status of the Internally Displaced Persons and Refugees from Abkhazia, Georgia and the Tskhinvali Region/South Ossetia, Georgia” (A/RES/68/274). This year the number of supporters of the resolution has reached 69. The steadily growing number of supporters of the Resolution illustrates the unceasing international concern over the plight of IDPs and refugees and thus, further solidifies their right to safe and dignified return. The Government of Georgia remains committed to undertaking all possible efforts to facilitate the voluntary, safe and dignified return of Internally Displaced Persons and Refugees and their descendants, regardless of ethnicity, to their habitual residences.

The Georgian side deeply regrets that Navanethem Pillay, the UN High Commissioner for Human Rights, was not able to access the occupied regions while visiting Georgia on 19-21 May. Occupation regimes’ decision to block High Commissioner from entering the territories under their effective control runs contrary to all UNGA Resolutions on Georgia and represents yet another blatant attempt to conceal grave human rights violations occurring systematically on the ground. Following her visit to the administrative boundary line, where she witnessed the erected barbwires, High Commissioner made public statement expressing her grave concern about the isolation and humanitarian situation in the Tskhinvali region and provided her recommendations on the issue.

The Georgian side has continued consultations with the UN family to find an effective way for their involvement in humanitarian and monitoring activities in the occupied territories. The Ministry of Foreign Affairs is in regular communication with the Special Representative of the UN Secretary General and the Co-Chair of Geneva Discussions, Ambassador Antti Turunen and his team members regarding the developments on the ground.

On 1 October 2014, the Head of the United Nations Development Program (UNDP), Helen Clark paid the visit to Georgia. At the meetings held with the President, the Prime Minister and the Minister of Foreign Affairs of Georgia, the UNDP Administrator discussed key issues in the Georgia-UNDP agenda.

On 18 February 2014, OSCE High Commissioner on National Minorities, Astrid Thors paid an official visit to Georgia. During her meeting with the First Deputy Minister of Foreign Affairs, David Zalkaliani recent information about illegal activities of the Russian Federation occupation forces in the Tskhinvali region and Abkhazia, installation of wire fences and artificial embankment arrangements along the occupational line were discussed. In the framework of her visit, the high commissioner visited the administrative boundary line. Astrid Thors surveyed barbwire fences erected by the occupation forces and met the local population.

The Georgian side has continued consultations with the OSCE Chairmanship to address the humanitarian situation in the occupied regions of Georgia. On 3 June 2014, OSCE Chairperson-in-Office, Swiss Foreign Minister and President of the Confederation, Head of Federal Department of the Foreign Affairs, Didier Burkhalter paid an official visit to Georgia. During the visit, Didier Burkhalter held high-level meetings where he discussed the possibilities of strengthening the OSCE engagement in the occupied regions. Didier Burkhalter also visited the administrative boundary line at the Tskhinvali region and attended the IPRM meeting in Ergneti.

The Ministry of Foreign Affairs of Georgia carries consultations with the OSCE Chairmanship and the Organisation’s participating States to initiate the follow-up process to the ODIHR/HCNM report “Human Rights in the War-Affected Areas Following the Conflict in Georgia” (November 2008) and assess the state of implementation of the recommendations provided by the report.

The Ministry of Foreign Affairs of Georgia regularly provides information to Angelo Gnaedinger, the Special Representative of the Swiss OSCE Chairmanship for the South Caucasus and the Co-Chair of the Geneva International Discussions on the situation in the occupied territories of Georgia.

The Georgian delegation actively participated in the OSCE Human Dimension Implementation Meeting (HDIM) held in Warsaw from 22 September to 3 October 2014. During the relevant sessions the Georgian side delivered statements regarding the human rights situation in the occupied Abkhazia region and the Tskhinvali region/South Ossetia, including on the restriction of freedom of movement, situation regarding Refugees and IDPs in Georgia etc. They also shared information on the ongoing reform process with regard to human rights situation and protection of fundamental freedoms in Georgia. In the framework of the meeting the Side-event on humanitarian consequences of the installation of barbed wire fences along the ABL was organised by the Government of Georgia.

During the 124th Session of the Committee of Ministers of the Council of Europe (Ministerial of the CoE) held in Vienna on the 6 May 2014, the Committee of Ministers unanimously adopted its agenda and formally approved a decision, adopted before the meeting by the permanent representatives of the member states, on the situation in Georgia's conflict zones. The Ministerial also adopted a decision to take note of the consolidated report of the Council of Europe's Secretary General.

During the Parliamentary Assembly session held in Strasbourg on 23-27 June 2014, Anne Brasseur, the president of PACE in her opening address expressed her concern over the frozen conflicts in Europe and recalled the importance of the respect for sovereignty and territorial integrity “as one of our fundamental principles” of the Council of Europe.

On 3 July 2014, H.E. Merab Antadze, Ambassador Extraordinary and Plenipotentiary of Georgia to the Republic of Moldova addressed the mentoring committee of the Congress of the Council of Europe, held in Chisinau, Republic of Moldova and provided the information on the alarming situation in the occupied territories of Georgia.

On 29 September - 3 October 2014, the autumn session of the Parliamentary Assembly was held in Strasbourg. The session was attended by the Georgian Delegation to the Parliamentary Assembly of the Council of Europe. During the session one of the items of the debates was the report – “Functioning of democratic institutions in Georgia”, which was adopted by the Parliamentary Assembly of the Council of Europe and was followed by the adoption of the Resolution.

On 29-30 September 2014, Daniil Khoshabo, Deputy to the Director of Political Adviser, Maxime Longangue and Marsel Capi, Political Advisors of the Political Department of the Council of Europe visited Georgia. The goal of the visit was to prepare the 10th consolidated report of the Secretary General of the Council of Europe about the conflict in Georgia. The delegation held meetings with the representatives of various Ministries and International Organisations. The delegation also visited the Administrative Border Line (ABL) along the Tskhinvali Region.

On 14-16 October 2014, the members of the Congress of Local and Regional Authorities will meet in Strasbourg, France. During the session the report, following the observation of the local elections this year in Georgia (15 June) will be discussed and followed by the adoption of recommendations. The session will be attended by the Georgian Delegation to the Congress of Local and Regional Authorities, headed by the Mayor of Tbilisi, David Narmania. Before the adoption of the recommendations the Deputy Minister of Regional Development and Infrastructure of Georgia Tengiz Shergelashvili will make an overview regarding the reforms and ongoing processes in local government of Georgia. At the same time, on 16 October in the framework of the session Tengiz Shergelashvili will deliver a speech on the item “Separatist tensions in Ukraine and neighbouring countries”.

On 3 December 2014, Jean-Claude Frecon, President of the Congress of Regional and Local Authorities of the Council of Europe made a statement about the signature of the so called “treaty” between Russian Federation and Abkhaz Separatist Government. The President of the Congress condemns the so called “treaty” and calls it as another destabilising factor in Eastern Europe.

3.2 European Union Monitoring Mission

The EU’s engagement in the conflict resolution through functioning of the European Union Monitoring Mission (EUMM) remains the essential guarantee of Georgia’s security. The Government of Georgia continues active cooperation with the EUMM, the only international presence on the territory of Georgia that carries an immense importance in maintaining security and stability and provides neutral and unbiased information with regard to the security situation on the ground. Therefore, it is crucial to maintain the EUMM mandate and preserve the number of monitors, as well as ensure its access to the occupied territories of Georgia. The principles of cooperation are defined by the Memoranda of Understanding signed between the EUMM and the Ministry of Interior (10 October 2008), the EUMM and the Ministry of Defence (26 January 2009) and respective amendments.

As a result of a strategic review, the existing mandate of the EUMM has been maintained. In December 2014, the EU Council extended the mandate of the Mission until 14 December 2016. On 19 December 2014, H.E. Kęstutis Jankauskas was appointed as the Head of the EUMM.

Unfortunately, despite the efforts by Georgia and the EU, EUMM is still denied access to the occupied territories and is unable to fully exercise its mandate throughout the territory of Georgia. The IPRM mechanism in Gali remains suspended. Georgia is committed to redouble its efforts to achieve the resumption of the Gali IPRM meetings and the full implementation of the EUMM mandate in Abkhazia and Tskhinvali region.

3.3 Geneva International Discussions

The Georgian side welcomes the appointment of the new EU Special Representative for the South Caucasus and the crisis in Georgia, Herbert Salber. The EUSR’s reinforced participation in the Geneva Discussions gains an utmost significance in the context of Russia’s persistent actions directed against the EU’s role in the conflict resolution process.

The Government of Georgia remains committed to the Geneva Discussions format as a primary venue for discussing security and stability (non-use of force, international security arrangements) and humanitarian (IDP issues) matters with the Russian Federation. During the reporting, 4 rounds of the Geneva Discussions were held.

Unfortunately, Russia’s unwillingness to engage in meaningful negotiations on the key issues of the Geneva Discussions has remained unchanged. The Russian Federation remains reluctant to reciprocate Georgia’s pledge on the non-use of force. Participants from Georgia constructively participated in the drafting sessions of the Statement on the non-use of force, however, the statement can be adopted only after the Russian Federation undertakes the legally-binding commitment.

The Russian Federation, as well as participants from Sokhumi and Tskhinvali, continued efforts aimed at undermining the existing format of the Geneva Discussions, agreed through consensus.

During the 28th round, participants from Moscow, Sokhumi and Tskhinvali walked out from the Working Group II and tried to join the Working Group I. Confronted with these disruptive attempts aimed at achieving the change of the established practice of the conduct of meetings, first and foremost, of the key agenda item pertaining to the return of IDPs and refugees, the Co-Chairs had to

suspend the work. This fact manifests Moscow's continuous attempts to instrumentalise humanitarian needs of the local population for advancing its political agenda. The purely humanitarian issues and needs of the local population should be strictly decoupled from political considerations and addressed in effective and depoliticised manner.

These developments happen against the background of almost full isolation of the occupied regions of Georgia. No international monitors and international organisations, with few exceptions, are allowed in the regions. There is an acute need for international presence. In this context, the Georgian side has advocated for the creation of a mechanism that would allow the Co-Chairs of the Geneva Discussions to observe the situation on the ground through regular visits to the occupied regions. In the absence of a full-fledged international monitoring mission, such "support teams" would be a step forward in terms of humanitarian access.

3.4 Further maintain active involvement in meetings to be held within the Joint Incident Prevention and Response Mechanisms (IPRMs)

Georgia is concerned over the continuing obstruction of the Gali Incident Prevention and Response Mechanism (IPRM). Whereas the functioning of the Ergneti/Dvani IPRM is relatively stable, Sokhumi and Moscow continue hindering the functioning of the Gali IPRM. The halt of the IPRM certainly jeopardizes an already fragile situation on the ground, especially in the context of increased provocations and new threats stemming from the so called "treaty on alliance and strategic partnership" between Moscow and Sokhumi.

The IPRM is a key instrument for dispelling the tensions and facilitating the confidence-building measures on the ground. It is important to deliver a strong message to Russia to refrain from undermining the IPRMs and the Geneva Discussions and from objecting to the EUMM role. It is essential to ensure timely resumption of the Gali IPRM in its full composition.

4. Justice, Freedom and Security

The 7th EU-Georgia Cooperation Sub-committee on Justice, Freedom and Security was held on 18 June 2014, in Tbilisi. During the Sub-Committee meeting, the sides discussed in detail the issues of legal and illegal migration, border management, document security, internally displaced persons, implementation of Visa Facilitation and Readmission Agreements, fight against drugs, terrorism, money laundering and corruption, judicial cooperation, as well as the EU's JFS related assistance.

4.1. Migration Issues (Legal, Illegal, Readmission, Visa and Asylum)

4.1.1 Migration

In the course of last five years, process of migration management in Georgia has shifted to a new dimension, mainly stipulated by visa-dialogue launched with the EU and global challenges facing the modern societies. As a new discipline in country's political, social, economic and cultural life, the migration has become an issue requiring a special attention, the right understanding and a proper management. With the view of on-going dynamic processes having an impact on local situation, Georgia, as a part of global migratory process, needs to develop a parallel and effective action in order to ensure adequate responses to the modern challenges in various migration related fields.

Migration Management: State Commission on Migration Issues (SCMI)

For better and coordinated management of the migration processes, the State Commission on Migration Issues was established in 2010 consisting of 11 (presently 12)² members and tasked to ensure the coordinated action of all involved in the migration management. Later on, this governmental body laid down the main document in the field - Migration Strategy of Georgia for 2013-2015, which shortly was complemented by a vast and comprehensive Action Plan.

In 2013, the International³ and Non-Governmental⁴ Organisations active in the field of migration were granted with consultative status within the SCMI, aiming at enhancing the analytical capacities of the Commission. While proving its necessity and ability to deal with the field in issue, SCMI, has established a specially designed Secretariat (hereinafter Secretariat) backed by EU. The main task of the Secretariat is provision of analytical and administrative support to SCMI, prepare analytical documents and coordinate migration related issues with the ministries as well as with international and non-governmental organisations. From October 2012, the Secretariat has been functioning within the EU funded project on Comprehensive Institutional Building (CIB), and it had become a key hub for the coordination of migration related activities.

Five specialised working groups (hereinafter WG) have been established within the Commission: WG on Statelessness (25.02.2011) chaired by PSDA; WG on Coordination of Reintegration Activities (25.02.2011) chaired by the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees; WG on Migration Strategy (19.05.2011) chaired by PSDA; and WG responsible for the monitoring of the implementation of “Law on Legal Status of Aliens and Stateless Persons” entered into force (15.09.2014) chaired by the Ministry of Internal Affairs⁵; WG (renewed) responsible for the creation of Unified Migration Analytical System entered into force (07.02.2014) chaired by the PSDA. In December 2014, the composition of WG on Migration Strategy was updated.

Due to the active work undertaken by the Secretariat, an effective mechanism for the prevention of overlaps in action carried out by different bodies has been established through enlarged coordination meetings of all stakeholders held on permanent basis under the aegis of PSDA. Along with the enhancement of Commission’s presence at an international level, while participating in a number of migration related processes (Budapest and Prague processes, Migration and Asylum Panel, Global Forum for Migration Development, etc.), the Secretariat leads dynamic cooperation with academia, aiming at developing the Commission’s capacities in the field of research. A memorandum of understanding on cooperation between the Commission and Tbilisi State University on cooperation in the sphere of migration related research was signed on 26 April 2014. Meanwhile the Secretariat in cooperation with IOM has prepared and published a Georgian version of consolidated Glossary on Migration. It established a single terminological basis in Georgian language compatible with internationally adopted analogues. To enhance the analytical capacities of SCMI a specialised analytical unit was established within the Secretariat through the support of ICMPD in the framework of EU funded project more for more.

²(in Georgian alphabetic order) Ministry of Education and Science; Office of the State Minister for Diaspora Issues; Office of the State Minister on European and Euro-Atlantic Integration; Ministry of Economy and Sustainable Development; Ministry of Justice (chair); Ministry of Internally Displaced Persons from the Occupied Territories, Refugees and Accommodation; Ministry of Regional Development and Infrastructure; Ministry of Foreign Affairs; National Statistics Office; Ministry of Finance; Ministry of Internal Affairs (co-chair); Ministry of Labour, Health and Social Affairs.

³UNHCR, GIZ, DRC; IOM; ICMPD; ILO.

⁴Innovations and Reforms Centre; Migration Centre; Georgian Young Lawyers’ Association; UN Association of Georgia; Civil Development Agency.

⁵ After the Law came into force the WG was transformed (15.09.2014) into a WG in order to monitor the implementation of the Law on Legal Status of Aliens and Stateless Persons.

The above-mentioned Migration Strategy for 2013-2015 was drafted with the active assistance of the EU funded project “Targeted Initiative for Georgia“ (TIG). The EU experts from Romania and Germany, acting as facilitators, together with the representatives of respective Georgian authorities defined the fundamental structure of the strategy paper. Main objectives of the document have been approved during the fourth session of SCMI in the first week of November 2011. Later on, in December 2012, the draft Strategy for 2013-2015 was once again discussed by the new composition of Commission in order to adapt to a new reality. After the final revision, implemented under the co-ordination of SCMI Secretariat, the Strategy was transmitted to the Government, which on 15 March 2013 approved the document, whereas the Action Plan has been adopted by the Commission in June 2013. The secretariat, together with the ICMPD organised a conference in May 2014. The main aim of the conference was to discuss major achievements of the Strategy implementation during one year; the event was attended by representatives of relevant governmental, non-governmental and international organisations, as well as academia. The Secretariat provides quarterly monitoring of the Migration Strategy Action Plan.

A document elaborated through the EU expert’s assistance on the background of the EU-Georgia visa-liberalisation dialogue, is designed to improve the management of migration processes, through providing national security, fighting irregular migration and human trafficking, promoting legal migration, ensuring the migrants’ rights and their social protection, improvement of national relevant legislation, and the state development through positive impact of migration. The main directions of the Strategy are:

- Supporting legal migration;
- Combating illegal migration;
- Asylum policy and humanitarian status;
- Return and reintegration of Georgian citizens.

By October 2014, the Commission, ahead of scheduled time and with the view of developments taken place since January 2013, started elaboration of a new Migration Strategy, which will replace the existing one and will constitute a comprehensive five years (2015-2020) long document.

Regular Migration

Promoting and strengthening of regular migration is listed among the top priorities of the Migration Strategy and its Action Plan for 2013-2015.

The main legal acts concerning the regular migration in Georgia are: the “Constitution of Georgia”, “Law on Refugees and Humanitarian Status”, “Law on Legal Status of Aliens and Stateless Persons”⁶ and “Law on Georgian Citizenship”. The Law on Legal Status of Aliens and Stateless Persons” regulates entry and transit movement of aliens in and through Georgia. Georgia is a party to the UN 1954 “Convention Relating to the Status of Stateless Persons”,⁷ following the accession to the convention the procedures determining the status of stateless persons were elaborated, while their rights were respectively defined on legislation level in line with 1954 UN Convention. Georgia had become a part of 1961 UN Convention on the Reduction of Statelessness. Main regulations of both Conventions are transposed into relevant national legislation.

At the initiative of SCMI, the first draft of the Law on Labour Migration has been elaborated by the Ministry of Labour, Health and Social Affairs of Georgia (hereinafter MoLHSA). In December 2014,

⁶The new law has gone through three stages strong expertise: 1. Within the SCMI; 2. local NGOs and International organizations (IOM, UNHCR, EU) and EU hired experts. Adopted by the Parliament on 5 March 2014.

⁷ Accession: 23.12.2011

the Commission has finished the expertise of the draft and forwarded it to the Government. The latter, after its approval in parallel regime had transferred the document for the further expertise and elaboration to the Parliament and International and local NGOs dealing with migration issues.

While being from the outset involved in the process oriented to the effective regulation of migration in line with the EU standards, the SCMI tasked its Secretariat in December 2012 to elaborate in cooperation with the member institutions a Concept Paper for Information Campaign on Regular Migration. The document created by 11 March 2013 and titled "Regular Migration – Best Choice" represents a vast compendium of guidelines for respective institutions (State, NGO and international organisations) on main aspects that should be touched upon while running the information campaigns for targeted audience on migration related issues. Most activities mentioned in the Concept are being considered by and implemented through the Migration Strategy Action Plan. The Secretariat has prepared a Guidebook, a single brochure composed of detailed guidelines for potential migrants on legal migration. The Guidebook is produced in cooperation with International Centre for Migration Policy Development (ICMPD) comprises the necessary data provided by all institutions of SCMI and represent a single info-pack solely available at all agencies affiliated with migration. In parallel, a concept of the Migration Textbook was also elaborated on the basis of cooperation between SCMI Secretariat and ICMPD. The work on the textbook will be finalised by the end of 2015. The document is thought to be included in the curricula of high educational institutions teaching migration related disciplines. Members of the Secretariat are actively working as trainers; they also participate in organisational issues in order to conduct trainings and seminars on migration issues for different audience. In some cases, the trainings are organised together with international and non-governmental organisations.

An active work is also undertaken in terms of developing alternative mechanisms for strengthening the regular migration by means of labour mobility. Among them is a project implemented by SCMI Secretariat/PSDA in partnership with GIZ/CIM within the frames of EU project (signed in June 2013) - "Strengthening the Development Potential of the EU Mobility Partnership in Georgia through targeted circular migration and diaspora mobilization" (2013-2016). A project is oriented at developing the circular migration scheme between Georgia and Germany and will then be used as a model for cooperation with other EU Member States. PSDA/SCMI-Secretariat and GIZ/CIM have finalised the first, preparatory, second - selection and third - sending phases of the project on the basis of signed Partnership Agreement. Participants of the pilot scheme have successfully gone through the trainings and departed to Germany.

The SCMI Secretariat ensures semester based monitoring for the implementation of Migration Strategy and its Action Plan. The activities enlisted in AP are implemented and/or modified in accordance with the timelines defined and existing realities. A pack of amendments has been introduced to the Strategy in accordance with the new Law on Legal Status of Aliens and Stateless Persons, and came into force from 1 September 2014. The Secretariat, together with the relevant authorities defined by SCMI as a leading agency of the specific WG, coordinated work on the new Law on Legal Status of Aliens and Stateless Persons (enacted from 01.09.2014) as well as new Law on Georgian Citizenship (enacted from 11.06.2014). The Secretariat together with other relevant WG member institutions ensured proper involvement of international and local NGO's in the working process.

According to the new Law on Legal Status of Aliens and Stateless Persons, visa issuing authorities are Georgian Diplomatic Representations and the Consular Offices abroad and only in exceptional cases visas may be issued at the border-crossing points. From 25 December (according to the amendments to the Law on Legal Status of Foreigners and Stateless Persons entered into force on 27 November), any foreigner willing to stay in Georgia for longer period for work, study or other purposes will be able to apply for getting immigration visa to Consular Department of the Ministry of Foreign Affairs.

In such case a foreigner should be staying in Georgia legally and have 45 more days left before the expiration of his/her lawful stay.

Consequently, new regulations on issuing visas were adopted. The list of countries exempted from the visa requirements was renewed. Several regulations on the visa issuing procedures were elaborated like list of supporting documents for each category of visas. A new sample of the visa sticker with a photo and Machine Readable Zone was adopted. Visa exempted citizens as well as short stay multiple entry visa holders are allowed to stay only 90 days in any 180 days period.

A new web-page (www.geoconsul.gov.ge) was launched on 1 September, where foreigners can find visa information and submit on-line applications. Subsequently, visa module of “Consular Service Management Electronic System” was activated and is in use in all Georgian Missions. Such unified database gives opportunity to improve management of immigration policy, update migration profile and analyse migration flows.

Irregular Migration

Migration Department of the Ministry of Internal Affairs of Georgia

The Ministry of Internal Affairs was named as a co-chair of SCMI on its session held on 11.03.2013. In accordance with Migration Strategy Action Plan for 2013-2015, MIA is responsible for the fight against illegal migration and the establishment of both legislative and institutional mechanisms.

A mechanism regulating fight against irregular migration and implementation stages thereof was defined within the Ministry of Internal Affairs. The Migration Department within the MIA, responsible for the detection and expulsion of foreigners illegally residing on the territory of Georgia has been established by the order No. 588 of 6 August 2014 of the Minister of Internal Affairs of Georgia. The department officially commenced functioning as of 1 September 2014. According to the statute of the Department, its functions include: detection and identification of aliens illegally residing on the territory of Georgia, ensuring removal (expulsion) of aliens residing without legal grounds in accordance with the law, implementation of readmission agreements of Georgia, processing and analysis of relevant statistical information, when necessary preparing relevant legislative amendments, providing legal consultations to aliens, residing without legal grounds, management of Temporary Accommodation Centre, cooperating with relevant national and international actors within their competence and any other function that may arise while performing their duties. The order further details the functions of each structural unit.

The Migration Department is headed by the director, who has two deputies. The Department includes three divisions: Division for fight against irregular Migration, Division for Legal Provision and Temporary Accommodation Centre (Division). After the composition of the staff of the MIA Migration Department is completed department's staff participated in number of trainings and seminars related to migration issues.

1. On 3-5 November 2014, training on smuggling of migrants was held within the framework of the project “Enhancing Capabilities of Georgian Government in the field of Border and Migration Management” funded by the EU. 6 employees of Migration Department were retrained.
2. On 4-6 November 2014, training on international practice of treatment with refugees and asylum seekers at the border was organised by the ICMPD and UNDP. 5 employees of Migration Department were retrained.
3. On 6-7 November 2014, training on migrants' rights was organised by the IOM. 10 employees were retrained.

4. On 10-14 November 2014, training on escorting was organised by European Agency for the Management of Operational Cooperation at the External Borders of the EU Member States (FRONTEX). 25 employees were retrained.
5. According to Migration Department initiative LELP Academy of the Ministry of Internal Affairs has elaborated re-training course for the Migration Department employees. During 1-15 December 2014. 25 employees were retrained.
6. On 18-19 December 2014, training on expulsion procedures was organised by the ICMPD within the framework of the project “Enhancing Capabilities of Georgian Government in the field of Border and Migration Management” funded by the EU.

With the objective of sharing the experiences in regard to the migration management representatives of Migration Departments visited the Poland and France within the framework of bilateral cooperation. Within the framework of the UNDP program “Integrated Border Management” for the purpose of sharing experience on response to irregular migration visit to Latvia is planned.

Project ENIGMMA - The EU funded project “Enhancing Georgia’s Migration Management (ENIGMMA)” started in December 2013 and will run until June 2017. The project is implemented by the International Centre for Migration Policy Development (ICMPD) and aims to strengthen the migration governance framework in Georgia in line with the VLAP.

ICMPD, with the strong involvement of experts from EU Member States, will cooperate with the relevant Georgian authorities in capacity building and institutional reform of the different migration management areas.

In the framework of this project, following activities, falling under the MIA responsibilities, were implemented:

1. In October 2014, Czech expert on data protection visited the MIA in order to assess the current situation. As a result the expert provided the MIA with relevant recommendations on the improvement of the regulation of personal data protection issues;
2. Trainings:
 - On 22-26 September 2014, training on Country of Origin Information (COI) was delivered by Polish experts. Georgian and Polish asylum and return experts exchanged and discussed their experiences regarding the use of country of origin information for migration procedures;
 - On 18-19 December 2014, training on removal procedures and human rights was delivered by EU experts; the training was focused on the practical implementation of the removal procedures in the EU Member States and Georgia.

On 10 December 2014, workshop was organised for the representatives of the embassies of EU Member States and the Delegation of the European Union to Georgia, in order to discuss reforms and measures implemented by the MIA in terms of VLAP. Special attention was drawn to the following issues: fight against irregular migration, trafficking in human beings, personal data protection and international law-enforcement cooperation.

Temporary Accommodation Center of the MIA Migration Department

The construction of the Temporary Accommodation Center for the foreigners staying in Georgia without proper legal grounds is already completed. The Center commences to function from 8 October, 2014. The Center will be used for the accommodation of the foreigners staying in Georgia without the relevant legal grounds. The construction of the Center was financed by the Government of Georgia. The accommodation center was constructed with the support of and active cooperation with international partners and donors and is built/equipped in compliance with international standards.

Detainees will be provided with medical and psychological support. Persons with disabilities will be placed in accordingly adapted rooms. The Center also ensures protection of children's best interests, including the right to education and necessary conditions for leisure activities, as well as chapel room, library, computer room and playground for the detained migrants.

Order No. 631 of the Minister of Internal Affairs of Georgia on Approval of the Procedure for Detaining and Accommodating Aliens in Temporary Accommodation Centers" has been signed and entered into force on 19 August 2014. The order clearly defines cases when the alien can be detained and/or transferred to the Temporary Accommodation Center, rules for detention, procedural rights of the alien, accommodation at the TAC, including personal inspection, medical inspection and rights and guarantees of the alien.

In order to regulate proper management of such facility and ensure that aliens have access to the document clearly defining their rights and obligations, the Migration Department has approved internal regulation of the accommodation center, which defines accommodated person's detention conditions and rules; accommodated person's Rights and obligations; imposed prohibitions/restrictions for accommodated persons and rights and obligations of TAC staff towards accommodated persons; Number of accommodation centers (in Poland, Moldova, Austria, Belgium, Netherlands) was visited by the MIA representatives for gaining knowledge on the best international practice in the field.

For the effective management of migration process, the Ministry of Internal Affairs initiated consultations for signing the Memorandum of Understanding (MoU) on Cooperation with the Ministry of Corrections, Ministry of Education and Science, Ministry of IDPs from the Occupied Territories, Accommodation and Refugees and International Organization for Migration (IOM). MoUs's are expected to be signed in the near future.

Legal framework for effective expulsion of illegally staying persons

A new Law of Georgia on Legal Status of Aliens and Stateless Persons was approved by the Parliament on 5 March 2014 and entered into force on 1 September 2014. Relevant bylaws also have been adopted by responsible bodies. The law stipulates a general rule according to which foreigners are obliged to leave the territory of Georgia before the expiry of the term of legal stay in Georgia. The Law also provides grounds for expulsion of foreigners from Georgia and stipulates the grounds when decision regarding the expulsion of foreign citizens is made by the MIA Migration Department and grounds when the decision on expulsion shall be made by the court. The decision on expulsion includes the term for the voluntary departure from Georgia. As a general rule, the law provides for a list of circumstances, which should be taken into consideration while making a decision on expulsion. The Law also stipulates grounds for detention of aliens and their placement in TAC with the purpose of his/her removal from Georgia. In case when there are legal grounds for placing the alien in the TAC, within no later than 48 hours after detention, an alien shall be brought before the court for making a decision on his/her transfer to a temporary accommodation center. Unless the court makes the decision, within the next 24 hours, on placing the alien in a temporary accommodation center, he/she shall immediately be released.

Decree No. 525 of the Government of Georgia on Approval of the Procedure for Removing Aliens from Georgia was signed and entered into force on 1 September 2014.

"The procedures for removing of aliens from Georgia" was approved on the basis Georgian "Law on Legal Status of Aliens and Stateless Persons", which stipulated that the government of Georgia, within three months of the enactment of the Law, shall ensure approval of such procedures. This Decree determines the forms and procedures of expulsion of aliens who are in Georgia without legal grounds

and relevant interagency cooperation mechanism. The Decree also ensures that the basic rights of the person to be removed are guaranteed, including but not limited to prohibition of any form of ill-treatment, use of any force in accordance with the principle of proportionality, access to legal consultation and observing and ensuring physical and mental health. According to the document the person cannot be removed if they may be subjected to torture, ill-treatment or if their life is threatened due to racial origin, religious beliefs, nationality, belonging to any social group or political views or if there is state security concerns.

Besides above-mentioned, the following changes have been introduced to the “Law of Legal Status of Aliens and Stateless Persons:

- The Georgian visa categories and issuance, extension and termination procedures thereof;
- The rules and conditions for granting a residence permit;
- Principles and procedures for the expulsion of aliens from Georgia;
- Special procedures for appealing an expulsion;
- Legal grounds for detention of aliens;
- Alternative measures of detention;
- Issuance of temporary identification document for asylum seekers, persons whose expulsion is impossible for grounded reasons established by law and for the persons seeking status of stateless persons in Georgia; other categories of persons to whom is possible to issue the document can be defined under the order of the minister of justice;
- Detention conditions and procedures for the purpose of expulsion;
- Conditions for the voluntary return;
- Procedures and terms for the decision on expulsion;
- Legal basis for using alien’s personal data.

Electronic Database

In the course of recent years, significant activities have been implemented to convert the existing data within respective institutions into electronic format. As a result, the Ministry of Internal Affairs, National Public Registry Agency, PSDA, Ministry of Finance and Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees, Ministry of Foreign Affairs possess improved electronic databases containing the following information:

- PSDA database - information on temporary and permanent residence permits, granting citizenship and issuance/extension of visa throughout the territory of Georgia (from 1 September visas are not issued by – MoJ/PSDA any more);
- The National Public Registry Agency database - information concerning registered legal persons;
- The Ministry of Internal Affairs - data on border crossing, visa issued at the border, illegal / attempts of illegal border crossing - data on expulsion;
- The Ministry of Foreign Affairs - data on visas. With the EU assistance, the IOM finished a project envisaging creation of the respective software for the data on visas, data on consular register and data on other consular functions; the software is operational from 1 January 2015. Moreover, database of the Ministry contains information regarding accredited Aliens working at the diplomatic representations and IOs of different countries. It should be noted that the current data programme standard is of low compatibility with existing databases. However, the Ministry intends to continue and further foster its work, as of beginning of 2015, on creating high standard database programme managing data on accredited Aliens posted at the diplomatic missions and IOs;

- The Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees - considers issuing of granting refugee status and maintains the respective database;
- The Revenue Service of the Ministry of Finance - possesses data on tax payers: legal and physical persons.

The above-mentioned data sources are partially interconnected.

In accordance with the Migration Strategy Action Plan for 2013-2015 and in order to improve the migration data quality and its proper monitoring, the Ministry of Internal Affairs among other activities elaborated unified immigration database (so-called “over stayer’s alert system”) which is electronic programme collecting information on aliens from different agencies such as:

- Consular Offices of Georgia throughout the World;
- Border Crossing Points (the new software - Border Migration Administering and Reporting System (BMARS) significantly facilitates the work of the system);
- Public Service Development Agency (MoJ);
- Ministry of IDPs from the Occupied Territories, Accommodation and Refugees, etc.

The System allows processing information and identifying persons who do not or no longer have legal grounds to stay in the country. It provides reliable data on illegal migration for competent authorities, contribute to accumulation of relevant information and statistics to develop and manage effectively the migration policies as well as migration profile of the country. Based on the programme the MIA Migration Department ensures the monitoring of foreigners staying in Georgia.

The programme was officially launched at the end of September 2014 on the basis of the Order No. 752 of Minister of Internal Affairs.

Pursuant to Order No. 730 of 22 September 2014 of the Minister of Internal Affairs of Georgia, the Coordination Group for Fight against Irregular Migration was established. The group is composed of representatives from different departments of the MIA. The objective of the mentioned group is to develop the unified policy for migration-related issues and improve migration management process.

Parallel to this, a specialised working group was established in framework of the SCMI. The group is coordinated by PSDA and aims at creation of the Unified Migration Analytical System. The System will be created by mid-2016. The database will have only analytical and statistics purpose. Presently PSDA and WG adopted a comprehensive concept paper describing the essence and main architecture of the system. During 18-27 August 2014, two experts from the EU Member States visited Georgia in order to assess the current migration data collection systems in different institutions. The experts evaluated technical architecture of the existing systems as well as the content and capacities for statistics gathering. The evaluation report provided a specific recommendation for technical solutions as well as improvement of the migration data statistics quality in Georgia. The experts were invited through cooperation of IOM and ICMPD in the framework of the EU-funded project more for more. The above-mentioned organisations stand ready to provide future assistance to relevant organisations in a process of creation the UMAS. In February 2015, the team consisting of representatives of respective state institutions of Georgia will pay a visit to two EU Member States to collect necessary information on functionalities of such systems.

Migration Profile of the Country containing the data of 2005-2010 was firstly created and adopted by SCMI in 2011. Since then, this document has been updated twice in September 2013 and adopted by SCMI in June 2014.

The Migration Profile of Georgia was prepared in the framework of the “Building Migration Partnerships” initiative funded by the EU’s Thematic Programme. The overall objective of this initiative was to contribute to the implementation of the Joint Declaration agreed at the Prague Ministerial Conference “Building Migration Partnerships” in 2009 and also in close cooperation with ICMPD. Document has been adopted by SCMI in 2011.

All Georgian institutions, which are involved in management of migration process took part in creation of the “Migration Profile.” These institutions are: SCMI (under the co-ordination of its Secretariat); the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia; the Ministry of Justice of Georgia; the Ministry of Internal Affairs, the Ministry of Foreign Affairs; the National Statistics Office of Georgia; the Ministry of Economy and Sustainable Development; the Ministry of Education and Science.

Profile contains analyses of country’s economic, social, financial, demographic and ongoing migration process. In particular: analysis of socio-economic context of migration, migratory situation in the country, migration policies/programs and their effectiveness in migration management and development challenges. The Secretariat has already launched work for the elaboration of a new MP based on brand new approaches developed in cooperation with ICMPD. The coordination of the work will be carried out by Secretariat, while expert support provided by a special analytical unit created within SCMI Secretariat with the support of ICMPD through the EU financial assistance. Among the main targets set for the new document is to ensure proper links between MP and UMAS.

Reintegration

On 25 February 2011, upon a decision of the “**State Commission on Migration Issues**”, a thematic working group on “**Consolidation of Reintegration Issues**” was established under the leadership of the Ministry of IDPs from the Occupied Territories, Accommodation and Refugees of Georgia (MRA) including the following members: Ministry of Justice, Ministry of Education and Science, Ministry of Labour, Health and Social Affairs, Ministry of Economy and Sustainable Development, Ministry of Agriculture, Office of the State Minister for Diaspora Issues. The group coordinates on-going projects and activities aimed at reintegration of returning migrants. The last meeting of the group was held on 15 October 2014. Elaboration of necessary reintegration mechanism for vulnerable returnees was discussed during the meeting. The working group continues its work for elaboration of referral support mechanism for reintegration of vulnerable returnees.

In the area of reintegration of Georgian citizens (returning voluntarily or readmitted) The EU-funded project “Reinforcing the capacities of the Government of Georgia in Boarder and Migration Management”, was launched within the framework of the more for more initiative, with cooperation of the International Organization of Migration and the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees. Two following programs will be implemented, namely the reintegration program of returned Georgian migrants and the program concerning the prevention of irregular migration by raising the public awareness.

Since 2011, the Mobility Center has been functioning under the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia and is funded by the EU. The Center served 1652 returning migrant citizens of Georgia during January 2011 – December 2013. From the 2014, under the leadership of the IOM, Mobility Centers in four regions of Georgia - Tbilisi, Batumi, Kutaisi and Telavi - continues to function under the framework of the Eastern partnership Integration and Cooperation (EaPIC) Programme more for more.

The Mobility Center program will be implemented over a period of 42 month starting from January 2014 till June 2017. The project budget is amounts to 1,110,134 GEL. In 2014, the Center served 468

beneficiaries. The Center provides following services to returned Georgian migrants: primary consultations after the arrival, assessing the needs and the possibilities of help, consolation regarding legal aspects, connecting people to the proper public or private programs (healthcare institutions, employment centers, centers for professional education etc.), consolations regarding employment issues, preparing people for presenting themselves to the employer, assisting in employment through consultation and Employment Centre taking into account the profession and experience acquired abroad, providing emergency medical assistance (medical examination and provision with necessary medications), providing with temporary shelter, whenever necessary, offering relevant trainings for the purpose of drafting a business plan, granting awards to commence the implementation of small business projects.

In 2015, first time in Georgia, special funds will be allocated in the state budget for supporting reintegration of returnees to Georgia. Allocated money – 400,000 GEL will be spent on implementation of following activities for the returnees: funding of micro business projects presented by the beneficiaries, temporary accommodation, funding of professional and re-trainings for returnees as well as promotion of paid internships, provision of first aid and basic medicine to the returnees.

In the framework of the project on Reinforcing the Capacities of the Government of Georgia In Border and Migration Management, the ministry and International Organization for Migration conduct information campaigns, which serve raising awareness on opportunities of legal migration and risks of illegal migration. Georgian citizens who are potential migrants are provided with objective information on legal migration processes, visa procedures, job opportunities in specific countries, rights of migrants, and use of referral mechanisms for illegal migration. In 2014 total of 40 information meetings were held throughout Georgia in which 1316 citizens participated. Aforementioned meetings were attended by potential migrants and representatives of local self-governments, educational and non-governmental organisations and media. Special attention was drawn to IDP population and thus meetings were held in areas of their compact residence. Beneficiaries have also been consulted individually including 585 citizens, who were consulted on phone, 382 individuals who were invited to the mobility centre and 107 who were consulted online.

Asylum Seekers and Refugees

In 2013, 24 persons were recognised as refugees, 46 were granted humanitarian protection and 254 were refused any form of protection. 83 people were not registered as asylum seekers, 232 cases were cancelled because of the absence of the applicant and 241 cases were cancelled based on applicant's statement. Decisions concerning 27 persons are pending, awaiting the decision in first instance or on appeal⁸. In 2013, 717 people applied for asylum. In the period of January 2014 – December 2014, 1792 people applied for asylum, 29 were recognised as refugees, 104 were granted humanitarian protection and 228 were refused any form of protection. 134 people were not registered as asylum seekers, 209 cases were cancelled because of the absence of the applicant and 172 cases were cancelled based on applicant's statement. 1 person returned to the country of origin. 5 persons were transferred to the third countries by UNHCR. Decisions concerning 1182 persons are pending, awaiting the decision in first instance or on appeal. Most of the applicants originate from Iraq, Syria and Ukraine.

Statistics of Asylum Seekers in Georgia / January – December 2014

	Female						Male						Grand Total
	0-4	5-11	12-	18-	60	Total	0-4	5-	12-	18-	60	Total	

⁸ Provided numbers also include some persons applied for asylum in 2012 because the decisions on them were made in 2013

			17	59	and Over			11	17	59	and Over		
AFGHANISTAN	1	0	2	3	0	6	0	1	1	7	0	9	15
ALGERIA	0	0	0	2	0	2	0	0	0	0	0	0	2
ARMENIA	0	0	0	2	0	2	0	0	0	2	0	2	4
AZERBAIJAN	1	3	2	5	0	11	0	0	0	5	0	5	16
BANGLADESH	0	0	0	0	0	0	0	0	0	2	0	2	2
CANADA	0	0	0	0	0	0	0	0	0	1	0	1	1
CHINA	0	0	0	0	0	0	0	0	0	1	0	1	1
CZECH	0	0	0	1	0	1	0	0	0	0	0	0	1
EGYPT	2	3	1	7	0	13	1	1	2	24	0	28	41
INDIA	0	0	0	1	0	1	0	0	0	3	0	3	4
IRAN	0	4	0	12	1	17	1	4	1	21	0	27	44
IRAQ	41	64	39	213	10	367	39	63	67	502	32	703	1070
IVORY COAST	0	0	0	2	0	2	0	0	0	0	0	0	2
KAZAKHSTAN	0	1	0	1	0	2	0	0	0	2	0	2	4
KUWAIT	3	0	0	0	0	3	0	0	0	1	0	1	4
LEBANON	0	1	0	2	0	3	0	1	1	2	0	4	7
MALI	0	0	0	1	0	1	0	0	0	0	0	0	1
MOROCCO	0	0	0	1	0	1	0	0	0	1	0	1	2
NIGERIA	0	0	0	1	0	1	0	0	0	0	0	0	1
PAKISTAN	0	2	2	1	0	5	0	0	1	2	0	3	8
ROMANIA	0	0	0	1	0	1	0	0	0	0	0	0	1
RUSSIA	2	2	0	10	0	14	5	1	0	9	1	16	30
SUDAN	1	1	2	2	0	6	0	1	0	4	0	5	11
SYRIA	1	2	2	16	2	23	4	3	5	42	2	56	79
TUNISIA	0	0	0	0	0	0	0	0	0	2	0	2	2
TURKEY	0	0	0	0	0	0	0	0	0	11	0	11	11
UAE	0	0	0	0	0	0	1	0	0	0	0	1	1
UKRAINE	29	38	14	162	16	259	30	25	22	74	9	160	419
USA	0	0	0	0	0	0	0	0	0	1	0	1	1
UZBEKISTAN	0	0	0	2	0	2	0	0	0	0	0	0	2
UNCERTAIN	1	0	0	0	0	1	0	0	0	0	0	0	1
STATELESS	0	0	0	0	0	0	0	0	0	4	0	4	4
Total	82	121	64	448	29	744	81	100	100	723	44	1048	1792

Statistics of Refugees and Humanitarian Status Holders in Georgia / January – December 2014

REFUGEES		Female						Male						Grand Total
		0-4	5-11	12-17	18-59	60 and Over	Total	0-4	5-11	12-17	18-59	60 and Over	Total	
	IRAQ	0	3	0	5	1	9	1	4	4	10	0	19	28
	JORDAN	0	0	0	1	0	1	0	0	0	0	0	0	1
	Total	0	3	0	6	1	10	1	4	4	10	0	19	29
NT		Female						Male						Grand

	0-4	5-11	12-17	18-59	60 and Over	Total	0-4	5-11	12-17	18-59	60 and Over	Total	Total
EGYPT	1	0	0	1	0	2	0	0	0	1	0	1	3
IRAQ	0	5	1	14	1	21	1	3	3	30	3	40	61
LEBANON	0	0	0	1	0	1	0	0	0	0	0	0	1
NIGERIA	0	0	0	1	0	1	0	0	0	0	0	0	1
SYRIA	0	3	1	8	1	13	2	1	1	19	0	23	36
UNCERTAIN	1	0	0	0	0	1	1	0	0	0	0	1	2
Total	2	8	2	25	2	39	4	4	4	50	3	65	104
Grand Total	2	11	2	31	3	49	5	8	8	60	3	84	133

On the basis of Article 14, Paragraph 10 of the Law of Georgia “On Refugee and Humanitarian Status” and Article 4, Paragraph 2, Sub-paragraph 4 of the Regulation, approved by the Resolution No. 34 of the GoG (22 February 2008) timeframe and locations were determined for the 2014 compulsory registration of individuals with a refugee or humanitarian status. From 15 to 19 December 2014, registration of refugees, who were granted a status through the *Prima Facie* principle, took place in Akhmeta municipality village Duisi, at the ministry’s temporary representative office. In the aforementioned timeframe 208 refugees were registered. Individuals, who received their status through the *Prima Facie* principle, as well as through the ordinary procedure, will participate in 2014 compulsory registration at the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees from 22 December 2015 to 30 January 2015. Refugee or humanitarian status grantees, which will not be able to register due to a valid excuse, are obliged to address the ministry from 2 to 27 February 2015.

On 26 December 2013 Decree No. 100 on “Procedure for Granting Refugee and Humanitarian Status” was amended. According to the amendment, a foreign citizen or a stateless person, immediately upon submission of an application, is given 10 day certificate identifying that he/she has genuinely applied to the ministry. From 1 September 2014, a new Law on “Legal Status of Foreigners and Stateless Persons” came into force. According to the law, from 28 November 2014 issuance of temporary identification cards to the asylum seekers has started on the basis of Decree No. 50 (4 November 2014) of the Minister of Justice on “Approval of the Rule for Issue of Temporary Identification Card” and Decree No. 52 (15 November 2014) of the Minister of Justice on “Approval of the Form of Temporary Identification Card”. The mentioned card is legally equals to the identity document and also represents a residence permit for a one year period.

Under the initiative of the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees the change regarding the accelerated procedures in the Law on Refugee and Humanitarian Status is planned to be executed. Enactment of the fast-track procedure will nullify the provision which regulated procedure for denial of registration to the asylum seeker. Preparation of the package for legal amendments to the law has been finished in 2014.

Asylum seekers continue to be accommodated in the existing reception Center in Martkopi. The Center has the capacity of 60 persons but, in exceptional circumstances, it can host up to 120 persons (by providing double floor beds). During the year 2013 the Center received 92 persons and during the 2014 76 persons were accommodated. In order to increase the reception and accommodation capacity of asylum seekers, on 20 February 2014, the United States Office of Defence Cooperation (ODC) under the United States European Command (EUCOM) received an appropriation of approximately

600 000 US\$ to fund construction and furnishing of a second wing at the Asylum Seeker's Center in Martkopi. The genesis for this project has been a combined effort from the U.S. Embassy in Tbilisi, USODC and the United Nations High Commissioner for Refugees, all in cooperation with the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees. In summer 2014, the planning work was completed and the design works are underway. The new building, like the existing one, will be fully equipped in compliance with international standards. After the construction of the building is completed the ministry will be able to provide temporary accommodation to additional 80 asylum seekers.

Asylum seekers can be granted with monthly allowances to rent accommodation. The Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia with UNHCR support are providing monthly allowances to rent accommodation for the asylum seekers who could not manage to get a place in the reception Center and were considered as vulnerable persons. 42 families (142 persons) have been granted with financial aid since 1 January 2014.

The fundamental changes were undertaken with the aim of strengthening the responsible bodies for improving the asylum policy efficiency. In November 2013, the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees requested from the Government of Georgia to establish the Country of Origin Information Unit (COI Unit). According to the Resolution of the Government of Georgia dated 27 January 2014, based on MRA Regulation (considering sub-paragraphs A and A(a) of the Paragraph 4 and Article 7) the Unit for Provision the Asylum Seeker's Country of Origin Information was created. The main objective of the mentioned unit is to collect information in regard to the country of origin, analyse and update the obtained information in the frequent manner. In June 2014, the draft document - Standard Operational Procedures for the COI Unit was elaborated and sent to the UNHCR Tbilisi Office for comments and recommendations. Proposals and recommendations on document were also prepared by Polish and German experts. The ministry discussed and summarised received proposals and recommendations and submitted a document for the final expertise. The members of the COI unit took two intensive on-line study courses, namely, European Asylum Curriculum Course on the Country of Origin Information Methods provided by UNHCR (EASO Module on COI) and the course on drafting and decision making process, leaded by the national experts (certified by EASO) from the MRA with the financial support of UNHCR. Additional trainings were delivered in autumn 2014 by the UNHCR. The representatives of the COI Unit actively participate in different workshops, training courses and seminars. With the financial support of the UNHCR and organisational support of the ICMPD, head of the Polish Foreigners Office's COI unit and its specialist paid a working visit to Georgia. They shared their experience to their Georgian colleagues and introduced Polish refugee and COI system to them. Within the framework of the working visit a two-day expanded workshop was also held, to which the representatives of the Ministry of Internal Affairs also participated. UNHCR also organised working visit of German Federal Office representatives. They have provided employees of the COI Unit with practical information during three days and shared knowledge on different information resources. UNHCR also organised working visit of a Canadian expert and the employees of the COI Unit participated in the workshop, which concerned Internal Flight Alternatives. The ministry actively cooperates with international organisations in order to organise different learning and training courses, seminars, study visits abroad and internships. An intensive training course for the new and current staff members is already planned.

Due to the increasing number of the asylum seekers in Georgia, the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees has been recruiting new staff members with a special focus on the procedure determining the refugee status. Starting from 2014 the number of employees, specialising in the refugee status determination, has been increased from 6 to 9. These employees work on the daily reception of foreigners. Pursuant to the legislation, the following

procedures regarding the registered asylum seekers are included in the competences of the mentioned employees: collection of filled questionnaires, interviews, preparation of the report if necessary, and the temporary accommodation of asylum seekers in the asylum reception centers. Having taken into consideration the country of origin information, MRA hired 9 interpreters on the contract based agreement. With the support of the UNHCR, MRA staff members specialising in the refugee status determination, took several intensive trainings: Involvement in Asylum System; The Techniques for Interview with LGBT People; Report Preparation and Implementation Techniques. MRA staff members, specialising in the refugee status determination, also took EASO training modules – Inclusion, Draft and Decision Making, Interview Technique.

The Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees has started working on strengthening data collection capacities. In June 2014, the ministry initiated the creation of the new database of asylum seekers, asylum holders (refugees and humanitarian status holders) and COI. The ministry in close cooperation and financial support of UNHCR elaborated a concept for the creation of the new electronic database. The working group is conducting programming works and the digital database will be launched in test mode by the end of this year. It is expected that it will, amongst others, improve the efficiency of the registration procedures of the asylum seekers, and enable gathering more accurate, quantitative and qualitative data.

With the support of the UNHCR a new reception center for asylum issues was opened at the ministry, where beneficiaries can apply for the refugee status. In the same center, employees of the ministry provide beneficiaries with full and comprehensive information on procedures and their rights. The new reception center, which serves both asylum seekers and individuals who have already been granted one, is fully equipped in compliance with international standards and provides service of an interpreter.

Activities related to the integration of refugees

From the perspective on integration, according to the Resolution No. 36 of the Government of Georgia issued on 26 February 2013, the refugee and humanitarian status holders were involved in the State Health Program, according to which they will enjoy the same benefits from the Georgian healthcare system as Georgian citizens. This system includes 19 medical programs. The emergency health treatment is provided for the asylum seekers and from 1 January 2015 according to the amendments to the Decree No. 36 of the Government of Georgia (dated 21 February 2013) and Decree No. 650 of the Government of Georgia (dated 2 December 2014) asylum seekers are beneficiaries of the state health program as well as refugee and humanitarian status holders. After issuance of temporary identification cards on the basis of agreement reached with Tbilisi City Hall, from December 2014 asylum seekers will acquire access to the preschool educational institutions.

For the research of integration opportunities of refugee and humanitarian status grantees a special working group was created under the coordination of the ministry. The group studied existing situation concerning employment, accommodation, education and healthcare and identified needs of individuals with asylum. The ministry has also elaborated draft version of the integration guidebook for the asylum grantees and sent it out to the UNHCR and non-governmental organisations for comments and recommendations. The ministry plans to issue the guidebook next year.

Based on the permits, the refugees were given 14 GEL monthly refugee allowance from the State Budget. The amount was doubled in April 2008. Starting from 1 March 2014, the monthly allowance for Refugees and Humanitarian status holders is considered 45 GEL, like IDPs.

The Refugee Status holders and the Humanitarian Status holders are provided with the freedom of movement both within the territory of Georgia and outside the country that are ensured by the residence permit document under the established rule of the Georgian legislation and the travel document (in case of humanitarian status holders travel document will be issued if person do not have any identification document. Article 19, Paragraph 2, Law of Georgia on Refugee and Humanitarian Statuses) considered in the 1951 Geneva Convention, which has been issued by the Civil Service Agency of the Ministry of Justice of Georgia.

According to the Georgian Legislation, in the field of education, refugee and humanitarian status holder as well as asylum seekers, enjoy the same rights as citizens of Georgia. The Georgian language classes are functioning in the reception centers for the asylum seekers. The employment program for asylum seekers is being launched in the Lilo-sewing fabric. The income-gathering projects have been implemented. The mentioned projects include currently functioning “Pankisi Women Council”, sewing, thick felt, and styling courses, also language (Georgian, English, and Chechen) and computer classes. Free legal assistance is provided to any interested person who is in need of the legal counselling. Furthermore, in accordance with the procedure established by the law, the asylums seekers are exempted from taxes related to any instance of the application, and are also entitled to a free translation service.

4.1.2 IDP Protection

Since January 2014, the European Union has been providing a financial support to IDPs through number of financial instruments following different aid delivery modalities.

The major IDP support program is – “Support to Conflict Affected/Displaced Population and Host Communities” (IDP IV) amounting to 19 mln Euros. General objective of the "IDP IV" programme is to provide durable housing solutions to IDPs and raise both them and their host communities out of extreme poverty and lessen their dependence on the state.

The specific objective is to re/integrate IDPs into their host communities by providing rehabilitated or newly constructed housing to IDPs and opportunities for both communities to work and develop together to raise themselves out of poverty through sustainable livelihoods and societal development programs.

Out of the total amount of the IDP IV funding, 10 mln will be allocated as the budget support, which directly channels funds to the country’s budget. The support to IDPs is targeted budget support, which means that the funds are earmarked for the IDP sector specifically Call for applications on 5 mln grant programs for IDP livelihood projects will be announced in the nearest future in combination with 2 mln for agricultural projects, that has been implementing since last year; and 2 mln for Technical Assistance program to build the capacity of the Ministry of Internally Displaced Persons from the occupied Territories, Accommodation and Refugees of Georgia through transferring 'know how' to the Ministry.

The EU support includes the following:

- Support to IDPs to address the urgent improvement of the living conditions;
- Setting up of stable and long-term conditions for the socio-economic integration of displaced people into hosting communities;
- Small-scale agricultural income-generation projects to help farmers and others getting out of the poverty trap;
- Strengthening of the local communities by promotion of social activities and small scale economic initiatives;

- Build the capacity of the MRA in implementing the IDP programs, State Strategy, Action Plan and other related documents.

Activities

In order to increase the MRA's effectiveness, efficiency and relevance the following activities has been implementing within the IDP IV:

- Further empowering regional MRA offices and increasingly involving local authorities in IDP related issues (including livelihood activities).
- Informed policy-making: carrying out base-line surveys, including surveys on the socio-economic situation of IDPs and their livelihood needs, feeding them into the IDP data base and, based on these data, providing high quality analysis for further policy-generation.
- Ensuring constant information flow between MRA, IDPs and civil society organisations (CSOs), EU and its implementing partners, as well as other donors/protection partners.

For providing durable housing solutions to IDPs, in newly built houses/apartment blocks or CCs/idle buildings, rehabilitated for this purpose according to rehabilitation standards, the EU has been supporting to:

- Pro-actively prioritizing the relocation of families currently living in "collapsing CCs";
- Prioritize otherwise vulnerable IDPs, according to the UN Guiding Principles on Internal Displacement;
- Engage in the privatization of the highest possible number of DHS to beneficiaries of EU-financed alternative durable housing solutions.

For the purpose of providing opportunities for targeted IDPs and host communities to access sustainable income/employment, the EU has been supporting in:

- Drafting and adopting a livelihood action plan in an inclusive process, clearly defining target beneficiaries, modes of livelihood support and means to improve high quality support to IDPs;
- Provide IDPs with sustainable livelihoods through cost-sharing agricultural livelihood investments in "new case load" IDP settlements⁹.

A Technical Assistance component (2 mln EUR) has started in June to support the MRA in carrying out the above-listed activities and reach the above-described results by

- Assisting in formulating and carrying out various kinds of surveys and studies necessary for further policy development;
- Optimizing processes leading to MRA's increased efficiency of service provision (including effective decentralisation);
- Supporting institution-building of the Livelihood LEPL;
- Providing expertise for the elaboration of options for a transition from status to needs-based assistance.

Activities of the Government of Georgia to address the needs of IDPs

- The Government of Georgia is committed to find long-term solutions to the plight of IDPs without prejudice to their right to return. In this regard, progress has been made in protecting IDP rights and providing durable solutions for them. Implementation of the State Strategy on IDPs (adopted in February 2007) and its updated Action Plan, which will continue throughout

⁹ This activity will be led under joint management through a contribution agreement with FAO.

2015, as well as the new Law on “Internally Displaced Persons from the Occupied Territories of Georgia” (entered into force on 1 March 2014) brought significant improvements on provision of appropriate living conditions to the IDPs, financial assistance, proper registration and procedures for timely granting an IDP status to every affected person, family reunion, reassuring the right of property restitution, provision of appropriate healthcare, education, employment in a non-discriminatory manner, etc.

- During last two decades provision of IDPs with durable housing solution (DHS) and their socio-economic integration have been the main goals of the Government of Georgia. Approximately 20 years IDPs lived in so-called “collective centres” – former administrative buildings in poor conditions lacking access to water and sanitation or electricity. Since 2009, with the assistance of the EU and other donor organisations, the government has made significant progress towards improvement of IDP living conditions. Many collective centres were rehabilitated and transferred into the legal ownership of IDPs.
- Since 2007, 33 240 IDP families have been provided with durable housing solution (alternatives: rehabilitation of collective centres and privatisation, converting idle buildings into apartments and distribution to IDPs, new cottage type settlements, purchasing rural houses in villages, cash assistance (so called “compensations”) and newly constructed apartment blocks).
- Since 1 October 2012, the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees created and provided durable housing solution for 2 850 IDP families and the process is on-going in accordance with the “Guiding Principles, Criteria and Procedures of Durable Housing Solution” document.
- The housing programme involves cooperation with private construction companies, which envisages purchase of housing units from them, as well as support to companies in finalising the construction of those sites that were protracted for a long time. Through this cooperation, the MRA has purchased 298 apartments from the companies, which will be delivered to the IDP families by 31 August 2015, as well as 300 apartments that will be completed in February and June 2016. Furthermore, the MRA has started housing programme in December 2014, whereby developers and construction companies present their competitive offers to the MRA in a series of closed bids. Under this programme about 500 housing units are to be purchased in 2015.
- The added value of the housing programme is that it offers shorter period for the provision of DHS to IDPs and supports the process of IDP integration into the community; as opposed to collective centres and cottage settlements that are exclusively constructed for IDPs. DHS buildings are mainly resided by the non-displaced persons, which will prevent the segregation of IDPs.
- In order to strengthen the sense of ownership, security of tenure and the motivation of IDPs to invest in the renovation of their habitats as well as their economic and social opportunities, the privatisation programme was initiated by the MRA to transfer housing units to 10 000 IDP families into their private ownership. The programme was launched in November 2014 and will be finalised in August 2015.
- The MRA strives to combine the housing solutions with the livelihood opportunities. For example, the Rural Housing Program (RHP) foresees provision of housing in rural areas with land plots, which can be used by IDPs for livelihood purposes (e.g. agricultural activities). The MRA has processed over 400 IDP applications for the Rural Housing Program, out of which over 100 applications were approved and those IDP families were provided with DHS in rural areas.
- Provision of employment opportunities and education, as well as healthcare to the IDPs and refugees is one of the important goals for the Government of Georgia. The MRA continues to lead and coordinate the livelihood support. The current efforts are reflected in the implementation of the State Strategy on IDP Livelihoods elaborated by the ministry in May 2014. The major goal of the IDP Livelihood Strategy and respective Action Plan is to improve

socio-economic conditions of IDPs by creating opportunities and facilitating the process of IDP livelihood support. The main interventions defined in the strategy are: increase of capacities (social and human capital); support agricultural activities; vocational education and upgrading; non-monetary grants, equipment, livestock; state/local municipality programmes to create jobs; establishment of social enterprises, etc. In the framework of the Memorandum of Cooperation concluded between the ministry and medical clinics, the IDPs are given a free medical check-up.

- The above mentioned strategy and respective action plan will be implemented by the MRA through the LEPL on IDP Livelihoods, which was operationalised in October 2014 through the state budget funds. The LEPL will work out and implement income-generation projects for IDPs. It will closely cooperate with various ministries, as well as with self-governance bodies, donor, international, governmental and non-governmental organisations.
- The government, in cooperation with international donors and partner NGOs (EU, WB, SDC, SIDA, USAID, BPRM, UNHCR, DRC, etc.), continues assisting IDP families to become more self-reliant and economically sustainable by providing support in cultivation and planting on the land plots allocated by the state, providing small grants and facilitating small enterprise development.

4.1.3 Visa facilitation and gradual visa liberalisation

Visa facilitation and gradual visa liberalisation

In the reporting period, Georgia continued effective implementation of the Visa Liberalisation Action Plan and demonstrated significant progress in fulfilment of the VLAP. In March-April 2014, Georgia hosted the EU expert mission, which evaluated Georgia's progress in the implementation of the VLAP first phase. Based on the findings of the mission, the Commission released its second report on 29 October, which states that Georgia met the first-phase requirements of the VLAP and therefore the Commission could launch the assessment of implementation of the second-phase benchmarks.

On 24 June 2014, a Senior Officials meeting between the Deputy Minister Foreign Affairs of Georgia, Tamar Beruchashvili, and the newly-appointed Director General of the European Commission's Directorate General for Home Affairs, Matthias Ruete was held in Brussels, within the framework of the Georgia-EU visa dialogue. The sides discussed issues related to VLAP implementation and moving Georgia to the second phase of the action plan. At the meeting the Georgian side presented extensive information on the reforms undertaken according to the VLAP requirements. On 8-12 December 2014, a visit of an assessment mission of EU experts was held to assess the fulfilment of the second phase priorities envisaged by the 1st block of VLAP.

During the reporting period, Georgia continued successful implementation of the Agreements on "Facilitation of Issuance of Visas" and "Readmission of Persons Residing without Authorization" signed with the EU. On 4 June 2014, the 5th meeting of the EU-Georgia Joint Visa/Readmission Committee was held in Tbilisi, where implementation of the Agreements was discussed and concrete issues addressed. In general, the Committee positively assessed the process.

Based on the recommendation given in the joint declaration of the EU-Georgia Agreement on the facilitation of the issuance of visas, Georgia has been negotiating the Visa Facilitation Agreements with Denmark, Iceland, Norway, Lichtenstein, UK and Ireland. The Agreement was signed with Switzerland on 13 September 2013 and entered into force on 1 January 2014.

The Consular Department of the Ministry of Foreign Affairs (MFA) is involved in the implementation of the VLAP according to its competence, namely the Block 1 – Document Security, issuance of biometric passports. MFA Consular Department and Public Service Development Agency (hereinafter

PSDA) of the Ministry of Justice of Georgia developed a clear timeframe for complete roll-out of biometric passports and phasing out of non-biometric passports. From 28 July 2014 the Consular Services at the Georgian diplomatic missions abroad accept the applications for the issuance of biometric passports. On the basis of these applications PSDA issues a biometric document. Meanwhile, as of 1 January 2015, the validity of already issued non-biometric passports will be reduced for one year (non-biometric passports will be issued only in exceptional cases when the collection of biometric data of a person is impossible because of his/her health or physical condition).

4.1.4 Implementation of the Readmission Agreements with the EU

The Agreement between the European Union and Georgia on the Readmission of Persons Residing without Authorization entered into force on 1 March 2011. The Agreement has been effectively implemented by the competent Georgian agencies since its entry into force.

The active cooperation is on-going with the EU Member States with the purpose of concluding implementing protocols to the EU-Georgia Readmission Agreement. The Implementing Protocols are in force with Austria, Bulgaria, Estonia, Lithuania and Hungary. The Implementing Protocols with the Benelux States have been signed. The draft implementing protocols are ready for the signature with Slovak Republic, Czech Republic and Poland. The draft texts of the implementing protocols have been exchanged and are at the different stages of negotiations with Portugal, Germany, Greece and Spain. Georgia has elaborated draft model text of Implementing Protocol, which has been submitted to the countries with most readmission applications with the request to launch negotiations – France, Italy, Cyprus and Sweden.

In 2015, Georgia will initiate signing readmission agreements with Algeria, China, Egypt, Iran, Nepal, Nigeria and Turkey.

It is noteworthy that eight EU Member States - Poland, Belgium, Romania, Bulgaria, Austria, Germany, Greece and Switzerland are already using the Readmission Case Management Electronic System (RCMES) programme, which was developed within the project “Support to the Authorities of Georgia for the Implementation of the Readmission Agreement with the European Union”. Based on the positive feedback from the mentioned countries and recommendation of the Joint Committee during the fifth Meeting, Georgia expects that other EU Member States will also decide to use the programme.

With an aim of concluding readmission agreements with main countries of origin and/or transit Georgia elaborated draft model of Readmission Agreement which was sent to Armenia, Azerbaijan, Bangladesh, Israel, Sri Lanka and Pakistan through diplomatic channels with the request of initiating negotiations. Georgia already signed readmission agreements with EU, Norway, Switzerland, Denmark, Ukraine and Moldova (together with its implementing protocol). Draft texts of the readmission agreements with Bosnia and Herzegovina, Serbia, Montenegro and Belarus are under negotiations.

By end of 2014, more than 90% of the readmission applications positive decisions have been made.

4.2 Border Management Reform

Integrated Border Management (IBM)

4.2.1 Normative framework for regulation in the field of IBM

For the purpose of elaborating multiannual National Integrated Border Management Strategy (IBMS) and corresponding Action Plan on 14 January 2014, the Government of Georgia adopted a Resolution No. 49, creating Temporary Interagency Council responsible for coordination and elaboration a new Strategy and its accompanying Action Plan. The Strategy for the years 2014-2018 was adopted on 13 March 2014, by the Decree No. 226 of the Government of Georgia. The Interagency Working Group elaborated the draft of the accompanying Action Plan for 2014-2018 that takes into account objectives set out by the Strategy and specifies concrete actions and necessary resources for their implementation. The Action Plan was adopted by the Government Resolution No. 335 of 6 May 2014.

The IBMS based on the state interest and with the purpose of establishing effective border management system, strengthening peace and stability in Georgia and the neighbouring region, and with the aim of the country's EU integration and NATO membership aspirations. The document encompasses border control, risk analysis, border surveillance procedures, operational effectiveness, four level control model (internal control activities, border control, cooperation with neighbouring countries and activities implemented in the third countries) and cooperation between border control agencies on interstate and international level.

Recognising the importance of reinforcing border management of the green border, the Ministry of Internal Affairs of Georgia has identified this area as one of the main priorities for the upcoming years. Accordingly, the Capacity Building in support Integrated Border Management and Migration Management in Georgia's project was signed by the implementing agencies (IOM and ICMPD) and beneficiary - Ministry of Internal Affairs of Georgia in December 2013 and launched in January, 2014, within the framework of the more for more initiative. The project is focused on enhancing the security of green borders in line with the European standards.

In order to enhance interagency cooperation, Government Decree No. 348 "On the establishment of Joint Operations Command Centre of state border guard units and executive government bodies of Georgia ensuring Defence of State Border Regime with the purpose of safeguarding the control of legal regime of the maritime space of Georgia" was adopted on 17 December 2013. The main tasks and responsibilities of the JOCC include - managing maritime operations; revealing, eliminating violations of maritime space regime of Georgia, seaports and marine terminals of Georgia and coordinating response thereto; conducting joint actions, carrying out analysis and enhancing international cooperation in this regard. JOCC is established on the of Georgian Coast Guard radar Base and is equipped with Joint Command, Control, Communications and Maritime Surveillance Technologies. The participating agencies of JOCC are all relevant Ministries and legal entities involved in maritime operations. The JOCC was officially opened on 23 June 2014.

In order to bring operations of the Patrol Police and the Customs closer to the principles of Integrated Border Management, the Joint Order of the Ministers of Internal Affairs and the Finance has been issued on 31 December 2010. This legal act provides a clear definition of the respective tasks and competencies of the agencies in order to avoid overlap and cases of unclear competence. The Joint Order authorises the customs officers at the BCPs to inspect travel documents of truck drivers, as well as to put entry and exit markings whenever applicable.

The Memorandum of Mutual Understanding between Border Police of Georgia, the Patrol Police Department of the Ministry of Internal Affairs of Georgia and the LEPL Revenue Service of Ministry of Finance of Georgia on rules of cooperation in the field of border control has been signed. The

Memorandum foresees the establishment of the working groups on the central and local level. The first meeting of the representatives of the respective agencies at the central level was conducted on 21 August 2014. Current situation on the state border and main challenges were discussed during the meeting. Composition of the working group at the local level has been also defined.

From 2013 with the financial support of U.S. Department of State, the Bureau of International Narcotics and Law Enforcement Affairs (INL) is implementing “Canine Project”. Within the framework of this project on 18 June 2013, the Memorandum of Understanding between the LEPL Revenue Service and the Ministry of Internal Affairs of Georgia, concerning the “Cooperation with regard to Revealing Illegal Trafficking in Narcotic Drugs, Psychotropic Substances and Precursors in Georgia” had been elaborated and signed by the LEPL Revenue Service and by the Central Criminal Police Department, Patrol Police Department and Forensic-Criminalistics Main Division of the Ministry of Internal Affairs of Georgia. On the bases of the MoU Drug Task Force has been established, which operates at the Border Crossing Point “Tbilisi Airport” and aims detection of illegal movement of drugs, psychotropic substances and precursors. The Task Force consists of staff from Customs Department (2) and Patrol Police Department (3) and acts within the scope of their competence.

Within the framework of the project following activities has been also implemented:

- Canine dogs were purchased for the Task Force;
- Trainings and study visits for the dogs and their handlers were organised in the U.S. and in Turkey;
- 8 kennels were renovated.

4.2.2 Current and future projects in the field of IBM

The project “Eastern Partnership cooperation in the fight against irregular migration – Supporting the implementation of Prague Process Action Plan (EaP - SIPPAP)” was launched in September 2013. The project is financed by the EU and implemented by the ICMPD and aims to establish harmonised and comprehensive approach to fight against irregular migration and efficient border management.

The project “Capacity Building in support Integrated Border Management and Migration Management in Georgia” has been launched in 2013 within the framework of the Eastern Partnership Integration and Cooperation (EaPIC) programme, which rewards the Eastern Partnership countries that progress in reforms for democracy, respect for human rights and the rule of law with additional resources (more for more). The project aims at further deepening EU-Georgia cooperation in the area of migration and border management via, *inter alia*, procurement of surveillance and data exchange equipment for securing the green border and border crossing points; training Border/Patrol Police to enhance management skills and usage of procured equipment; further developing capacities of the law enforcement in tackling transnational organised crime, including exchange activities with several EU MS. The project duration is 48 months.

During the 2013, the project on “Enhancement of the border management capacities at Bavra - Ninotsminda Border Crossing Point (BCP)” financed by the European Union and implemented by UNDP and ICMPD has been concluded. Within the framework of the project following results have been achieved: SOPs for Ninotsminda, Khazbegi, Batumi Port and Sarphi BCPs have been drafted and are undergoing internal legal procedures, their approval is expected in the near future; Documentation Verification Rules for all BCPs have been drafted and are undergoing internal legal procedures for approval; Protocol on Exchange of Information between BCPs of Georgia and Armenia is undergoing internal legal procedures and will be adopted in the near future; Agreement on Border Delegates between Georgia and Armenia has been drafted and is undergoing internal legal procedures for adoption. Furthermore, Border Police and Patrol Police officers actively participated in the following

trainings conducted under the project framework: Document Verification, Protection of Intellectual Property, Risk Analysis, Code of Conduct while Emergency Situations at the Border; International Norms on the Treatment of Refugees and Asylum-Seekers at the Border.

The project “Capacity Building in support Integrated Border Management and Migration Management in Georgia” has been launched in 2013 within the framework of the Eastern Partnership Integration and Cooperation (EaPIC) programme, which rewards the Eastern Partnership countries that progress in reforms for democracy, respect for human rights and the rule of law with additional resources (more for more). The project aims at further deepening EU-Georgia cooperation in the area of migration and border management via, *inter alia*, procurement of surveillance and data exchange equipment for securing the green border and border crossing points; training Border/Patrol Police to enhance management skills and usage of procured equipment; further developing capacities of the law enforcement in tackling transnational organised crime, including exchange activities with several EU MS. The project duration is 48 months.

The project “Provision of Equipment and Infrastructure for the Bagratashen-Sadakhlo Border Crossing Point between Armenia and Georgia and enhancement of their capacities (BSIBM)” was launched in December 2013 and is expected to be completed in 2015. The project is funded by EU and will be implemented by the UNDP. The overall objective of the project is the introduction of the European standards of the integrated border management at the Bagratashen-Sadakhlo BCP on the Armenia-Georgia border. The main objective of the project is to enhance trans-border cooperation, ensure modern technologies and equipment and ensure maximum transparency of border management agencies.

Ensuring border security and Integrated Border Management is one of the main priorities of the cooperation between EU and Georgia within the framework of European Neighborhood Policy Action Plan, Eastern Partnership Program and Visa Dialogue format - corresponding Visa Liberalisation Action Plan. Georgia adopted IBM strategy in 2008 and its 5 year Action Plan in 2009. Carried out reforms and recent developments in the area introduced the necessity to update these documents and updated Strategy was adopted in 2012.

Furthermore, it is noteworthy, that “Green Border” SOPs (Standard Operating Procedures) were elaborated with the assistance of EUSR BST experts and approved by the special order issued by the Chief of Border Police. The SOPs for “Red Bridge” and “Sadakhlo” BCPs (Border Crossing Points) were approved in September 2012.

In order to enhance interagency cooperation, Government Decree No. 348 “On the establishment of Joint Operations Command Centre of state border guard units and executive Government bodies of Georgia ensuring Defence of State Border Regime with the purpose of safeguarding the control of legal regime of the maritime space of Georgia” was adopted on 17 December 2013. The main tasks and responsibilities of the JOCC include - managing maritime operations; revealing, eliminating violations of maritime space régime of Georgia, seaports and marine terminals of Georgia and coordinating response thereto; conducting joint actions, carrying out analysis and enhancing international cooperation in this regard. JOCC is established on the base of Georgian Coast Guard and is equipped with joint command, control, communications and maritime surveillance technologies. The participating agencies of JOCC are all relevant Ministries and legal entities involved in maritime operations.

With an aim of introducing permanent mechanism for interagency coordination in the area of Integrated Border Management, Memorandum of Mutual Understanding between Ministries of Internal Affairs and Finance on “general rules of cooperation on the issues of state border defence between the Patrol Police Department, Border Police Department of the Ministry of Internal Affairs

and Revenue Service of Ministry of Finance” has been signed. The MoU envisages setting up permanent working groups at local and central levels, which will be responsible for cooperation, coordination, organisational and other issues.

Georgia signed cooperation agreement with EU Specialised Agency FRONTEX. MIA also actively participates in the biannual meetings of the EaP IBM panel, which is an important platform for Eastern Partnership countries to coordinate current activities and future projects in the sphere of border management and represents Georgia’s position in this regard.

The Eastern Partnership IBM Capacity Building Project was launched. The main aim of the Eastern Partnership IBM Capacity Building Project, particularly targeting border/immigration and customs authorities, is to ensure border security and facilitate legitimate movements of persons and goods in the region, while safeguarding that the fight against corruption and the respect for human rights will be given the necessary attention throughout the project.

Specific objectives are the following: Contribute to the establishment of a modern training system in the six beneficiary countries according to EU best practices; Enhance operational capacities by providing operational and country specific capacity building activities on specified topics based on needs identified by the beneficiary institutions; Awareness raising and support to the improvement of border crossing by traders, freight forwarders and passengers; Awareness raising and support to the fight against corruption in the six EaP countries; Awareness raising and support to the improvement of the respect for human rights for persons crossing borders; Where applicable to contribute to a smooth operation of visa liberalisation. The beneficiaries of the project are the authorities responsible for the border management and customs of the beneficiary countries within the ENPI East Region (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine).

4.2.3 Border Police Modernisation, Standardisation and Unification Programme

In August 2014, the intra-agency working group was formed in the MIA in order to elaborate the Border Police Modernisation, Standardisation and Unification Programme for the period of 5 years. The programme will include 5-year-long modernisation plan of the Border Police by establishing common, unified and standardised procedures for infrastructure development, fleet and equipment procurement and maintenance, human resource management, etc. This five year modernisation plan on the one hand will help with programme budgeting process in the Border Police and, on the other hand, it will be an efficient tool for the donor coordination, ensuring targeted and standardised approach to the donor supported projects.

The working group conducts permanent consultations with the experts of MIA in communication and surveillance systems, construction, logistics and other areas. The working group has already elaborated the final draft of the programme, which is undergoing the budgetary process. The finalisation of the programme is envisaged by the end of January 2015, which will cover the following sectors: Command, Control, Communication and Surveillance (C3S), Human Resources, Infrastructure and Transportation, Personal Equipment, Aviation and Coast Guard Fleet Modernisation.

The Donor Coordination Conference on Border Management issues was organised on 24 November 2014. Representatives of international organisations and diplomatic missions, as well as Police Attaché were invited. Border Police Modernisation, Standardisation and Unification Programme for the period of 5 years were presented at the conference.

4.2.4 Basic training courses at the LEPL Academy of the MIA

LEPL Academy of the MIA provides training and in-service retraining courses for the personnel of different departments of the Ministry of Internal Affairs of Georgia. Patrol Police Faculty together with the Border Police Faculty conducts training courses for Border Police and Patrol Police officers. Training courses are conducted in accordance with their future specializations and envisage deeper training in border control aspects. Curricula are based on the recommendations and direct support of European Union and US experts. The FRONTEX Common Core Curriculum is transposed in the training curricula of the LEPL Academy of the MIA. It has to be outlined that the LEPL Academy of the MIA provides basic training for Customs recruits at the Customs Faculty within the Academy as well as training for functioning Customs officers in inspection of travel documents.

At the beginning of 2013, LEPL Academy of the MIA carried out reforms according to which the duration of the basic training courses for the officers of Patrol Police Department has been extended from 12 weeks (376 hours) to 20 weeks (600 hours) and the training courses for Border Police officers were extended from 6 weeks (235 hours) to 14 weeks (420 hours). The courses are more community service oriented, and include practical exercises, and number of new subjects, as cybercrime, malfeasance and misuse of authority, police and media, writing skills, use of special technical means, police role in multi-ethnic society, international crimes (trafficking, drugs) etc. It is also noteworthy that the academic hours dedicated to some subjects such as criminal law and criminal procedure law, human rights and code of the Police Ethics, administrative law infringement cases, computer skills, general English, physical and tactical trainings have been prolonged. Namely, these changes and additions include:

For Patrol Police¹⁰ (Border Control Officers):

1. Police and Human Rights – extended by 2 hours;
2. Qualification of crime and initial procedural measures – extended by 2 hours;
3. Narcotics – new addition to the curriculum and the duration is 2 hours;
4. Human Trafficking – 4 hours;
5. Corruption and Malfeasance in office – 8 hours (extended by 6 hours);
6. Cybercrime – new addition to the curriculum and the duration is 4 hours;
7. Legislation and procedures covering crossing Georgian State Border – extended by 2 hours, including procedures regulating treatment of asylum seekers and refugee status requests.

For Border Police (Border Guards):

1. Human Rights protection – extended by 4 hours;
2. Fighting organised crime – 6 hours, including narcotics, human trafficking, etc;
3. Asylum seekers and refugees – new addition to the curriculum and the duration is 4 hours;
4. Corruption and Malfeasance in office – new addition to the curriculum and the duration is 8 hours.

The Academy developed a special training and study programs for the personal of the Coast Guard Department of the Ministry of Internal Affairs, which will be carried out in accordance with the needs of the departments. These programs are "Boatswain training program" and "Communications, radio operators and radar systems training program", which will take place during the 2014-2015 academic year bearing in mind the specific need of technicians.

¹⁰ Border Crossing Points are under the authority of MIA Patrol Police Department.

At the same time, transparent regulations on student enrollment procedures and new methods of testing and interviewing the candidates have been elaborated. In case of complaints with regards to the assessment, the candidate now has opportunity to address the commission board. Training objectives (skills and competencies) have been clearly outlined, common standards of police activities for similar situations have been designed and modern training methods oriented on practical and field training have been introduced.

It should be further noted that the LEPL Academy of the MIA offers courses on the Police Code of Ethics and Public-oriented Police, which cover relations with national, racial and religious minorities, and the factors to be considered when dealing with national, racial and religious minorities, ways to avoid profiling, problems when dealing with offences in regions settled by national, racial and religious minorities.

In accordance with the 13 June 2014 decision of the authorization council of the LEPL National Centre for Educational Quality Enhancement, the LEPL Academy of the MIA received the status of the Higher Education Institute and the permission to launch the Master's program on the Police Regulation Law. The Program received official accreditation on 10 September 2014. The applications are accepted on a rolling basis and official deadline is set for 18 September 2014. The program itself is scheduled to start at the first half of October 2014. The Master's program is aimed at middle level managers of relevant MIA agencies. The Master program will focus on developing general and specific competencies of the students in police management and equip them with necessary skills and academic knowledge in order to ensure that they carry their functions in accordance with rule of law and democratic values.

4.2.5 Police Code of Ethics

The **Georgian Police Code of Ethics** elaborated in consultation with the Council of Europe was adopted in December 2013. The main objective of the Code is to enhance the adherence of the policemen to the norms of professional ethics, strengthen moral values and sense of personal responsibility for service duties. “**Instructions of Police Officers in the Election Period**” underlining necessity of maintaining neutrality and impartiality by the MIA employees and Rules of Conduct for Patrol Police Officers, Patrol-Inspectors (Border-Control Officers), Border Police Officers and the Staff of Temporary Detention Isolators (TDI) are adopted as annexes to the Police Code of Ethics.

4.3. Fight against Organised Crime, Trafficking in Human Beings, Drugs, Money Laundering and Terrorism

1) Development of legislative framework

Law of Georgia “on Police”

The draft law was adopted on 4 October 2013, by the Parliament of Georgia. The law on Police entered into force on 1 January 2014.

The new Law of Georgia “On Police” aims to create legal ground for sophisticated, politically unbiased police of European standards, protecting public security and legal order. Besides taking into account experience of the police systems of several European countries, especially Germany, as well as international standards, the specifics of Georgia was also considered during the work on the law.

The new law radically differs from the preceding Law of Georgia “On Police”, which mainly established the rights and obligations of the police officer. The law focuses on the preventive functions and measures of police work as opposed to the responding to the already committed crimes, which are

regulated by the relevant criminal and administrative legislative acts. The new law fully complies with the constitutional principle of definiteness and protects persons from the arbitrariness of police actions while ensures rights of the police officer.

2) Police Code of Ethics

The **Georgian Police Code of Ethics** elaborated in consultation with the Council of Europe was adopted in December 2013. The main objective of the Code is to enhance the adherence of the policemen to the norms of professional ethics, strengthen moral values and sense of personal responsibility for service duties. “**Instructions of Police Officers in the Election Period**” underlining necessity of maintaining neutrality and impartiality by the MIA employees and Rules of Conduct for Patrol Police Officers, Patrol-Inspectors (Border-Control Officers), Border Police Officers and the Staff of Temporary Detention Isolators (TDI) are adopted as annexes to the Police Code of Ethics.

3) Fight against organised crime under GUAM framework

Within the GUAM (Georgia, Ukraine, Azerbaijan, Moldova - Organization for Democracy and Economic Development) framework a number of positive steps are being taken in the fight against organised crime. A cybercrime working group is to be established in 2014 with the objectives of experience sharing in investigation techniques and prevention of this crime; conducting joint operations in case of necessity; exchange of information concerning legislation, crime tendencies, operative measures; cooperation in strengthening capacities of law enforcement officials; enhancing cooperation with international organisations such as UN, EU, OSCE, etc; further enhancing means and mechanisms for the exchange of operative information. These objectives and relevant activities are already agreed upon.

At this stage, the GUAM National Centers of the Ministries of Internal Affairs of the member states provide:

1. Information exchange (request-response) through secure e-mail among the law enforcement agencies of the GUAM Member States;
2. Contact among the GUAM VLEC in conditions of real time via IP telephones;
3. Conduct video-conferences with the representatives from the relevant law enforcement agencies of the GUAM Member States via secure network.

According to the general GUAM regulations in case of detecting terrorism, organised crime, trafficking and other dangerous transnational crimes, coordination and exchange of operative information will be conducted only by the National Center of the GUAM. On the basis of the mentioned regulation, the National Center of GUAM is obliged to carry out analysis of the information received from the operative units and transfer it to the appropriate sub units of the Ministries of Internal Affairs.

Furthermore, cooperation on CBRN issues is planned to be conducted in 2013-2015 within the following directions: cooperation development on regional level; improving the current legal framework in this field; organising and conducting international activities by GUAM Member States; carrying out joint activities with Swedish Radiation Safety Authority (SSM); conducting training, re-training and strengthening capacities of relevant officials; experience sharing concerning modern systems of responding to CBRN-related terrorism threats. The objectives of this project are already agreed upon.

Strengthening capacities of the GUAM Member States to cooperate at the national and regional levels in combating money laundering as well as in seizing and confiscating crime proceeds has been

completed; the project ~~is~~ was financed by the U.S. Department of State and implemented by UNODC; the project duration ~~is~~ was 18 months (2011-2013). The objective of the project was to strengthen legal frameworks and institutional capacities of the GUAM Member States for the purposes of enhancing cooperation in the mentioned field through upgrading domestic anti-money laundering legislative/regulatory framework and improve practices in order to bring them in compliance with relevant international standards; improving international cooperation (both informal and formal) among the GUAM Member States and destination countries for the purposes of effectively investigating money laundering and tracing, seizing and confiscating crime proceeds. The project envisaged 4 regional seminars and all of them were held successfully in GUAM Member States.

GUAM is the part of UNODC global afghan opiate trade project. The project aims at addressing the need for systematic, comprehensive and consolidated analytical information about the illicit opiate trade, its linkages with other socioeconomic and security dimensions, the threats and risks it creates and options for strengthening the international response. Project has three thematic objectives: Threat and risk Analysis, response analysis and capacity building. Within this project, each year questionnaires regarding illicit drug trafficking are filled by law enforcement agencies of GUAM member states.

4) Interagency Coordinating Council for Combating Organised Crime

By the Government Resolution No. 145 of 13 June 2013, Interagency Coordinating Council for Combating Organised Crime was formed in order to maintain and improve the results already achieved in the fight against organised crime, to enhance the existing mechanisms thereof. Measures falling within the competences of the Council are: updating National Strategy for Combating Organised Crime, elaborating and monitoring the implementation of a respective Action Plan of the National Strategy, coordinating interagency activities and elaborating respective proposals.

The four thematic working groups, consisting of the representatives of the Council member agencies, are established within the Interagency Coordinating Council for Combating Organised Crime. Working groups are formed in accordance to the following topics: combating “community of thieves in law” and other organised criminal groups, detection of stolen vehicles, combating cybercrime and the group on international cooperation. The Reforms and Development Agency (Department) of the Ministry of Internal Affairs (MIA) carries out the functions of the Secretariat of the Interagency Coordinating Council for Combating Organised Crime.

The electronic information materials, on organised crime, have been prepared by the MIA within the reporting period. The abovementioned contains information on organised crime and its consequences, on the measures taken by the state and the results achieved in combating organised crime and the necessity of cooperation between the society and law enforcement agencies for effective fight against the organised crime. The respective information has been uploaded on the official web page of the Ministry of Internal Affairs - www.police.ge. In the first quarter of 2014, the information materials, made for the purpose of preventing organised crime, have been placed on electronic library of the Ministry of Education and Science.

The project “Enhancing the Juvenile Crime Prevention Mechanism” has been implemented in the fourth quarter of 2013, with the support of UNICEF and for the purpose of preventing organised crime. The project was aimed at informing children, teachers and school resource officers on the essence of violence and its forms, and the detection possibilities of children and juveniles being under the risk of violence and crime. Teaching of the “Essentials of Legal Culture” was being conducted during 2013-2014 academic year.

In the first quarter of 2014, in order to inform about rights and responsibilities of the probationers, 30.000 flyers intended for the courts were printed by the National Probation Agency, which will be handed to the probationers after they are sentenced.

The LEPL Academy of the MIA has elaborated a program about organised crime which contains the topics of international drug trafficking, trafficking in human beings, interrelation between international terrorism, conflicts and illicit arms trade, money laundering, corruption, „Community of Thieves in Law“ and international organised crime.

Short-term international training was conducted in the field of combating organised crime, namely:

- 28-29 March 2014 - Training on Trafficking in Persons, organised by the International Relations Department of the MIA (18 participants).

The Ministry of Internal Affairs of Georgia has prepared electronic information materials on cybercrime, including general information related to this crime, an overview of the respective legislation and the measures undertaken by the Government of Georgia in combating cybercrime. Special advices for the citizens are included in the information materials that will encourage them to be properly informed on cybercrime-related threats and protect themselves from this crime in the future. This information has been uploaded on the official website of the Ministry of Internal Affairs - www.police.ge

Within the process of elaboration of the Strategy and Action Plan for combating organised crime, as well as the monitoring of the implementation of actions provided for by the latter document, the Ministry of Internal Affairs has organised more than 40 meetings with the representatives of the Ministry of Justice, the Ministry of Corrections, the Ministry of Education and Science and the Chief Prosecutor's Office.

4.3.1 Fight Against Trafficking in Persons

Combating Trafficking in Persons is one of the key priorities for the Government of Georgia. In this regard, the governmental policy is entirely focused on so called ‘4 Ps’: Prevention, Protection, Prosecution and Partnership, and the GoG is committed to adopt efficient measures in order to enhance Prevention, Protection, Prosecution and Partnership.

Effective Coordination

Combating trafficking requires concerted interagency policy in implementation of the law. In this respect the role of the Interagency Council on Combating Trafficking in Human Beings (THB Council) set up in 2006 remains indispensable in adopting serious and sustainable measures and coordinating inter agency policy in combating THB. The Council chaired by the Minister of Justice of Georgia is inclusive and includes representatives from all line ministries and agencies (Ministry of internal Affairs, Chief Prosecutor’s Office, Ministry of Foreign Affairs, Ministry of Labour, Health and Social Affairs, Ministry of Economy and Sustainable Development, Ministry of Education and Science, State Ministry on Diaspora Issues, Parliamentary Secretary of Government of Georgia, LEPL State Fund for the Protection and Assistance of (statutory) Victims of Trafficking and Public Defender’s Office). Furthermore, NGOs and international organizations are actively involved in the activities of the council.

In 2014 the council conducted two meetings with the participation of all relevant agencies and international and non-governmental organisations. Representatives of all responsible agencies are always actively involved in working groups established by the Council. On 14 November 2014, the council adopted a National Action Plan for 2015-2016 which entered into force in January 2015.

Monitoring of the implementation of National Action Plan

The secretariat of Inter-Agency Coordinating Council, regularly requests information from relevant agencies regarding the implementation of the Action Plan. Based on the information obtained, yearly reports are prepared and disseminated. The final report of the 2013-2014 Action Plan will be prepared by the end of January, 2015.

Prevention

The Government of Georgia considers public awareness raising campaigns on trafficking as one of the essential preventive measures. For the effective implementation of the preventive measures, THB Council elaborated Common Information Strategy on combating trafficking with specially identified vulnerable target groups, regions and implementation means. The strategy was approved by THB Council on 12 February 2014. It should be underlined that such information strategy and action plan is rather unique in our region.

Within the framework of the Strategy, information meetings were organised on the risks of THB with different target groups such as pupils (430), students (110), street children (30), minorities, IDPs and rural population (725) in almost all regions of Georgia: Tbilisi, Telavi, Gurjaani, Kvareli, Batumi, Kutaisi, Gori, Rustavi, Zugdidi, Marneuli, Ozurgeti, Tkibuli, Geguti, Sagarejo, Poti, Tslenjikha, Senaki, Kobuleti, Gonio, Borjomi, Akhaltsikhe, Poka, Sartichala, Shorapani, Tskaltubo, Mestia, Becho, Martvili, Tsageri, Oni, Ambrolauri, Qareli-Ruisi, Khashuri-Gomi, Tsalka, Sakdrioni, Lanchkhuti, Ozurgeti, Chokhatauri, Tserovani.

Information leaflets in Georgian and other languages (English, Turkish, and Russian) are largely disseminated in big cities and rural areas, at state borders, airports and consular units. The Ministry of Foreign Affairs distributes information brochures on the threats of trafficking, irregular migration and basic human rights. In the framework of the project “Raising awareness through education on the threats of Trafficking” information brochures (Advisory for travellers abroad) were produced in cooperation with the International Organization for Migration. The brochures contained information on subsequent consular assistance and on the threats of trafficking, along with the contact information of Diplomatic representations/Consular Units of Georgia abroad. With the Support of Consular Department of the Ministry of Foreign Affairs the abovementioned brochures were distributed at the border-crossing points of Georgia, in the Diplomatic Representations/Consular Posts of Georgia abroad, also, in the Embassies and Consular Units to Georgia and at the Reception Hall of the Consular Department of Ministry of Foreign Affairs. Embassies of Bulgaria, Italy, Switzerland and Lithuania have already accepted the distribution of THB brochures in the embassies. Additionally starting from the fourth quarter of 2013, Georgian National Tourism Administration (GNTA) in close cooperation with the International Organization for Migration (IOM) and with the support of U.S. Department of State Bureau of International Narcotics and Law Enforcement Affairs (INL), Ministry of Internal Affairs of Georgia and Atipfund Georgia have worked on anti-trafficking information flyer. The flyer explains the main essence of trafficking and provides a passage from the relevant Article of the Criminal Code of Georgia. It also warns regarding the threats concerning involvement in trafficking.

The flyer is available in five languages (Georgian, English, Russian, Turkish and Persian). In March 2014, 100,000 copies were printed by IOM and 50,000 copies were donated to GNTA. During the first two quarters of 2014, GNTA distributed flyers through the Tourism Information Centers of Tbilisi, Gori, Borjomi, Telavi, Akhaltsikhe, and in the airports of Tbilisi, Kutaisi and Batumi. Additional 40000 flyers were provided for GNTA in December 2014 by IOM.

During 15 April – 15 October 2014, IOM distributed 18,427 flyers through the Adjara region namely: Sarpi – including outer perimeter of Sarpi Border Crossing Point, Batumi airport, centre of Batumi, Chakvi and Kobuleti. Target groups include: tourists (both foreigners and Georgian), truck drivers, travellers on public transport (transport hubs such as railway and bus stations). In the same period, up to 5,000 copies were distributed during public information meetings of IOM's Mobility Centre in all provinces of Georgia.

In addition, TV and radio shows and advertisements are frequently devoted to THB issues on central and regional TV stations. Public discussions are taking place within different state and public institutions on the question.

In 2014, following TV programs and video clips were broadcasted:

- In March 2014, the video clips produced by the State Fund on the topics of human trafficking were broadcasted in the following TV companies and radios:
 - a) Public Broadcaster;
 - b) Adjara Television.

The video clips were broadcasted for three months.

In November 2014, video recording prepared by IOM, in consultation with members of the council was released on most viewed TV stations in Georgia - three National stations, IMEDI, Rustavi-2 and Public Broadcaster and one regional TV station – Adjara TV.

- In February 2014, Imedi TV program “Panorama” was dedicated to the topic “No to the Trafficking”. The representatives of the Ministry of Justice, the Ministry of Internal Affairs and the State Fund participated in the programme.
- In April 2014, public broadcaster program “Teleblog” was dedicated to the topic of human trafficking. A State Fund's representative participated in the programme.
- TV companies “Maestro”, “Imedi”, and “Public Broadcaster” prepared special reports on the issue of human trafficking.
- An article was published in the newspaper “Rezonansi”, concerning annual report of the USA State Department, regarding the fighting against human trafficking. The respondent was the director of State Fund - Marina Meskhi.
- An article was published on the issue of human trafficking in the newspaper “Gza”. The respondent was the director of the State Fund - Marina Meskhi.
- The State Fund's representatives participated in the programme of Public Radio “Migration Routes”. The main topic of the programme was the human trafficking and illegal migration.
- In May 2014, Bulletin No. 3 in GEO, prepared in the frame of G-PAM project implemented by CiDA and financed by the EU, and was dedicated to THB in which THB related risks and state policy on combating THB was discussed.

At the MIA, 24 hour “hot line” is functioning, where all citizens are able to take professional consultations from qualified operators. Ministry of Internal Affairs permanently publishes informative brochures and leaflets for distribution.

Information on combating trafficking is published and regularly updated on the websites of the Ministry of Internal Affairs – www.police.ge and Prosecutors' Office of Georgia – www.pog.gov.ge. Website contains detailed information for population on how to identify possible trafficking threat, how to protect themselves from deceit and fraud, who to consult and how and to whom to report. The statistical information about crime of THB is published on the official website of the MIA as well.

Particular attention is paid to raise awareness of children and youngsters in order to prevent THB against them:

- 5 On February 2014, Training of Trainers on THB was organised for students of different regions and various Universities. 12 students participated in training. The students were trained on THB issues in order to disseminate trafficking related information among pupils. The training was organized by Secretariat of THB Council (MoJ), LEPL Training Center of Justice, IOM, NGO Migration Center and LEPL - Center for Crime Prevention of Ministry of Justice;
- In February 2014, training was held for school students in different big cities. THB related trainings were organised within the project of “Leader House”¹¹ in close cooperation with THB Council, Public Service Hall of MOJ, NGO Migration Center and Training Center of Justice:
 - On 8 February 2014, 19 pupils from Tbilisi schools attended the training;
 - On 15 February 2014 17 pupils participated in trainings in Rustavi;
 - On 15 February 2014, 25 pupils attended THB trainings in Kutaisi;
 - On 23 February 2014, 20 pupils attended THB trainings in Gurjaani;
 - On 23 February 2014, 25 pupils from different schools of Telavi participated in THB training;
 - On 23 February 2014, 17 pupils attended the THB training in Batumi.
- During February and March 2014, students prepared by THB Council trained over 330 pupils in different schools in Batumi, Kutaisi, Geguti, Tkibuli and Tbilisi;
- During March – May 2014, Ministry of Justice in close cooperation with the EU Delegation to Georgia, LEPL - Training Center of Justice, LEPL - State Fund for the Protection and Assistance of (Statutory) Victims of Trafficking in Persons, Public Defender’s Office and Georgian Young Lawyers Association and NGO Civil Development Agency (CIDA) organised Moot Court Competition on Human Trafficking. Information was disseminated through webpages of MoJ (<http://www.justice.gov.ge/Ministry/Department/364>), Training Center of Justice (<http://tcj.gov.ge/?p=1252>) and universities. Information posters were also disseminated in Tbilisi and regional universities. 40 students from different universities throughout Georgia (Tbilisi, Gori, Kutaisi) participated in competition;
- On 22 March 2014, THB training was held at the Ministry of Justice in Tbilisi. 20 school students participated in the training. The training was organized by MoJ;
- On 27 March 2014, THB public lecture was held at the Ministry of Justice in Tbilisi. 35 students from different universities attended the lecture, which was organised by THB Council in collaboration with the European Law Students’ Association (ELSA) Georgia.

Furthermore, the Government of Georgia prioritises prevention of trafficking through enhancement of education in secondary and high schools. In this regard, issues related to human trafficking is largely covered by the National Educational Plan for 2011-2016. In this regard, issues related to domestic violence, human trafficking are extensively covered subjects of social sciences – Civic Education (IX and X classes) and History (including „Our Georgia” V-VI classes, also VII, VIII, XII classes).

Additionally, Memorandum of Understanding was concluded between Tbilisi State University (TSU) and Migration Commission headed by the Minister of Justice with the aim of cooperation on the issues of migration which also covers THB. TSU is biggest research institute in Georgia, and provides master programme in public international law, that includes two semester practical and theoretical course on THB.

¹¹ “Leader House” is implemented by LEPL - Center for Crime Prevention

The Government pays particular attention to the prevention of trafficking in the most vulnerable group of children, such as, street children through the special programmes aiming envelopment of street children in formal education system. The special Working Group composed of the representatives of all relevant ministries, international organisations and NGOs working on problems of children was established by the Inter-agency Council in November 2014. The purpose of working group is to elaborate strategy on trafficking threats faced by children working and living in the streets and to propose effective measures to tackle with these threats. Additionally, mobile Groups composed of the social workers, psychologists and former street children systematically meet with street children and inform them with different means about THB issues.

In order to strengthen cooperation with local NGOs and implement effective information campaign in 2012, the Ministry of Justice issued 2 grants for civil society. In addition, MoJ announced the Grant contest on 27 March 2014. Local NGO “Migration Center” won the grant project, which was mainly of educational character aiming at awareness rising of the community on nature of trafficking, related threats and mechanisms combating of THB. . Within the framework of the grant project the following activities have been conducted:

- 1) Information brochures that contain short information about trafficking, mechanisms of defending the victims of this crime, prevention of committing or becoming the victim of trafficking were created and disseminated;
- 2) On 11 August 2014, information meetings with people willing to travel and work in Turkey was organised at the Center for Civic Engagement;
- 3) Following topics were covered: Mechanisms of preventing to be the victim of trafficking, referral mechanism and rehabilitation programmes of the victims of the crime. Brochures were provided to audience in order to deliver it in the territory of Turkey. Apart from the, meeting, attendees received relevant information on lifestyle in Turkey and possible dangers there. An informational video was played regarding the process of crossing the border illegally and becoming the victim of trafficking;
- 4) On 12 August 2014, Street Informational Campaign was launched in the boulevard in Batumi. The materials in English and Georgian languages, created by the Center for Migration, International Organization of Migration (IOM) and CIDA, were delivered to tourists. Due to the massive migration from Adjara to Turkey, another informational brochure “Migration Guidelines to Turkey” was introduced to them. A cultural event was conducted at Shota Rustaveli Batumi State University. Local residents, students and tourists actively participated in cultural meeting.
- 5) On 13 August 2014, with the participation of local residents and representatives of “Migration Center” a flash mob was organised in Batumi Boulevard which was followed by a discussion about the trafficking and migration. Local NGOs and youth were invited to the meeting. A video clip on migration to Turkey was played during the meeting. Meeting mainly addressed the topic of illegal migration of Georgians, employment based discrimination and the prevention mechanisms of trafficking.

The special activities targeted at raising awareness, including of high risk groups, is also planned under the THB action plan for 2015-2016 which was adopted by the THB Council on 14 November 2014.

Protection of Victims

State fund

The State Fund for Protection of and Assistance to (Statutory) Victims of Trafficking in Persons¹² (hereinafter – State Fund) established on the basis of the Law¹³, in June 2006 ensures the protection of the victims and statutory victims of trafficking, including minor victims, whose protection is guaranteed by separate chapter of the law. The State Fund functions under the supervision of the Ministry of Labour, Health and Social Affairs. The State Fund protects the rights and interests of trafficking victims (statutory victims), who are provided with:

- Shelters;
- Legal aid;
- Physiological and medical assistance;
- Rehabilitation and reintegration measures;
- Compensation.

The victims of trafficking as well as statutory victims were beneficiaries of the services of State Fund. They may stay in shelter for 3 months; however, this term might be extended in certain circumstances based on the will of victim and order of the Director of the State Fund.

State Fund provides separate services for victims (statutory victims) of trafficking, including the shelters in Batumi and Tbilisi. Also, it should be noted that both shelters are equipped to respond the needs of minor victims/statutory victims of trafficking and accompanied minors.

Within the current set up of the State Fund system in Georgia not only children who are victims of human trafficking but also children accompanying their parents who had been trafficked are entitled and when such a need arises, receive the appropriate accommodation, age specific education and support programs tailored to the needs of the child. With this amendments Georgian legislation fully regulates issues regarding children in trafficking in line with international standards.

In 2014 (January – December), the following services were provided by the State Fund:

State Fund services	7 persons	
	Women – 5	Man – 2
	Accompanied person - 2	
	Sexual exploitation – 5	Labour exploitation – 2
Psychological	5	
Medical	5	
Shelters	5	
Compensation	9	
Legal Assistance	7	

¹² <http://www.atipfund.gov.ge>

¹³ Article 9 (5) of the Law on Combating against Trafficking

It should be underlined that foreign victims and statutory victims of human trafficking have the same access to State Fund services as domestic victims and statutory victims of trafficking.

Protection of THB victims abroad

Government of Georgia pays particular attention to the protection of THB victims abroad through the consular units. The main competence of Diplomatic Representations/Consular posts of Georgia abroad in terms of protecting and assisting victims of trafficking abroad is to ensure their safe return on the territory of Georgia, provide them with the travel document for return to Georgia.

In 2013, two cases were identified in Qatar and Italy, when the Georgian citizens became the alleged victims of forced labour. The Consular Units of Georgia in Qatar and Italy were involved to support the citizens of Georgia. The deprived passports were returned to Georgian citizens. Georgians from Qatar and Italy are already returned to Georgia.

Foreign victims and statutory victims of trafficking are given the reflection period of 30 days to decide whether they want to cooperate with law enforcements. During the reflection period foreign victims (statutory) are granted the residence permit to stay in Georgia if there is reasonable doubt that the person is victim or statutory victim of trafficking. Temporary residence permit is issued by the Ministry of Justice based on a motion of a Service Agency for the Victims of Human Trafficking (Shelter) or a body in charge of proceedings. Pursuant to the Law on Combating Trafficking in Human Beings identity-related information given in the motion constitutes confidential information disclosure of which is punishable under law.

Furthermore, a foreign victim and statutory victim of trafficking may, at his/her request, be granted asylum on the territory of Georgia if there is reasonable ground to believe that his/her life, health or personal liberty will be under threat in case of returning back to the country of origin. In addition, foreign victims and statutory victims of trafficking enjoy the right to work during the trial proceedings.

Protection of minor victims

When it comes to the protection of child victims of human trafficking it should be noted that the child victims or children accompanied to victims placed at shelters of State Fund are provided by different services in order to ensure their well-being and provide proper education through special programmes. The specific services provided are:

- a) a safe place to live, suitable for normal existence;
- b) nutrition and clothes;
- c) participation in the programs of integration into families and society;
- d) support minors to access to formal and non-formal education;
- e) all the other activities that promote beneficiaries' complete development, the beneficiaries' personal data and shelter coordinates are kept confidential;
- f) other measures defined by the legislation of Georgia.

It should be equally noted that pursuant to the recommendations of Group of Experts on Action against Trafficking in Human Beings (GRETA) the Government of Georgia amended the Law on Combating Trafficking in Human Beings in April 2012 and added a new chapter to the law on child victims of trafficking in persons, including individual risk assessment on the basis of the child's best interests. Within the current set up of the State Fund system in Georgia, not only children who are victims of THB but also children accompanying their parents who had been trafficked are entitled receive the

appropriate accommodation, age specific education and support programs tailored to the needs of the child when such a need arises. With this amendments Georgian legislation fully regulates issues regarding children in trafficking in line with international standards.

In 2013, one minor victim and one dependent minor were provided with services by the State Fund, the number was 2 in 2014, and both were dependent minors.

Furthermore, criminal code of Georgia establishes special procedures in the cases when the minor is victim or witness that also covers crimes of THB. According to these rules juvenile must be examined in the presence of his/her legal representative, or psychologist. If a juvenile is a witness or victim of sexual exploitation and sexual violence his/her examinations may be audio/video recorded with subsequent demonstration in a court session. A witness under the age of 14 years shall be told about his/her duty to tell only the truth, but shall not be warned about criminal liability for refusing to testify, giving false and substantially contradictory testimony. If a juvenile is a witness or victim of sexual exploitation and sexual violence the quantity of his/her examinations shall be minimized as possible and will be determined only by necessities of the criminal procedure.

According to the Guidelines for the Law Enforcements on the Investigation and Prosecution of Trafficking Cases and Treatment with Victims and Statutory Victims of Trafficking in Persons which was adopted by THB Council on 12 February 2014, the law enforcement agencies must take special measures while interrogating the minors, in order to provide best protection to the child and to take into account their vulnerability.

Special measures are envisaged in the draft Special Operative Procedures, by THB council, to be undertaken by the investigators and operatives while interviewing the possible minor victim of THB. Namely, they are recommended to take into account the specific conditions relevant for identification of child victims.

National Referral Mechanism

The Basic Structure of the Referral Mechanism is as follows:

- Identification of the Victims of Trafficking:
 - a. preliminary identification;
 - b. special social worker who has right to conduct identification questioning;
 - c. identification questionnaire;
 - d. organ taking final decision as to the persons status as a victim.
- Protection of the Victim of Trafficking:
 - a. legal aid;
 - b. medical aid;
 - c. social aid;
 - d. protective measures.
- Rehabilitation of the Victim of Trafficking:
 - a. social programs;
 - b. Reintegration process.

The Georgian legislation ensures the protection and assistance of witness/prospective victims or statutory victims of trafficking in persons. Law enforcement bodies immediately explain to the victim/statutory victim of trafficking that he/she has the right to address a Service Agency for the Victims of Human Trafficking (Shelter). Law enforcement bodies and a Service Agency for the

Victims of Trafficking (Shelter) provide the victims/statutory victim of trafficking with full information on Georgian legislation on human trafficking. The investigator, prosecutor and judge inform the statutory victim of trafficking, in his/her native language or in a language he/she understands, of his/her rights and legal status as well as information on matters relating to the investigation and judicial proceedings. In the criminal proceedings, the Government of Georgia provides the statutory victim of trafficking with the service of a lawyer and an interpreter as well as servicing documents and materials related to the proceedings in his/her native language or a language understandable for him/her. Victim/statutory victim of trafficking may receive free legal aid and in-court representation from Service Agency for the Victims of Human Trafficking (Shelter) or other natural person or legal entity having relevant authorization, in accordance with procedures established by the Georgian legislation. The statutory victim and witness as well as persons providing legal services and assistance to them have the right to request protection of their own security and security of their family members at any time, in accordance with procedures established by the Georgian legislation. Identity, address and other personal data of (statutory) victims and witnesses of trafficking is confidential and its disclosure is prohibited except in cases envisaged by law. At the request of statutory victim, witness or their legal representative, special protection measures may be applied in accordance with procedures established by the Criminal Procedure Code of Georgia.

Proactive investigation and effective prosecutions:

The law enforcement authorities of Georgia carry out coordinated effort for criminal justice response to human trafficking. In Georgian criminal justice system, police is in charge of investigating criminal offences under close supervision of the Prosecutors Office of Georgia. Certain investigative activities, which involve restriction of human rights, are to be carried out with the authorisation of judiciary.

Within the MIA, Division for Combating Illicit Trafficking of Drugs, Human Trafficking and Illegal Migration of Central criminal police department has been established. The division's main tasks includes detection and investigation of trafficking offences, detection and apprehension of criminals and/or organized criminal groups, despatch and respond to requests of international cooperation within its competence, as well as continuous preventive activities.

Apart from special anti-trafficking division, all the relevant structural units of the Ministry are involved in detection and response to trafficking offences within their respective competences. If a criminal offence that is investigated by relevant structural unit of the ministry reveals signs of human trafficking, the case is referred to the anti-trafficking unit. At various stages, Central Criminal Police Department, Border Police Department, Patrol Police Department, and Neighbourhood Police could be involved in the investigation. Patrol police plays crucial role in detecting and apprehending cases of trans-border trafficking at the border check points. Patrol Police officers and Border guards receive specific training on detecting signs of trans-border trafficking and identification of possible trafficking victims and suspected offenders. Border Police and patrol Police, alongside with other departments of the Ministry of Internal Affairs, are the key structures, which puts "National Referral Mechanism" into operation: when an assumed trafficking victim is identified, he/she is relocated to specific area awaiting the arrival of legal and psychological counsellors; If the suspicion of trafficking is confirmed, assumed victims are transferred to specially allocated shelters for trafficking victims, where they are provided with financial, psychological and legal support.

Reinforcing proactive identification of the victims is one of top priorities for the GoG. Therefore, in March 2013, Georgia adopted new National Action Plan focused on proactive methods of victim identification and developing efficient tools in order to increase number of prosecutions. For the effective implementation of the National Action Plan, 3 THB inspection mobile groups composed of representatives of law enforcements agencies were created under Ministry of Internal Affairs, which regularly operate in the high risk areas (hotels, bars, bathes, casinos, etc.). Since December 2014, additional mobile group started functioning.

Mobile groups of the Division of Fight against Trafficking and Illegal Migration of the Central Criminal Police Department of the Ministry of Internal Affairs detect and record trafficking risk-bearing areas, and check and study persons, including persons engaged in prostitution, working in organisations that have suspicious reputation. In order to proactively reveal the facts of labour trafficking, staff working in the organizations (hotels, bars night clubs, baths etc.) are interviewed on a regular basis. The aim of the interview is to ensure, that each worker has identity cards, they exercised their right to freedom of movement, they have been receiving the full remuneration for their work, and they were engaged in work voluntarily. From April till now the mobile groups identified different institutions such as bars, baths and saunas in Tbilisi, Guria, Kakheti, Samegrelo, Kvemo Kartli, Shida Kartli, Adjara and Imereti. The mobile groups interviewed over 400 prostitutes, including foreign citizens. In Tbilisi during the period of 1 January 2014 - 25 October 2014, the MIA Unit for Combating Trafficking in Persons and Illegal Migration launched 6 investigations for providing a venue for prostitution and resulted so far in charging 7 persons. All cases are sent to the court.

For the purposes of prevention, the mobile groups also identify and put on record foreign nationals involved in prostitution. The mobile groups also check organisations with vague job offers in Georgia and abroad.

Law enforcements regularly interview Georgian nationals deported from Turkey and European countries with a view to revealing potential THB cases. In 2014 total number of deported and interviewed individuals amounted 1560.

In addition, on 27 February 2014, Memorandum of Understanding was signed between the Ministry of Internal Affairs, the Chief Prosecutor's Office and the International Organization for Migration on the principles of cooperation in the area of capacity building of law enforcement agencies in combating trafficking of human beings. The signatories to this memorandum will do their best to act against trafficking in persons in an effective, active, united and coordinated manner. On the base of the memorandum, the Task Force has been established in Adjara region. The Task Force, consisting of 12 acting investigators (7) and prosecutors (5), will jointly reveal facts of trafficking primarily focused on the Adjara region (which is at the Turkish border and is a high risk area).

Apart from this, in order to strengthen fight against trafficking, in January 2014, special Division for Combatting Human Trafficking was established in Adjara Region within the MIA. The main functions of the division are to conduct effective investigation and implement proactive measures in order to identify THB cases in the Western part of Georgia. To that end, deported Georgian nationals are regularly (24/7) interviewed at Sarpi border crossing point by the staff of this division.

In addition, working group composed of prosecutors, investigators and representatives of the secretariat of the council elaborated guidelines for law enforcements. Guidelines focus on the following issues:

- legal aspects of trafficking, including the definition of means, actions and purpose of trafficking;
- trafficking related articles of Criminal Code of Georgia, namely, involving someone in prostitution, giving the venue for the prostitution, involving minor in anti-social activity;
- standards of THB investigation: compulsory, comprehensive and effective investigation;
- standards of the interrogation of THB victims, including minors;
- standards of evidence.

The guidelines were approved in February 2014.

Furthermore, Working Group of THB Council has drafted the Standard Operation Procedures (S.O.P.s) for the investigators and members of the mobile groups, which will help them to identify potential THB victims and collect all relevant information related to TIP case. The draft S.O.P.s was evaluated by international expert, who provided recommendations, in order to reflect international best practice in the document. Comments and recommendations were reflected into final version which will be used by law enforcement.

Moreover, law enforcements are permanently trained in order to develop their skills build their capacity with regard to TIP. All these efforts brought tangible outcomes and the number of investigations, prosecutions and convictions have significantly risen. In 2014, one perpetrator with Dutch nationality was extradited to the Netherlands.

- **Statistics**

	2012	2013	December 2014
Investigation	10	11	13
Prosecution	1	5	7 ¹⁴
Cases sent to the court	1	4	4
Judgment	1	2	4
Statutory victim	3	10	7
Convicted trafficker	1	2	6
Extradition	0	1	1 ¹⁵

Trainings

The Government of Georgia pays particular attention to the capacity building trainings for the officials working on THB issues. For that aim, numbers of professional trainings were organised:

- On 8-10 April 2013, one representative of MIA participated in seminars devoted to removal of body organs, trade by body organs and parts of the organs. The Seminar was organized by National Security Agency for Medicine and Healthcare (Paris);
- In April 2013, meeting was held on THB related issues. Representatives of MFA consular department participated in the meeting; also, it should be noted that Diplomats /consular officers take lectures on trafficking issues and existing national referral mechanism in Georgia during the study program for appointing consular officials at the training center functioning on the basis of the Ministry of Foreign Affairs of Georgia. The lecture contains important information on current legislation, THB as criminal offence, penalties and referral system. The Staff deployed abroad is provided with the information also during working meetings of consular officials held in Tbilisi;

¹⁴ 5 persons are prosecuted for 7 charges

¹⁵ 1 finished and 1 pending case

- c) On 28-30 May 2013, training on THB victim identification and effective investigation was held for 5 prosecutors and 19 investigators. The training was organised with financial support of IOM;
- d) Apart from this, on 28-29 September 2013, training for law enforcements was held in Signaghi. 7 prosecutors and 10 investigations from Tbilisi, Adjara, Kakheti and Kvemo Kartli participated in the trainings. The meeting was held with technical assistance of IOM within the project “Enhancing Operational Contacts between Georgian and Turkish Law Enforcement Structures to Combat Trafficking in Persons”;
- e) 1-2 on July 2013, THB training was held for the law enforcements at MIA Police Academy. 16 law enforcements participated in the training, which was financially supported by IOM;
- f) On 20-21 September 2013, trainings on the issues related to trafficking were organized for judges. The training was organised by the High School of Justice with financial support of IOM. The training was attended by 13 judges and the topics covered by the training include:
 - Comparison of the Palermo Protocols and Georgian legislation;
 - Stages and methods of trafficking;
 - Trafficking legislation and politics;
 - Illegal transportation of migrants across the border;
 - Trafficking in minors and adoption of the child;
 - Victims of trafficking, mechanisms of protection and referral.

The High School of Justice of Georgia aims to provide at least one anti-THB training for judges per year. In addition, one anti-THB training is included in 2014 re-training programme of judges.

- g) On 1-2 March 2014, training on trafficking and domestic violence was held for the victim and witness coordinators. 13 victim and witness coordinators participated in the trainings. The trainings were organized by Chief Prosecutor’s Office, State Fund for the Protection and Assistance of (Statutory) Victims of Trafficking, NGO “Sakhli” and IOM;
- h) On 20-21 March 2014, training on trafficking was held for the members of ISAF mission. Over 1600 peacekeepers participated in trainings. The trainings were organized by The Ministry of Justice, Ministry of Defense and State Fund for the Protection and Assistance of (Statutory) Victims of Trafficking;
- i) On 28-29 March 2014, training on trafficking was organized for the investigators and prosecutors. 24 law enforcements (6 intern-prosecutors, prosecutors and 18 investigators) from Tbilisi and Batumi participated in trainings, which was organized by MoIA Police Academy in close cooperation with Ministry of Justice, Chief Prosecutor’s Office and State Fund for the Protection and Assistance of (Statutory) Victims of Trafficking;
- j) On 29 April – 2 May 2014, training for the counter-trafficking Task Force (12 law enforcers) was held in Batumi.
- k) On 10-11 July 2014, training on trafficking victim identification was organized for investigators in Batumi. 4 investigators attended the training, which was organized by NGO Tanadgoma, in close cooperation with IOM, INL (US Bureau for International Narcotics and Law Enforcement Affairs) and THB Council;
- l) On 19-20 July 2014, THB related training was organized for investigators and the members of THB inspection mobile groups in Kvareli. 18 participants attended the training, which was NGO Anti-violence Network, in close cooperation with IOM, INL and THB Council;
- m) On 17-19 September 2014, in Kachreti with financial and organizational support of INL and IOM 3 day training on the issues related to trafficking in human beings and child pornography was conducted. 20 prosecutors, coming from all regional prosecutors’ offices attended on trainings. Trainer was a prosecutor from the USA with wealthy of experience of working on the considered subjects. The training covered issues on effective investigation and prosecution of

these crimes. Participants were informed on standards of interrogating women and child victims of trafficking.

- n) In 2014, 57 trainee-prosecutors were admitted to the Prosecutors Office of Georgia, with a possibility of their future appointments as prosecutors. Trainee-prosecutors are provided with the special course before starting practicing. The curriculum of the course includes topics regarding the trafficking and violence against women;
- o) On 14-17 October 2014, law enforcement officers from Unit on Combating with Illegal Migration and THB of Central Criminal Police Department of MIA participated in course on “Prevention of Crime Committed by Juveniles and Protection of Child Victims” conducted in Police Academy.
- p) In December 2014, law enforcement officials from MIA and Prosecutor’s Office were trained on the issues related to state policy on trafficking, including major principles of pro-active identification of victims and pro-active investigation.

On 10-11 June 2014, representatives of MIA and MoJ participated in the Eastern Partnership Panel on Migration and Asylum, where the issues related to trafficking and smuggling were broadly discussed between the participants.

In November 2014, representative of the Central Criminal Police Department of MIA participated in international conference in Zagreb, Croatia, on issues related to trafficking for the purposes of forced begging.

In November 2014, representative of MIA participated in fifth annual international symposium on prevention of trafficking, protection of victims, and prosecution of offenders in Brussels Germany.

In November 2014, representative of MIA participated in international conference organised by INTERPOL dedicated to trafficking related issues.

International legal assistance

The Government of Georgia pays particular attention to expanding international cooperation in combating cross-border trafficking. In 2014, 3 legal requests on mutual legal assistance on THB cases were received from Turkey. 2 of them is already finished, one is pending.

In April 2014, the Training Center of Justice of Georgia and Training Center of Justice of Turkey concluded the Memorandum of Understanding to train the staff of the ministries.

On 22 December 2014, delegation of the Department of Migration of the Republic of Turkey visited the Ministry of Justice of Georgia. In the framework of the meeting information on experience regarding the anti-THB policy implementation was exchanged between the parties.

Capacity Building of the Ministry of Internal Affairs officials in fight against Trafficking in Human Beings

The Ministry of Internal Affairs is one of the leading agencies in the fight against trafficking in human beings. In this regard, the Ministry officials have been actively involved in projects aimed at capacity building and strengthening of cooperation to further enhance necessary skills and communication channels in combating this crime.

The project “strengthening capacity for the identification of victims of trafficking in Adjara and Kvemo Kartli regions” has been launched in 2013 and the implementation of the project completed in 2014. The project was funded by the U.S. Government and was being implemented by the IOM. The

general objective of the project was to establish multidisciplinary operative group for fighting against terrorism in Adjara and Kvemo Kartli regions and improve skills of operative group members.

With the aim to improve methods of investigation of TIP cases, the Council elaborated Standard Operative Procedures (SOPs) for Investigators, Operative Agents and Members of Mobile Groups to Reveal the Crime. The draft SOPs document pass filter of foreign expert and currently the Council works to take on board expert's comments and finalise the document, which is anticipated to be adopted by the Council on its meeting in October 2014.

In addition, the Government of Georgia acknowledges the importance of proactive investigation of TIP cases. Therefore, working group composed of prosecutors, investigators and representatives of the secretariat of the Council, was established in 2013, under TIP council to elaborate guidelines for the law enforcements. The guidelines help to investigators and prosecutors to identify TIP victims and give a proper legal qualification to the TIP case. Also, guidelines give the proper interpretation of TIP Article of Criminal Code of Georgia. The guidelines focus on the following issues:

- Legal aspects of trafficking, including the definition of means, actions and purpose of trafficking;
- Trafficking related articles of CCG, namely involving someone in prostitution, giving the venue for the prostitution, involving minor in anti-social activity;
- Standards of TIP investigation: compulsory, comprehensive and effective investigation;
- Standards of the interrogation of TIP victims, including minors;
- Standards of evidences.

The guidelines were approved on February 2014.

4.3.2 Fight Against Terrorism

The Ministry of Internal Affairs of Georgia, namely the Counter-Terrorist Center (CTC) as one of its structural sub-units, is the main agency combating terrorism throughout the country, being responsible for conduct and coordination of counter-terrorist activities for the prevention and suppression of terrorism and the investigation of terrorist acts. In this regard, respective MIA officials undergo systematic trainings, with the support of partner countries and international organisations, to tackle any manifestation of terrorism-related crimes.

The Reforms and Development Agency is the structural unit within the system of the MIA, which also contributes to the development of the legislative framework on the fight against terrorism. In this context, the Agency elaborated draft legislative amendments to the Criminal Code of Georgia. Those amendments reflect the challenges connected with modern terrorism and they entered into force on 4 April 2014. At the same time, the representative of the Agency participated in the OSCE Counter-Terrorism Conference held in Switzerland on 28-29 April 2014.

Establishment of JOCC

The **Joint Operation Command Center (JOCC)**, created with assistance of the Export Control and Related Border Security (EXBS) Program of the United States of America Department of State (USA) **was officially opened on 23 June 2014**. The Center will further enhance both intra-agency and interagency cooperation and coordination. The Joint Operations Center, in its capacity as the mechanism of intradepartmental and interagency cooperation, ensures effective fight against threats existing in the maritime space of Georgia. The main tasks and responsibilities of the JOCC include - managing maritime operations; revealing, eliminating violations of maritime space régime of Georgia, seaports and marine terminals of Georgia and coordinating response thereto; conducting joint actions,

carrying out analysis and enhancing international cooperation in this regard. JOCC is established on the of Georgian Coast Guard radar Base and is equipped with Joint Command, Control, Communications and Maritime Surveillance Technologies. The participating agencies of JOCC are all relevant Ministries and legal entities involved in maritime operations.

In order for the JOCC to be fully operable joint interagency trainings were planned and conducted with the assistance of the USA in June 2014. All representatives of the JOCC from relevant agencies were involved in this event which covered different operational issues including gathering and exchanging the information between agencies in a secure manner and introducing international best practices of operating such centres worldwide. In addition to this, cooperation with the American side regarding elaboration of Standard Operating Procedures (SOPs) in the area of development of maritime space radar and global navigation systems is in progress. Namely, in the first half of February 2015, with the support of EXBS experts from U.S. Department of State, U.S. Department of Defense and the United States European Command are planning to visit Georgia in order to support the process of elaboration of the concept and SOPs for the JOCC.

Developments in CBRN Security

In February 2014, the Government of Georgia adopted CBRN Threat Reduction Strategy that was elaborated under the leadership of the Ministry of Internal Affairs, in cooperation with respective government agencies. The Strategy constitutes the main document providing general directions in the process of reducing threats and mitigating consequences caused by chemical, biological, radioactive and nuclear incidents. The overall objective of this document is to foster the development of the nationwide mechanism for CBRN threat reduction, oriented on such components of CBRN incident management as prevention, detection, preparedness and response. In February 2014, the Interagency Coordination Council on Combating CBRN Threats was established. The Council is mandated to coordinate the process of elaboration of CBRN Threat Reduction Action Plan, to approve this Action plan and to monitor its implementation.

On 2-5 June 2014, “World Congress on CBRN Science and Consequence Management” was held in Georgia for the first time, which was hosted by the Ministry of Internal Affairs of Georgia. Congress was dedicated to the non-spreading of CBRN substances, handling CBRN incident consequences, and other CBRN safety issues. The congress was an opportunity to share Georgia’s experience in the field of CBRN incidents and establish close cooperation with scientists and decision makers from various countries. Congress was attended by members of the Government of Georgia, representatives of executive branch, top officials from the US defence sphere, representatives of diplomatic corps accredited to Georgia and CBRN experts from 38 countries.

In July 2013, Tbilisi Regional Secretariat of CBRN Risk Mitigation Centres of Excellence started functioning under the auspices of the LEPL Academy of the MIA. CBRN Center is the initiative of EU that was implemented through active contribution of European Commission’s Joint Research Center and UN Interregional Crime and Justice Research Institute (UNICRI). Center of Excellence unites 10 countries of South East Europe and its function is the capacity building of agencies involved in the reduction of the above-mentioned threats.

Based on the CBRN Threat Reduction Strategy, adopted by the Government of Georgia in February 2014 (under the leadership of the Ministry of Internal Affairs, in cooperation with respective government agencies), draft National CBRN Action for 2015-2019 was elaborated. CBRN interagency working groups (under the Interagency Coordination Council for countering the CBRN Threats) have held number of visits for this purpose. International experts of the United Nations Interregional Crime and Justice Research Institute (UNICRI) discussed the draft with interagency working groups and

positively assessed it. UNICRI emphasised that Georgia, based on its success in the field, can share its experience in the region.

On 29 October 2014, the Ministry of Internal Affairs and UNICRI organised the side event - THE CBRN NATIONAL ACTION PLANS: MEETING THE CHALLENGES OF INTERNATIONAL SECURITY - at the Sixty-ninth Session of the United Nations General Assembly, at the United Nations Headquarters, New York. Draft National CBRN Action Plan was presented at the side event. Representatives of Philippines, Morocco, Cambodia and Serbia also presented their CBRN National Action Plans. Head of Division, Disarmament and Non-Proliferation, Security Policy and Conflict Prevention Directorate of the European External Action Service (EEAS), Director of UNICRI, Chair of UNSC Resolution 1540 Committee, Chef de Cabinet of the UN Secretary-General and other officials participated in the event.

On 19-20 November 2014, at the Second CBRN CoE National Focal Points Round-Table Meeting for Central Asia in Turin (Italy), at the UNICRI headquarters, the Georgian delegation delivered the presentation reflecting the experience of the country in establishing the Regional Secretariat for South-East Europe, Southern Caucasus, Moldova and Ukraine and presented the draft National Action Plan.

On 1 December 2014, the Ministry of Internal Affairs of Georgia presented country's experience in development of the CBRN National Strategy and Action Plan at the side event "CBRN National Action Plans: An example of effective interagency cooperation". The event was held in The Hague, during the conference of the State Parties to the Chemical Weapons Convention, co-organised by UNICRI and Organization for the Prohibition of Chemical Weapons (OPCW).

The draft National Action Plan was also presented at the side event to the Biological Weapons Convention (BWC) Meeting of State Parties entitled: "National Action Plans and Sharing best practice: an innovative networking approach to mitigate biological risks", held on 5 December 2014, organised by the Government of Italy and UNICRI.

Legislative Developments

Georgian counterterrorist legislation was enhanced in 2013 and 2014. In November 2013, the Chapter devoted to the terrorism-related crimes was largely amended to criminalize terrorism-related offenses to a greater extent. The definition of a terrorist act was broadened and the threat of terrorism was criminalized. As a result of November amendments, a separate criminal code article was added, which addresses illegal purchase, storage, transportation, preparation, and sale of weapons for terrorism purposes or the threat of such. The crimes of theft, extortion, or falsification of documents in relation to supporting terrorist acts were made separately punishable under the terrorist chapter of the criminal code, with significant criminal penalties. In April 2014, separate articles criminalizing participation in international terrorism, recruitment for the membership of terrorist organization and non-conduction of measures for hindering commission of terrorist act were added to the Criminal Code of Georgia.

As a result of 2013-2014 changes, the following new articles were added to the Criminal Code of Georgia:

- Purchase, Storage, Carriage, Manufacture, Transportation, Delivery, Sale or Application of Firearms, Ammunition, Explosives or Explosive Devices for Terrorist Aim (Art. 323¹),
- Participation in International Terrorism (Art. 323²),
- Recruitment for the Membership of Terrorist Organization (Art. 327¹),
- Illegal Seizure of Flying Object or Water Vessel, Movable Railroad Compound or other Public or Cargo Transport for Terrorist Aim (Art. 329¹),

- Theft with the Aim of Committing One of the Crimes envisaged by this Chapter (Art. 330³),
- Extortion with the Aim of Committing One of the Crimes envisaged by this Chapter (Art. 330⁴),
- Drawing Up of False Official Document with the Aim of Committing One of the Crimes envisaged by this Chapter (Art. 330⁵),
- Non-conduction of Measures for Hindering Commission of Terrorist Act (Art. 331²).
- As a result of 2013-2014 changes, the following articles of the Criminal Code of Georgia were amended and thus, enhanced:
 - Terrorist Act (Art. 323),
 - Technological Terrorism (Art. 324),
 - Assault on Political Official of Georgia (Art. 325),
 - Assault on Person or Institution Enjoying International Protection (Art. 326),
 - Membership of Terrorist Organization, Participation in the Activity of Terrorist Organization, Formation of Terrorist Organization or Leading Thereof (Art. 327),
 - Accession to Terrorist Organization of a Foreign State or to Terrorist Organization Controlled by a Foreign State or Assistance in Its Terrorist Activity (Art. 328),
 - Seizure of Hostage for Terrorist Aim (Art. 329),
 - Provision of Training and Instruction for Conduction of Terrorist Activity (Art. 330²),
 - Terrorism Financing, other material support to terrorist activities or maintenance with resources (Art. 331¹).

Moreover, the definitions of “terrorist” and “terrorist organization” in the Law of Georgia on “Combating Terrorism” were updated in 2013 to bring them in line with the international standards.

On the basis of the amendments to Article 331¹ (Terrorism Financing) of the Criminal Code of Georgia (CCG) dated 27 November 2013 (entered into force on 15 January 2014), the scope of the terms of “terrorist” and “terrorist organization” was extended to persons participating in offences under the article 144 (Taking a Hostage), 227 (Illegal Seizure of Flying Object or Water Vessel or Movable Railway Corpus), 227¹ (Creation of a Threat to a Vessel’s Navigation), 227² (Illegal Appropriation, Destruction or Damaging the Stationary Platform), 227³ (Posing a Danger to Navigation of an Aircraft); 229 (Explosion), 230 (Illegal Handling of Nuclear Material or Device, Radioactive Waste or Radioactive Substance), 231 (Seizure of Nuclear Material, Radioactive Substance or Other Source of Ionizing Exposure), 231¹ (Threat of Illegal Appropriation of Nuclear Substances) and 231² (Threat to Seize or Use Illegally Nuclear Substance) of the CCG.

The latest amendments to the terrorism financing offence (Article 331¹ of the CCG) were adopted by the Parliament of Georgia on 4 April 2014, which entered into force on 1 May 2014. The said amendments extended the scope of TF offence to the acts of providing services or resources to terrorist or terrorist organization and harbouring or sheltering terrorist.

Extracts from the Criminal Code of Georgia

331¹. Financing of Terrorism, other Material Support of Terrorist Activities or Provision of Recourses

1. Financing of Terrorism, i.e. collection or provision of funds or other property, knowingly that it will fully or partially be used or is possible to be used by terrorist or terrorist organization and/or for the commission of terrorist activities and/or one of the offences envisaged by Articles 144, 227, 227¹, 227², 227³, 229, 230, 231, 231¹ and 231² of the given Code, notwithstanding whether any offence envisaged by those articles has been committed; and/or

providing service to terrorist or terrorist organization, harbouring or sheltering terrorist, and/or any other material support or provision of recourses to terrorist or terrorist organization,

- shall be punishable by deprivation of liberty from 10 to 15 years.
- 2. The same action, committed:
 - a) By an organised group;
 - b) Repeatedly,
- shall be punishable by deprivation of liberty from 14 to 17 years.
- 3. The conduct envisaged by part 1 or 2 of the present Article, committed:
 - a) By a terrorist organization;
 - b) Causing the grave consequence,
- shall be punishable by deprivation of liberty from 17 to 20 years or by life sentence.

Note:

1. For the purposes of this article, a terrorist is any person involved in the activity, the liability for which is defined by this chapter and Articles 144, 227-227³, 229 and 230-231² of this Code.
2. For the purposes of this article, a terrorist organization is any organization (irrespective of its form) set up to conduct the activity, the liability for which is defined by this chapter and Articles 144, 227-227³, 229 and 230-231² of this Code. An organization may be found as terrorist organization if it is a structured group of more than two persons, established over a period of time. “Structured group” shall mean a group that is not randomly formed for the immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure.
3. For the act provided for by this article, a legal entity shall be punished by liquidation or by deprivation of the right to conduct business and fine.

Additionally, it is noteworthy, that in order to further strengthen existing confiscation system in relation to the terrorism financing, Georgia extended civil confiscation mechanism of illicit and undocumented property to terrorism financing offences as well. The relevant amendments to the Chapter XLIV¹ of the Civil Procedure Code of Georgia were adopted by the Parliament of Georgia on 13 November 2013, which entered into force on 22 December 2013.

4.3.3 Law Enforcement Cooperation

Law Enforcement Cooperation

Adoption the Law of Georgia on International Law Enforcement Cooperation

The elaboration of the draft Law of Georgia on International Law Enforcement Cooperation was necessitated by the need of implementing the cooperation envisaged by bilateral or multilateral international treaties of Georgia into the legislation of Georgia.

Due to the fact, that there was no internal legal act, which could set the rules and procedures of international law enforcement cooperation at national level, it was necessary for Georgia to start the procedures for adoption of the relevant legislative act. To this aim, the Ministry of Internal Affairs of Georgia has elaborated the draft Law of Georgia on International Law Enforcement Cooperation.

The law was adopted on 4 October 2013 by the Parliament of Georgia and entered into force on 22 October 2013.

Moreover, under the EU Visa Dialogue Action Plan, one of the priority obligations envisaged for Georgia is the signature and ratification of the Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters. This international instrument provides for the law enforcement cooperation in such important fields of activity as are: exchange of spontaneous information, conduction of cross-border observations, controlled deliveries and covert investigations, setting up of joint investigation teams. This Protocol was signed on 25 March 2013. The Protocol was ratified by the Parliament of Georgia on 4 October 2013. Georgia deposited its instrument of ratification with the Secretary General of the Council of Europe on 10 January 2014. Pursuant to the Article 30 (3) of the Protocol, this Protocol entered into force for Georgia on 1 May 2014.

This law also provides those provisions, which are necessary for the implementation of the respective articles of this Protocol.

The objective of the law is to ensure efficient cooperation in the field of prevention, detection, and suppression of crimes, to create a firm legal basis for the realization of international law enforcement cooperation, as well as to ensure the full implementation of obligations arising from the relevant bilateral and multilateral international treaties of Georgia.

The law regulates issues of international cooperation, which concern the following:

- Exchange of criminal intelligence information and personal data;
- Protection of criminal case participants and other persons;
- Organisation of controlled deliveries;
- Conduct cross-border observations;
- Search for persons and items, establishment of their whereabouts;
- Setting up of joint crime detection teams;
- Deployment of undercover officers;
- Covert gathering of criminal intelligence information;
- Spontaneous cooperation;
- Cooperation within the frames of police/security attachés;
- Other issues falling within the competence of law enforcement agencies of Georgia.

According to the Law, international law enforcement cooperation is realized on the basis of bilateral and multilateral international treaty of Georgia, or other relevant international legal acts, and, in case of their absence, on the basis of an *ad hoc* decision made in each specific case or on the basis of the principle of reciprocity, in accordance with this Law and the rules established by the legislation of Georgia.

Therefore, the Law gives respective law enforcement agencies of Georgia a possibility to realize international law enforcement cooperation with law enforcement agencies of foreign countries or respective institutions of international organisations on the basis of this Law even if there is no international legal basis in place with the above-mentioned countries or international organisations. The Law creates unified set of rules and procedures for the realization of international law enforcement cooperation that in future will enable interested persons to use and be guided by these norms in a simplified manner.

With the aim of fully implementing Article 7 (cooperation on the basis of request) of the Law of Georgia “On International Law Enforcement Cooperation”, in the beginning of 2014, the order of the

Minister of Internal Affairs of Georgia “On Approving the Rule for Drawing Up and Sending Request on International Law Enforcement Cooperation” was elaborated. The rule was approved by the Minister of Internal Affairs of Georgia on 15 October 2014.

The rule envisages:

- information to be indicated in the request on cooperation, supplementary to the information listed in paragraph 4 of Article 7 of the Law of Georgia “On International Law enforcement Cooperation”;
- list of those high officials of the Ministry of Internal Affairs of Georgia, who are authorized to sign requests for cooperation and replies thereto;
- procedure of coordination for the communication of information kept at the Ministry of Internal Affairs of Georgia;
- means used for the communication of information, personal data and classified information.

MIA also elaborated comprehensive provisions on trans-border/international exchange of personal data in law enforcement field, which will be included in the new instruction substituting the Instruction on Processing and Protecting Personal Data within the Ministry of Internal Affairs of Georgia, adopted by the No. 967 Order of the Minister of Internal Affairs of Georgia of 19 December 2013 and will serve as supplementary provisions to Article 20 (transmission and protection of personal data) of the Law of Georgia “On International Law Enforcement Cooperation”.

Training modules on international law enforcement cooperation were elaborated and included in the curriculum of LEPL Academy of the Ministry of Internal Affairs.

Moreover, the respective provisions of the Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters (MLA) were incorporated into the International Co-operation in Criminal Matters Act 2010. On 24 June 2013, the new amendments to the said Act entered into force. Based on these amendments, currently the MLA law fully covers all the issues of judicial cooperation provided by the Protocol, including the simplified procedures for service of documents, the mechanism related to hearing by telephone and video conferences, temporary transfer of detained persons to the territory of the requesting party and creation of joint investigation teams (Articles 6¹, 7¹, 9¹ and 12¹ of the MLA law).

Bilateral international agreements and draft agreements

The Agreements and MoU’s signed in 2014:

- Memorandum of Understanding between the Ministry of Internal Affairs of Georgia and National Crime Agency of the United Kingdom of Great Britain and Northern Ireland on cooperation in the fight against crime – signed in London on 24 January 2014;
- Agreement between the Ministry of Internal Affairs of Georgia and the Ministry for Emergency Situations of the Republic of Belarus on Cooperation in the Field of Prevention and Elimination of Emergencies – signed in Tbilisi on 11 March 2014;
- Agreement between the Government of Georgia and the Government of Romania on the Exchange and Mutual Protection of Classified Information – signed in Tbilisi on 14 March 2014;
- The Protocol between the Government of Georgia and the Government of the Republic of Lithuania Implementing the Agreement between Georgia and the European Union on the Readmission of Persons Residing without Authorization – signed in Tbilisi on 27 March 2014;

- Agreement between the Government of Georgia and the Government of the Republic of Latvia on Collaboration within the Field of Civil Emergency Prevention, Preparedness and Response – signed in Batumi on 30 May 2014;
- Agreement between the Government of Georgia and the Government of the Republic of Armenia on Exchange and Mutual Protection of Classified Information – signed in Tbilisi on 18 June 2014;
- Agreement between the Government of Georgia and the Government of the Federal Republic of Germany on Cooperation in Combating Organised Crime, Terrorism and Other Serious Criminal Offences – signed in Berlin on 9 July 2014;
- Agreement between the Government of Georgia and the Government of the Republic of Moldova on the Readmission of Persons Residing without Authorization – signed in Chisinau on 6 October 2014;
- Implementing Protocol to the Agreement between the Government of Georgia and the Government of the Republic of Moldova on the Readmission of Persons Residing without Authorization – signed in Chisinau on 6 October 2014;
- Agreement between the Government of Georgia and the Government of the Kingdom of Denmark on the Readmission of Persons Residing without Authorization – signed in Tbilisi on 11 November 2014;
- Agreement between the Government of Georgia and the Government of the Kingdom of Sweden on the Exchange and Mutual Protection of Classified Information – signed in Stockholm on 12 November 2014;
- Agreement between the Government of Georgia and the Government of the Kingdom of Norway on the Exchange and Mutual Protection of Classified Information – signed in Tbilisi on 12 December 2014.

The Draft Agreements negotiated/negotiations initiated in 2014:

- 10-11 September 2014: Draft Implementing Protocol between the Government of the Republic of Poland and the Government of Georgia to the Agreement between the European Union and Georgia on the readmission of persons residing without authorization done at Brussels on 22 November 2010;
- 3-4 November 2014: Draft Agreement between the Government of the Republic of Poland and the Government of Georgia on the exchange and mutual protection of classified information;
- 2-3 December 2014: Draft Implementing Protocol between the Government of the Federal Republic of Germany and the Government of Georgia to the Agreement between the European Union and Georgia on the readmission of persons residing without authorisation concluded on 22 November 2010 in Brussels;
- In July 2014, the process of negotiations was initiated with Europol with regard to the draft agreement on strategic and operational cooperation;
- In August 2014, the process of the negotiations was initiated with the EU with regard to the draft agreement on exchange and mutual protection of classified information.

Draft Agreements negotiated by exchange of diplomatic notes in 2013-2014:

- Fight against crime draft agreements with Greece, Czech Republic, Slovak Republic, Belarus, Belgium, Qatar, Kazakhstan;
- Draft agreements on the exchange and mutual protection of classified information with Portugal and Greece;
- Civil emergency cooperation draft agreement with Bulgaria;
- Readmission agreement draft implementing protocols with Greece, Cyprus, France, Italy, Sweden, Czech Republic, Slovak Republic, Portugal and Spain;

- Draft readmission agreements with Armenia, Azerbaijan, Bangladesh, Pakistan, Sri-Lanka, Belarus, Israel, Bosnia and Herzegovina, Serbia and Montenegro.

The Draft Agreements to be initiated by diplomatic notes in the beginning of 2015:

- Draft readmission agreements with Algeria, China, Egypt, Iran, Kazakhstan, Nepal, Nigeria and Turkey.

Multilateral international instruments signed/ratified by Georgia

- Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters, signed on 25 March 2013, ratified on 4 October 2013, instrument of ratification deposited on 10 January 2014, entered into force on 1 May 2014;
- Additional Protocol to the Criminal Law Convention on Corruption, signed on 25 March 2013, ratified on 27 July 2013, instrument of ratification deposited on 10 January 2014, entered into force on 1 May 2014;
- The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (Warsaw Convention), signed on 25 March 2013, ratified on 4 October 2013, instrument of ratification deposited on 23 September 2014, entered into force on 1 January 2015;
- The CoE Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse, signed on 12 March 2009, ratified on 19 March 2014, instrument of ratification deposited on 23 September 2014, entered into force on 1 January 2015;
- Additional Protocol to the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, regarding supervisory authorities and trans border data flows, signed on 15 May 2013, ratified on 27 July 2013, instrument of ratification deposited on 10 January 2014, entered into force on 1 May 2014;
- On 14 April 2014, Georgia signed the Third Additional Protocol to the 1957 European Convention on Extradition. The ratification process is on-going.

Non-Operative International Police Cooperation - Bilateral and Multilateral Cooperation Unit (BMCU) established within the MIA International Relations Department

In 2012, the Bilateral Cooperation Unit (BCU) was established within the International Relations Department of the Ministry of Internal Affairs of Georgia (in 2014 BCU was transformed into Bilateral and Multilateral Cooperation Unit (BMCU)), which is responsible for non-operative international police cooperation. Main functions are:

- To implement bilateral and multilateral international treaties and agreements;
- To assess the application of existing bilateral and multilateral international treaties and agreements;
- To respond to the requests received under bilateral and multilateral international treaties and agreements or on the basis of the principle of reciprocity;
- To forward requests received from the structural sub-units of the ministry to respective agencies of foreign countries;
- To participate in working groups established under bilateral international treaties and agreements, organise their meetings and implement minutes of meetings signed within their frames;
- To establish mutual contacts and strengthen cooperation in the field of law enforcement with respective agencies of foreign countries;

- To prepare and implement cooperation programmes, organise working groups in bilateral framework and implement action plans prepared by these working groups, cooperate with police/security attachés or liaison officers in terms of arrangement of trainings, seminars and study visits, research, obtain and analyse European experience and best practices in various fields of activity falling within the competence of the ministry.

So far, the BMCU has managed to establish personal and direct contact points with partner countries for the purposes of further strengthening and further enhancing, developing the existing mutual relations and communications; and thus conducts effective work, and facilitates the cooperation of the whole Ministry.

In 2014, the Bilateral Cooperation Unit processed 50 requests for cooperation, out of which 6 requests were received (1 from Republic of Armenia, 1 from the republic of Austria, 1 from Republic of Turkey, 1 from State of Israel, 1 from Azerbaijan and 44 sent to different partner countries (4 - Russia, 4 - Azerbaijan, 15 Iran, 4 - Armenia, 16 - Turkey and 1 - Republic of Bulgaria). Majority of the requests were concerning administrative offences and enquiring information about different issues.

With an aim of assessing the implementation of existing bilateral international treaties and making proposals for their optimisation following bilateral working group meetings were held:

- 27-28 January 2014: The working group meeting in Baku within the framework of the 2013 Agreement between the Government of Georgia and the Government of the Republic of Azerbaijan on cooperation in the area of prevention, limitation and mitigation of emergency consequences;
- 10-13 March 2014: Meeting of the working group within the scope of the Agreement between the Government of Georgia and the Government of the State of Israel on Cooperation in the fight against crime and public security. The meetings were held with representatives of the Forensic-Criminalistics Main Division, Division on Fight against Cyber-Crime of Central Criminal Police Department and Special Operations Department in order to identify the capacities and needs of the mentioned services, what will contribute to the future planning;
- 25-26 April 2014: Within the framework of the official visit of the German Federal Criminal Police Office to the MIA of Georgia, willingness to intensify cooperation was expressed, especially in the fields of combating organised crime, forensics and capacity building of the employees of the Ministry. 25 June 2014 – The meeting of the bilateral working group was held at the Ministry of Internal Affairs of Georgia;
- 19-21 May 2014: Visit of the Federal Criminal Police Office of Austria was organised. Within the framework of the visit, Austrian side will present the EU International Law Enforcement Cooperation Project, which provides for the creation of the new Law Enforcement Coordination Unit at a national level that will manage international operational cooperation within the MIA. The initiator and leader of the project is the Austrian Ministry of the Interior;
- 10-12 June 2014: The Fifth Joint Commission Meeting between the Representatives of the MIA Georgia and the Turkish National Police of the Ministry of Interior of the Republic of Turkey was held on 10 June 2014 in Ankara, Turkey within the framework of cooperation determined by the “Agreement between the Government of Georgia and the Government of the Republic of Turkey on Cooperation in the Field of Security” signed in 1994. During the meeting the parties discussed joint issues on the fight against illicit drug traffic, human trafficking, terrorism and other forms of organised crime and signed the minutes of meeting, where future cooperation plans of the parties were envisaged;

- 1-2 July 2014: Delegation of the Ministry of the Interior of Poland paid an official visit to Georgia. Within the framework of the visit, Polish side officially presented the Eastern Partnership Police Cooperation Programme. The project is planned for 4 years and is coordinated by the Republic of Poland. The Programme aims to strengthen contacts between the EU and the Eastern Partnership countries and envisages strengthening of cooperation with the EU and among the Eastern Partnership countries, experience sharing, harmonisation and standardisation in the field of law enforcement;
- Proposals regarding cooperation in the field of fighting organised crime within the framework of the working groups were sent to the Interior Ministers of the Kingdom of Denmark, the Kingdom of Sweden, the Kingdom of Belgium, the Kingdom of the Netherlands, the Republic of Cyprus, the Republic of Finland, the French Republic the Italian Republic, the Portuguese Republic, Slovenia, Slovak Republic, Romania, Hungary, Poland in August - November 2014;
- 14 - 17 September 2014: The Delegation of the Turkish National Police paid a three-day-visit to the Ministry of Internal Affairs of Georgia. During the visit the representatives of the International Relations Department, the Central Criminal Police Department, LEPL Academy of the MIA, the Patrol Police Department and the Expert Forensic Main Division hold meetings with the experts of Turkish National Police. The parties discussed the strategies of fight against drug trafficking and plans of future cooperation. Main purpose of the meeting was to provide respective Turkish authorities with information about Georgian drug legislation, including the new law of Georgia on New Psychoactive Substances, hence to avoid possible delays and difficulties at the Border Crossing Points and also to increase mutual cooperation in fighting trafficking in drugs. The Turkish Delegation visited forensic laboratory of the Ministry and the Vale Border Crossing Point.
- 16 December 2014: The Ministry of Internal Affairs hosted a meeting with the delegation of the Austrian Federal Criminal Police Office, headed by the President, Franz Lang. The Georgian side was presented by the Central Criminal Police Department and the International Relations Department. The meeting was also attended by the Director of the International Relations Department of the Republic of Moldova, Cristina Lesnic. The parties discussed the possibility of establishing International Legal Coordination Unit (ILECU) at the Ministry of Internal Affairs of Georgia, especially, the existence of relevant legal framework;
- 23 December 2014: The Ministry of Internal Affairs hosted a delegation from the General Directorate of Migration Management of the Ministry of Interior of the Republic of Turkey. The Ministry was represented by the Central Criminal Police Department, Migration Department and the International Relations Department. The Turkish side presented structure of the Directorate General, its competences, provided information on new law of the Republic of Turkey “*On Foreigners and International Protection*” and provided updates on tendencies and challenges in human trafficking. The parties also discussed efforts conducted by Turkish and Georgian authorities aimed against human trafficking, including programmes developed for the protection of victims of trafficking.

Operative International Police Cooperation - International Criminal Cooperation Center (ICCC) established within the MIA Central Criminal Police Department

In 2012, the International Criminal Cooperation Center (ICCC) was created within MIA Central Criminal Police Department (in December 2014, the Regional cooperation Unit/GUAM Law Enforcement Center was transferred from International Relations Department to ICCC in order to unite operative international cooperation units under one Center). The main functions of the Center are

to represent MIA at international organisations and in foreign states through seconded representatives: police/security attachés and liaison officers, to conduct cooperation with foreign counterparts at operative level, to implement the relevant provisions of international cooperation agreements and of the Law of Georgia “On International Law Enforcement Cooperation”, concerning operative field of cooperation and etc.

The Ministry of Internal Affairs of Georgia actively cooperates with police/security attachés of the EU Member States represented in Georgia or covering Georgia from other countries: France, Austria, Germany, Belgium, Netherlands, Italy, UK and other countries (non-EU Member States): Armenia, Azerbaijan, Ukraine, Turkey. The forms of cooperation are: exchange of relevant information, best practices, statistics, joint measures, adoption and implementation of annual assistance/cooperation plans, trainings, study visits and etc. Furthermore, to strengthen the existing cooperation and further enhance future partnership relations, the Ministry has already deployed police attachés to: Austria, Azerbaijan, Belarus, Turkey (2 police attachés), Ukraine, France, Armenia and Greece. Police attaché will be seconded to the Federal Republic of Germany (Berlin) in 2015. As of 2015, negotiations are planned to be launched with the law enforcement agencies of Spain with the purpose of deploying police attaché thereto.

In 2014, the MIA Central Criminal Police Department received and processed nearly 350 requests for assistance from 25 countries. The cooperation requests concern different areas of law-enforcement work, including “thieves-in-law”, members of organised criminal groups, identification of persons/documents, information about wanted persons, cybercrime, persons suspected in theft, forged credit cards and illegal appropriation of money from credit cards, drug trafficking, illegal border crossing, forged documents, illegal migration, international transfer of drugs, etc.

Interagency Law Enforcement Cooperation and Coordination Mechanism

The Memorandum of Understanding between Ministry of Internal Affairs, Ministry of Justice, Ministry of Finance, Chief Prosecutor’s Office and the Financial Monitoring Service on Interagency Cooperation on Law Enforcement issues was signed on 16 May 2013 and entered into force on the same date.

The MoU regulates the cooperation between law enforcement agencies in the area of fighting national and transnational crimes. In order to facilitate the exchange of information, the parties will exchange and regularly update contact points and agree on the use of secure channels. The Memorandum also regulates the creation of *ad hoc* joint investigative groups on the basis of the request from one of the parties. At least biannually the parties will exchange information about the measures undertaken on the basis of the information provided from each other.

In this regard, Operative-Technical Department of MIA is elaborating encoded electronic interagency data exchange software that will facilitate communication between law enforcement agencies and the exchange of confidential data.

Special Inter-Agency Working Group (hereinafter - WG) was established under Article 5 of the MoU in order to effectively implement its provisions. Members of the WG are high representatives designated from the respective units of each signatory to the MoU. The WG meets regularly when required, but at least once in every three months, in order to assess and discuss the current situation of interagency cooperation and agree the ways and mechanisms of its further development. The WG meetings are followed by minutes of meetings, where future activities to be performed until the next meeting of the WG are envisaged for each or respective participant of the WG. Moreover, members of the WG are tasked to provide reports regularly on the implementation of the provisions of the MoU and exchange and update their contact details pursuant to Article 5 of the MoU.

The WG has held seven meetings since its establishment, the last one was held on 21 November 2014. The members of the WG exchanged their contact details and subsequently provided amendments thereto. Moreover, they provided respective information on the implementation of the articles of MoU and on the measures undertaken for the development of interagency cooperation, as well as relevant statistics and indicators of cooperation. The members are requested to provide updated information for the next WG meetings, during which progress report will be assessed and future activities will be envisaged.

4.3.4 Performance and Accountability of Law Enforcement Agencies

1) Current situation and recent updates within the MIA system

Since October 2012, comprehensive reforms within the MIA system have been conducted, with the purpose of increasing the efficiency of the Georgian law enforcement, fighting corruption and impunity, enhancing transparency concept and strengthening respect for human rights. In this regard active steps have been taken by MIA through amending legal framework of the police conduct in line with international standards and elaborating and approving necessary instruments thereto, including the Georgian Police Code of Ethics, Instructions for Temporary Detention Isolators (TDIs) Officials, the short-term Strategy of the Ministry of Internal Affairs for 2013¹⁶; reassessment of professional qualifications and conducting large-scale testing of operative staff throughout Georgia in order to determine existing deficiencies and weaknesses within the system and elaborate relevant amendments to police training curricula in cooperation with partner countries; carrying out regular and mandatory trainings of police officers on the basis of enhanced and improved the educational programs¹⁷ of the LEPL Academy of the MIA. The Ministry is also working on improving and further strengthening investigation/complaints-handling mechanism concerning allegations on law violations by police officers.

For the purposes of further ensuring accountability of the police and due fulfilment of their duties, especially in interaction with the society, it is a positive novelty that each police officer (Patrol Police) carries portable cameras attached to their uniform, in order to guarantee that no procedural or human rights violations take place. This also represents a good mechanism for the police supervisors to monitor/control their subordinates' good faith during fulfilment of professional duties. Apart from that it is also noteworthy that each police officer carries an easily identifiable badge with his/her name and surname engraved on it.

Furthermore, in terms of further responding to international calls and enhancing Georgian police performance and accountability, the Ministry has undergone structural reorganisation, which, among other things, include dismantling of the Constitutional Protection Department (CPD) and instead, creation of State Security Agency and Anti-Corruption Agency, which covers the CPD functions within their scope of competence. The idea behind these reforms was to respond to criticism and

¹⁶ It is noteworthy that the Strategy pays due attention to the protection of human rights of detainees in TDIs, focusing on international standards applicable thereto, improving the quality of treatment of detainees and ensuring safe environment for detainees to the maximum extent possible. In this regard the Strategy highlights the following steps to be taken in the course of reforms undergoing at the Ministry: Monitoring enhancement (structural enhancement, video surveillance, electronic software); Infrastructure rehabilitation; Human resources (increase the number of employees, providing trainings, and improving medical service); Improvement of legal framework; Strengthening cooperation.

¹⁷ It is noteworthy that the duration of basic training curriculum for police officers has been doubled (from 3 to 6 months), and so has the human rights subject within the curriculum. Moreover, police officers systematically undergo basic and *ad hoc* courses *inter alia* on human rights. New and improved theoretical and practical skills assessment has been introduced; and in case of complaints in regard to the assessment, a candidate is given the opportunity to address the commission board.

launch the process of depolarization of the structures; the newly formed agencies have clearly determined functions, thus avoiding miscommunication and duplication in powers.

2) Accountability for disproportionate use of force and prevention thereto

The issues of accountability for the disproportionate use of force by the Georgian police during apprehension and detention are adequately addressed and regulated within the MIA scope of competence. More precisely:

The LEPL Academy of the MIA devotes special attention to teaching legal basis for the use of force and acquiring relevant practical skills by future policemen. The course on use of force is mandatory for all police officers and is taught with a special manual (compilation of documents) on Use of Force, elaborated for the students of the LEPL Academy of the MIA, in cooperation with USA, France and various international organisations. The course consists of the following theoretical (legal framework) and practical (tactical training) components:

- Legal framework – theoretical part of the course covers following issues: use of physical force, special means and firearms by police officers; sequence and escalation of force in response to violence/resistance; precautions to be taken; the principles of legitimacy, necessity and proportionality applied thereto, as well as types of penalties, including criminal sanctions for unauthorized use of coercive measures – all in line with relevant international norms, administrative and criminal legislation of Georgia.
- Tactical training involves development of skills in the following areas: action in critical circumstances, assessment of risk and danger in particular situation, and methods and modalities of the response in accordance with the Georgian legislation regulating use of force. As a result of this course students acquire necessary negotiation skills for managing critical situations and ensuring that coercive force is used as a last resort.

3) Police accountability and General Inspection

In terms of ensuring better accountability of the Georgian police, including for the disproportionate use of force, the role of the MIA General Inspection has been strengthened and its effectiveness has been raised through structural changes conducted therein. More precisely, different monitoring bodies functioning under several structural units of the Ministry (Patrol Police, Border Police, Special and Emergency Operations Centre) became subordinate to Disciplinary Persecution Division of the General Inspection, since the previous decentralised monitoring mechanism proved to be ineffective and did not give thorough and objective information about the wrongdoings committed by personnel. Current new model will enable General Inspection to observe and cover all structural units of the ministry and have a clear picture about the situation, corresponding risks and challenges, thus ensuring effective functioning of the integrated internal oversight mechanism. Furthermore, Main Division for Monitoring, Analysis and Coordination has been established within General Inspection, being responsible for centralized analysis of all data and information collected by divisions of the General Inspection.

Moreover, complaints-handling procedure has been improved at the MIA General Inspection: 24/7 **hotline – 126**, an easy number has been introduced for individual complaints, and all calls are now recorded and monitored, thus giving citizens the opportunity to address the General Inspection regarding cases of law violation by the law enforcement officers. In order to raise awareness about the new General Inspection hotline in the population, active media campaign has been conducted by the MIA through TV and other media means.

In the end, despite of the source of information, all facts of possible violations of human rights by law enforcement agents are duly investigated by MIA General Inspection. In case the alleged violation is proved, depending on the character of committed wrongdoing, the following disciplinary sanctions, among others, are imposed: Reprimand, Severe Reprimand, and Dismissal. Moreover, it should be noted that in cases the allegation includes elements of the criminal offence, the Office of Chief Prosecutor launches an investigation into a specific criminal case.

4.3.5 Civil Protection

Current situation within the MIA scope

MIA actively participates in the Eastern Partnership flagship initiative on civil protection, which develops and reinforces the capacity of participating countries for disaster prevention, preparedness and response at local, national and regional level, and develops effective cooperation between the EU and the Partner countries and among the Partner countries themselves, as a means of political and social stability.

The project undertakes the review of existing resources and available mechanisms working on disaster prevention, preparedness and response in different countries and the preparation of a regional Risk Atlas. It organises training workshops, study visits and exchanges of experts involved in disaster management, as well as technical assistance missions in response to specific demands by the countries' authorities. Further activities include full-scale simulation exercises and awareness-raising for stakeholders and the general population. All activities are implemented in a multi-disciplinary approach and focus on a number of different topics, for example building codes and legislation, urban and land planning, early warning systems, etc. relating to different risks.

Within the framework of Twinning project “Support the Emergency Management Department in development of emergency services in Georgia - improve the safety of the population and environment in emergency situations in Georgia and “PPRD East” (Prevention, Preparedness & Response to Natural and Man-Made Disasters) project implemented in MIA, as a result of presented recommendations by the European experts, Georgian law “on Civil protection” was drafted by the department and adopted by the parliament on 29 May 2014.

In the framework of the PPRD East program, numerous regional trainings/seminars were conducted on risk management and disaster prevention, including study visits on geographic information systems. In May 2014, electronic regional risk atlases were installed on the MIA servers and are successfully applied by the EMD. The PPRD East experts also conducted trainings on the use of “MIKE 11” Computer program. The software enables to make flood analysis and design flood alleviation. The license of the programme was handed over to EMD by the end of 2014. At the same time the installation process of the early warning systems are in the process of installation at Duruji and Kabali river basins. By the end of 2014 this systems will be installed and tested. Meanwhile, in Lagodekhi and Kvareli regions local response and evacuation plans are updated in order to reflect early warning response component.

The following activities from 2013 and 2014 are worth mentioning:

- As a result of close collaboration of the LEPL “Child and youth national center “ of the Ministry of Sport and Youth affairs of Georgia and MIA Emergency management department “Young rescuers club” was established in the country;

- 1st phase of the programme “Prevention, Preparedness & Response to Natural and Man-Made Disasters” (PPRD East) financed within the framework of EaP was completed. Outcomes achieved at this stage are:
 - Sub-regional and regional seminars on the topic of geo-information systems have been conducted; employees of emergency management department actively took part in different study tours. Expert of geo-information issues completed work on electronic regional risk atlas that was installed on the server allocated by the MIA. MIA emergency management department is responsible for its functioning;
 - Current legislation in the sphere of emergency management was studied and institutional arrangement in this sphere has been analyzed by the Italian experts hired within the framework of the program. Finally, recommendations were elaborated and considered during the process of elaboration of draft law on civil protection;
 - Following activities have been conducted to raise public awareness: short video clips and posters were prepared, guidelines, posters and brochures have been published concerning emergency situation prevention, preparedness and response;
 - Study courses on emergency situation management issues have been conducted with the purpose of strengthening civil protection capacities of the country, different seminars, table-top exercises have been arranged in Georgia as well as abroad, where representatives of emergency management department participated together with the representatives of other program participant countries;
 - Within the framework of the programme PPRD East different kind of activities have been conducted in 2014, among them: national coordinators meeting, sub-regional seminar on “disaster risk reduction”, informational campaign on the topic “maximum awareness among whole population – about the prevention, preparedness and response of the natural and man-made disasters”, conference and table-top exercise on the topic of disaster management, operational management course, meeting of advisory council members of the country, seminar on introducing final form of electronic regional risk atlas to beneficiary countries, regional course on table-top learning, seminar on the topic: “control of large scale disaster related to hazardous substances in accordance with the SEVESO directives”, closing conference devoted to 4-year-activities of the PPRD East program;
 - In the framework of close cooperation with IOM study on the topic: “management of migration crisis, caused by disasters” was organised;
 - On 2-5 December 2014, with an aim of CBNR threat reduction, Emergency Situations Management Agency with support of DTRA organised training on “strengthening transnational sustainability.”
 - On 3-5 December 2014, the Emergency Situations Management Agency and the Ministry of Environment and Natural Resources Protection with support of United Nations International Strategy for Disaster Reduction (UNISDR) organised meetings on “Capacity Building on the Local Level in the Sphere of Risk Reduction and Adaptation to the Climate Changes”;
 - On 1 December 2014, within the framework of Eastern Partnership Flagship Initiative II phase of project on “Prevention, Preparedness and Response to Man-made and Natural Disasters” has officially launched which will last 4 years.

4.3.6 Fight against Cybercrime

Taking into account vast technological progress and its impact, the level of cyber threats is alarming. In that regard, for Georgia most important cybercrime challenges are: computer-related frauds, illegal access to computer system and online infringement of copyright and related rights.

Fully comprehending importance of international cooperation in successfully combating cybercrime Georgia has signed the Council of Europe Convention on Cybercrime that entered into force on 1

October 2012. In December 2012, Special Cybercrime Unit was established within Central Criminal Police Department of the Ministry of Internal Affairs of Georgia. This Unit constitutes the main body responsible for cybercrime investigations, and also attains the functions of 24/7 International Contact Point as required by the 2001 Budapest Convention.

At the same time, Special Unit of Electronic Forensics was established in MIA Forensics Main Division. Mentioned Unit is responsible for carrying out forensics of digital evidences and issuing technical decision on their reliability. Unit's technical decision can be presented as evidence at the court trials.

Moreover, the Ministry of Internal Affairs elaborated Standard Operational Procedures (SOPs) on Initial Handling of Digital Evidences as well as on their forensics. SOP on initial handling of digital evidences establishes general rule for search and seizure of electronic evidences, whereas SOP on forensics specifies concrete steps, special technical means and software programs while examining digital evidences. These documents will serve the interests of justice since they sufficiently decrease the risks of falsification of electronic evidence.

In the same line, MIA drafted certain legislative amendments that reflect core provisions of SOPs with regard to digital evidences. More precisely, certain changes will be incorporated in the Criminal Procedure Code of Georgia defining exact procedural steps for search and seizure of digital evidence, and reference will be made to SOPs. Therefore, based on these changes, Georgian law enforcement agencies will be able to use above-mentioned more detailed SOPs as binding bylaws in criminal procedure. Those legislative amendments will be submitted to the Parliament of Georgia for approval during the Spring Session.

At the same time, MIA has elaborated National Strategy for Combating Organized Crime that contains special chapter on combating cybercrime, approved by the Government Decree No. 252 on 2 October 2013. Corresponding Action Plan specifies concrete steps to be undertaken for the detection, suppression and prevention of cybercrime offences.

The Ministry of Internal Affairs pays utmost importance to the development of skills of its law enforcement staff. For this purposes, MIA actively cooperates with Estonian Counterparts and US Federal Bureau of Investigation (FBI). In March 2013, Georgian first responders to cybercrime and investigators visited Estonia to share their experience and familiarize with institutional framework. Within the framework of this visit, cybercrime modern trends and techniques were discussed. In May 2013, FBI cybercrime agents conducted trainings on cyber intrusion threats for Georgian law enforcement staff combating cybercrime. Trainings covered the following topics: network investigations, data recovery, search and seizure of digital evidence, etc. Capacity building of relevant police officers of Georgia is the ongoing process and further steps will be taken in this regard.

In March 2014, officers of the MIA Cybercrime Division participated in training programs organised by the UK National Crime Agency and Metropolitan Police. The training program was focused on electronic evidence gathering and investigation of narcotic crimes committed by cyber means. Furthermore, in May 2014, representatives of the MIA Cybercrime Division attended the trainings provided by the Turkish National Police Cybercrime Department. Within the framework of the course, representatives of the MIA Cybercrime Division acquired knowledge and precious practical experience related to methods and tools necessary for first response to digital evidences and image acquisition. Moreover, in May 2014, employees of the MIA Operative-Technical Department visited the Republic of Poland where they participated in study courses provided by the Criminal Intelligence Department in Regional Police Headquarters in Lodz. Within the framework of study visit, the MIA officers shared Polish experience related to Metadata Analysis, Management of the Police Data Bases, Methods necessary for effective fight against cybercrime.

Additionally, in May 2014, representative of the MIA Central Criminal Police Department participated in the training course organised by the George C. Marshall European Centre for Security Studies.

Besides obtaining international best practice from foreign partners in the field of cybercrime, Ministry of Internal Affairs is focused on its capacity building on national level as well. In this regard, MIA International Relations Department with the cooperation of European Cybercrime Training and Education Group (E.C.T.E.G) is planning to launch special cybercrime trainings at the LEPL Academy of the MIA. The main beneficiaries of those courses will be the employees of Special Cybercrime Division and Electronic Forensics Unit. Training courses cover following topics: expertise of mobile phone, forensic scripting, internet and network investigations, applied NTFS forensics and etc.

Cyber Security

In May 2013, the President of Georgia signed the Cyber Security Strategy for 2013-2015 that is the main document defining key trends in this field. The Cyber Security Strategy has its own action plan that ensures accomplishment of the goals provided by the Strategy itself. Aforementioned document takes into consideration transnational character of cyber threats and declares mutual cooperation with the EU, the CoE and other international partners as one of its main priorities.

In February 2014, the Cyber Security Bureau (CSB) was established under the Ministry of Defence as a Legal Entity of the Public Law to improve and safeguard the cyber security of the military capabilities and infrastructure. In November 2014, the Cyber Security Policy was approved by the CSB that defines aims and general principles for defence sector for building reliable information and communication technology infrastructure. The Cyber Security Development Action Plan has been elaborated and will be approved in the first quarter of 2015.

Furthermore, in March 2013, the President of Georgia issued the ordinance that specifies Objects of Critical Informational Infrastructure for which state provides special protective measures. Previously, this ordinance only enumerated small number of those state bodies whose normal functioning had the critical importance for Georgia. However, in April 2014, the Government of Georgia adopted the resolution expanding the list of Critical Informational System Subject up to the 39 public entities.

Currently, the Office of State Security and Crisis Management Council elaborates draft of Threat Assessment Document that will reflect all possible threats, risks and challenges (Including Cyber Threats) facing to the national security of Georgia. Once the Threat Assessment Document will be approved by the Government, all relevant cyber security related conceptual documents and legal acts will be revised and updated.

In September 2014, the Ministry of Defence elaborated the List of Critical Informational System Subjects in defence sector that was submitted to the Government of Georgia for adoption as required by the law “On Informational Security”. The Government of Georgia will approve above-mentioned list in the course of 2014. The Government of Georgia approved the list on 29 September 2014.

It September 2014, the Cyber Security Bureau elaborated draft policy on the cyber defence that reflects visions of the MoD, strategic goals and tasks necessary for strengthening cyber defence. This document is submitted to the Minister of Defence for approval.

Cyber Defence

In March 2014, the Ministry of Defence established the Cyber Security Bureau as a legal entity of public law. The Bureau is responsible to establish and enhance a secure and credible Information Communication Technology's (ICT) infrastructure capabilities for defence sector of Georgia. The Cyber Security Policy was drafted by Cyber Security Bureau in cooperation with NGOs, NATO as well as other relevant partners. As soon as the Policy Document is adopted, the Bureau will provide a Cyber Security Development Strategy.

4.3.7 Elaboration of the National Anti-Drug Strategy and respective action plan

Interagency Coordinating Council on Combating Drug Abuse

Drug policy development and coordination of policy implementation is mainly conducted by Interagency Coordinating Council on Combating Drug Abuse (hereinafter-council). The council was established by the presidential order on 22 November 2011. The establishment of the Council was triggered by the aim of the government to intensify combating against drug abuse and cope with all problems connected thereto. Council comprises members from all the significant governmental institutions, and is working in cooperation with the representatives of the international organisations as well as of non-governmental organisations, and with the independent experts working on drug related issues. The main objectives of the Council are to elaborate state strategy on the combating drug abuse in line with the human rights standards and considering the situation analysis of the country, as well as to draft, periodically revise and monitor the implementation of the strategy and action plan and coordinate intergovernmental activities.

National Drug Strategy and Action Plan

In 2012, Coordinating Council created four working groups for the purpose of elaboration of national drug strategy and relevant action plan. Working groups were established according to the following strategic directions: Information, research, assessment working group, Supply reduction working group, Demand reduction and harm reduction working group, International cooperation and internal coordination working group. Working groups were comprised by representatives of relevant governmental agencies, civil society, international organisations and independent experts.

The National Drug Strategy and the Action Plan for 2014-2015 were approved by the Coordinating Council on the meeting of 4 December 2013 and the implementation of the documents has started timely by the responsible agencies. The strategy and action plan were reviewed and assessed as being in line with existing international principles and trends and covering all relevant areas of drug policy by the Co-operation Group to Combat Drug Abuse and illicit trafficking in Drugs (Pompidiou Group) of Council of Europe. All the recommendations provided by the Pompidiou group were reflected in the both documents.

The strategy is based on the following basic principles: assisting harmonious development of a human being, safeguarding personal and public security, respect for human dignity and rights, and facilitating informing and educating the public. The goal of the present strategy is to reduce medical, social and economic harm caused by illicit drug traffic on the individual, family, community, public and national level. The main directions/components of the strategy are: working on reducing demand and harm; reducing supply; coordination and international cooperation; and monitoring drug situation in the country.

The action plan is also based on these goals and directions, and it provides clear time schedule for the institutions to conduct activities in the field of combating drug phenomenon in different settings with

balanced approaches based on scientific evidences. Action Plan determines specific tasks and respective measures to be undertaken; implementation assessment indicators and clear timeframe, for each responsible body and partner organisation. Furthermore, the document foresees the necessary resources for each activity and the source of funding.

Implementation of the Action Plan of the National Drug Strategy

National drug strategy as well as action plan were adopted by the Inter-Agency Coordinating Council on Combating Drug Abuse on the meeting of the council on 4 December 2013.

Measures are undertaken in order to implement action plan by different stakeholders in all directions of drug policy. Efforts undertaken by the different agencies are reported in detail to Secretariat of Inter-Agency Coordinating Council.

Following are activities, provided in Action Plan conducted since January 2014:

1. Supply reduction

Training of the Customs Department Staff in finding drugs, psychotropic substances and precursors while exercising customs control

In 2014, customs service of the Ministry of Finance trained 46 customs staff members in order to increase their capacity in monitoring and detecting illegal trafficking of substances while exercising customs control.

Training staff of penitentiary system in detecting drugs, psychotropic substances and precursors and inspection procedures

Within the scope of the basic and long-term programmes, and also of the specialised study programmes for security staff, trainings were held for 162 employees at penitentiary institutions by Ministry of Corrections on the procedures of discovering and control of the illegal drugs, psychotropic substances and precursors in penitentiary institutions.

Advanced Training for Police Officers of Respective MIA units on the Issues of Illegal Drug Circulation

In order to increase the capacity in drug supply reduction, the MIA provides regular trainings for police officers on the following topics: “Classification of Narcotic Drugs (Natural, Semi Synthetic And Synthetic)”; “The prevalence of drug use in Georgia”; “The list of Narcotics drugs, psychotropic substances and precursors”; “Signs of Narcotic Intoxication”; “Forms of Illicit Drug Use”; “Commonly Encountered Methods of Drug Concealment”. 1344 Police officers were trained since the January 2014.

During 2014, doctor-narcologists of the Forensic Main Division Drug Testing Service of the Ministry of Internal Affairs have passed a specialised re-training course on the following subject: “A Simplified Way of Identification the Consumption and Abuse of Psychoactive substances”. Upon completion of the course, certificates were awarded to the participants.

Remark: Internal financial resource for conduction of training amounted to 9000 GEL.

Strengthening Control over Main Possible Routes of Illicit Traffic of Drugs, Psychotropic Substances and Precursors. Quantities of Seized drugs, Psychotropic Substances and Precursors

Enhanced security measures at the borders as well as more proactive approach towards investigation and control resulted in significant increase of the amount of drugs seized at the state borders of Georgia. In July 2014, while crossing the Georgian border, officers of the MIA arrested the truck with up to 3 tons of liquid heroin, containing 589 kg of heroin, more than 2 kg of codeine and 12 kg of morphine. The smuggled goods were trafficked from Afghanistan, through Iran and Azerbaijan, with final destination in Europe.

In June 2014, operational units of the MIA seized more than 500 grams of cocaine.

As a result of joint prevention activities, on 31 July 2014, the officers of the regional divisions of MIA, throughout Georgia detected and destroyed 28 tons and 373 kg crops of cannabis growing wild.

Below is a list of narcotic drugs and psychotropic substances seized from illegal circulation for the 11 months of 2014:

Heroin - 591 kg 665,8213 gr.
Buprenorphine - 24,2267 gr. (approximately 3 028 pills)
Methadone - 76,1209 gr.
Opium - 217,869 gr.
Amphetamine - 57,1826 gr.
Methamphetamine - 65,7246 gr.
Morphine - 11 kg 761,697 gr.
Codeine - 12 kg 300,9536 gr.
Tramadol - 714,25 gr.
Fentanyl - 0,8097 gr.
Desomorphine - 0,6128 gr.
Cocaine - 501,1058 gr.
Pregabalin - 15 kg 288,367 gr.
Cannabis Resin - 63,8208 gr.
Cannabis Oil - 9,5 gr.
Marijuana - 48 kg 765,052 gr.
Cannabis plant - 5418 kg 799,315 gr.
Ecstasy (MDMA) – 60,9253 gr.
Pseudoephedrine - 70,3057 gr.
Poppy - 8 kg 228,397 gr.
Extract of Poppy Straw- 8,651 gr
Poppy Straw - 129,83 gr.
Tenamfetamine - 1,7342 gr.
Tetrahydrocannabinols - 14,54 gr.

Organisational and technical enhancement of border and customs services

Customs service is equipped with following devices for detecting drugs: Smiths detection MMTD at Sarpi and Tseli Khidi border crossings; TruNarc at seven customs service check points and Drug tester at all custom service points.

Control Over Cargos and Transportation Means Transiting the Territory of Georgia. Identifying Risk-containing Routes and Countries

Taking into consideration the fact that Georgia is not a producer of any psychoactive substances, the majority of narcotic drugs to the country are trafficked from foreign or neighbouring countries. The

statistics from the previous years have shown an even flow of heroin to Georgia mainly from Azerbaijan and Turkey (50-50% from each country). However, nowadays the vector inclines towards Turkey. The purity of this heroin ranges from 5 to 15%, and sometimes, rarely as much as 25-30%. Products containing “buprenorphine” gets in Georgia from European countries and Turkey, as for “methadone” containing products, they are manufactured in clandestine laboratories of Russia and Ukraine and their purity ranges 60-80%. The shipment methods of new psychoactive substances from Russia and Europe to Georgia are by means of air and land.

Development of Canine Service for the Purposes of Detecting Drugs, Psychotropic Substances and Precursors

The Bureau of International Narcotics and Law Enforcement Affairs (INL) - Tbilisi supports the Government of Georgia's efforts to improve the professionalism and operational capacity of Georgian law enforcement. With assistance of INL, from 14.02-11.04.2014 three patrol officers and three sniffer dogs were trained in the USA. Within the framework of the project, Common Inter-agency Group has been formed at the Customs Crossing Point “Tbilisi Airport”. The group is tasked to detect the illegal movement of drugs, psychotropic substances and precursors. Inter-agency group consists of staff from Customs department of the Ministry of Finance and patrol police officers of the Ministry of Interior.

On 1 July 2014, the canine project (K9) was launched at Tbilisi International Airport. In addition, a dog enclosure and simulation room has been constructed. Apart from the airport, the sniffer dogs are being used at different border crossings in Georgia. It is anticipated, that two dog handlers will be trained in the USA as police dog training instructors and three newly recruited police officers will be trained to become dog handlers. In addition, 5 more sniffer dogs will be purchased to improve the operability of the unit.

Additionally Customs Service of Ministry of Finance operates its own canine service currently with 20 dogs, which are regularly trained for monitoring and detecting illegal substances, while M of Corrections owns 6 dogs for monitoring and detecting drugs at penitentiary institutions. Additional 18 dogs will be purchased by Customs service in 2015.

Equipping penitentiary facilities with special devices for finding drugs, psychotropic substances and precursors

The penitentiary establishments No.5, No.8, No.15 and No.17 had been equipped with the scanners produced by “Repiscan”, which makes possible to discover illegal drugs, psychotropic substances and precursors.

Integrated Database for Collecting Information on Persons Involved in Illegal Traffic of Drugs, Psychotropic Substances and Precursors

In July-September 2014, the Drug Testing Service of Forensic Main Division of the MIA, by using the laboratory tests and research results software, carried out the monitoring of information registered in the database, corrected existing inaccuracies, harmonized unidentified persons data with the Service Development Agency of the Ministry of Justice. In the registry programmes, it was impossible to reflect the objection to drug testing by a potential drug user that necessitated the addition of identified drug types. For the commencement of the necessary functions, some technical works have been undertaken. System currently works in a testing mode.

Currently, there are differently generated databases and systems for registering individuals participating in illicit traffic of drugs, psychotropic substances and precursors.

In terms of criminal law, the old data on drug-related crimes are gathered in the database of the Information-Analytical Department, which in an automatic regime integrates the on-going data of electronic criminal investigation of the Ministry of Justice. The works related to improvement of the database as well as of the registration software are conducted on a permanent basis.

In terms of administrative offences, the facts of detecting drug abuse are registered by the Patrol Police Department of the MIA. The Operative Technical Department of the MIA conducts the works for improvement of the administrative offences' registration software.

The existence of two systems for registration of administrative offences as well as different databases causes problems in relation to information seeking and processing. Therefore, it is necessary to unite existing applications and integrate databases. Currently, the information in differently generated databases is processed, analysed at the MIA, duplicated data detected and old data structured, in order to integrate them in a unified registration system.

During 2014, the Statistics and Criminal Sociology Unit of the Analytical Department has continued the refinement of the system for administrative offences (including offences for drug use). LEPL - Levan Samkharauli National Forensics Bureau and the Ministry of Internal Affairs exchange the information on drug-related crimes in an online regime.

The testing of criminal statistical module including the statistics related to the drug crime has been finalised. Once fully operational, it will be possible to prepare the detailed statistical data without minimal operator interference.

For the purpose of supply reduction of “New Psychoactive Substances”, developing System of Coordinated Activities of Relevant State Institutions and Creation of NPS Turnover Monitoring System

New Psychoactive Substances, Legislative Amendments, Monitoring Mechanism - State Commission

With the purpose of supply reduction of new psychoactive substances, a package of legislative amendments related to new psychoactive substances has been elaborated; the law entered into force on 1 May 2014. Georgia shared the experience of several European countries in terms of criminalisation of classes of chemical compounds, that overall reduced the import of new psychoactive substances in the country. Within a short period following the introduction of the law, the import of new psychoactive substances in the country has drastically reduced. Furthermore, the State Commission, as a permanent monitoring mechanism, was established. Within the framework of the State Commission, three relevant agencies cooperate: Ministry of Internal Affairs, Ministry of Labour, Health and Social Affairs and Ministry of Finance.

The State Commission has the objective to monitor the challenges related to new psychoactive substances in Georgia, analyse them considering the international experience, opinions of governmental organizations and scientific circles, and submit concrete proposals to the government. The State Commission represents an effective interagency mechanism against illicit traffic of new psychoactive substances.

Since 1 May 2014, qualitative and quantitative analyses of up to 500 various types of new psychoactive substances (so-called “Bio”, “Spice”) have been carried out in chemical forensic labs of the Forensic Main Division (the MIA).

Following the results of two quarters of 2014 (1 May – 15 November), 7 kg. and 638,1647 gr. of new psychoactive substances were seized. The figures demonstrate a general tendency towards an obvious decrease in relation to the traffic of new psychoactive substances. For instance, in September 2014 only one case of NPS traffic was registered, whereby, in October, not a single importation of NPS was detected. Moreover, the non-governmental sector has also indicated in their reports on considerable decrease in the use of new psychoactive substances.

The drug policy page of the official police website (police.ge) shares information on structure, functions and activities of the State Commission for Suppression of Distribution of New Psychoactive Substances. The meetings of the Commission are held on a monthly basis. Moreover, the web-page shares the information on the law enforcement activities as well as a data on trainings and meetings on drug-related matters. It is noteworthy, that a new website is available in English and transparently discloses to their subscribers and users all relevant information on state policies in the field of drugs. In addition, the establishment of unified registry on narcotic drugs and new psychoactive substances should be highly emphasized. Representatives of the Ministry of Internal Affairs as well as the representatives of the Customs Service have an online access to the bases through the mentioned webpage, in order to ensure prompt and effective exchange of relevant information between these two agencies.

Provision of inspection on receiving, storing, registering, supplying and selling the first group pharmacy products, and of their manufacturing and import / export

From 1 January to 1 December 2014, the State Regulation Agency for Medical Activities has observed 131 facts of derogation of the established rules of rotation the first group pharmaceutical products. (distribution without a recipe, violation of accounting rules, activities of the authorized pharmacy without permission on export/import, infringe of the terms of the permission, the rules for the destruction of the medical products under control and the mandatory withholding of information to the agency), including in Tbilisi - 114 facts, as for the regions - 17 facts.

Under the scope of the Memorandum concluded between the Ministry of Labour, Health and Social Affairs and the Ministry of Internal Affairs, with the aim to prevent the illegal circulation of illegal channels of the first group pharmaceutical products, control and surveillance measures are jointly implemented.

Control over Pharmacies Authorized for Legal Turnover of the First Group Pharmaceutical Products

Based on the Memorandum “On Implementation of Joint Measures for Control and Monitoring the Legal Turnover of First Group Pharmaceutical Products on the Pharmaceutical Market” signed in August 2013 between the MIA and the Ministry of Labour, Health and Social Affairs, a joint working group has been established; the group has developed mechanisms to prevent the diversion of Schedule I controlled substances into illicit channels.

As a result of implementing joint measures for controlling the pharmaceutical market, *inter alia*, the use of “homemade drugs” has been substantially minimized in the country.

As a result of the control measures, 510 705 units (tablet, capsule, ampoule) of expired pharmaceutical products without accounting rules and, were confiscated;

In 2014, based on the identified violations (violations were revealed 3 times) - based on the relevant orders of the Head of the Agency, 10 drug store permissions were cancelled.

Development of electronic programme on export/import and unified database on the first group pharmacy products

United database on the first group pharmacy products contains information regarding legal entities that have the license to circulate the pharmacy products that are subject to control, including information regarding license itself and regarding the pharmacy products that are distributed by this legal entity. United database for import/export of the first group pharmaceutical products continues functioning under LLEPL - Agency for Monitoring Medical Activities.

Development of electronic database for the purpose of setting monitoring on distribution of Form #1 and Form #2

In order to monitor turnover of Form #1 receipts, the relevant database functions properly. As for Form #2, the development of database has started and MoLHSA is identifying capabilities of IT programmes of Pharmacies and Hospitals for their accession to the electronic database.

Setting monitoring on circulation of precursors

According to the relevant Georgian legislation, precursors that are used for manufacturing non-addictive products are circulated without any permission. As for medical precursors (including for those used for producing drugs) MoHLSA exercises control over them.

2. Demand Reduction – Prevention

Introducing institutional mechanisms for teaching prevention of drugs and psychotropic substance abuse in public and private schools

Matters related to harmful habits (including drug abuse) are reflected in the National Educational Plan in subjects related to nature sciences, social sciences and sport. As a result, these matters are included in the school textbooks and are taught at public schools in Georgia. Ministry of Education and Science developed website for National Curriculum, which contains all necessary information regarding the national education curriculum available for interested organisations and individuals. (www.ncp.ge/ge/home).

Also, the School textbook on “Legal Culture” has been compiled. One of the chapters of the complementary textbook is devoted to raising awareness of school children about harmful habits and its perilous implications. In a number of schools, for the 7th and 9th grade students, there are certain lessons that are delivered by School Resource Officers, Policemen, teachers and a school principal. All employees delivering trainings are duly trained. 4-day-long trainings were provided for resource officers and head teachers/teachers regarding the teaching of the “Legal Culture”. Guidebook on “Legal Culture” is provided to all school libraries.

Priority topics have been added to Head-Teacher Programmes, which deal with healthy lifestyles and is directly or indirectly, associated with prevention of drug use, such as “Health Care as a Value”, “Healthy Lifestyle, and Sport”, etc. The abovementioned resources are distributed in schools and are uploaded at electronic library of the Ministry of Education and Science at <http://elibrary.emis.ge/ge>.

Within the scopes of sub-program “School Competition” of the Programme for “Encouraging Especially Talented Youth” adopted by the Order No. 233 of 6 March 2014 of the Minister of Education and Science, two essay competitions on anti-drug theme – “Message to our Peers” and drawing contest on Drug Abuse-related topics have announced. Winners of the competitions are awarded with rewards and monetary prizes. In the framework of competition named “Message to our

Peers” pupils presented essays on drug abuse subject. 30 best authors addressed to the peers in one minute speech.

Institutional mechanisms for securing introduction of drug policy and prevention strategy at schools

By the initiative of Ministry of Education and Science working on creation of strategic document “Drug Abuse Prevention among Children, Juveniles and Youth” has been launched. For this purpose working meeting had been held with the institutions involved, getting thoughts and remarks about working version of the document. Relevant action plan for implementing the abovementioned document is also drafted.

Since 2014, the LEPL - National Center for Teacher Professional Development under the Ministry of Education and Science started a series of trainings for head teachers and teachers of public schools in compliance with an additional priority – Healthy Lifestyles as foreseen by the Head-Teacher Program.

Following activities were carried out within the scopes of drug abuse in the Center:

- Healthy Lifestyle and Safe Behavior become very important during the training-modules in Biology (human anatomy and physiology; ecology; genetics). 206 biology teachers have been trained according to mentioned modules in 2014.
- 9 trainers and 10 biology teachers have been trained in the framework of USAID AIV prevention project.
- Tbilisi and Kutaisi, 60-60 public school teachers have been trained in the framework of tuberculosis prevention programme. During the trainings drug abuse and prevention matters were emphasized.

In 2015, the National Center for Teacher Professional Development will continue its participation in the activities planned in the framework of state programme on drug abuse. Along with existing training-modules creation of separate modules is planned - Healthy Lifestyle and Safe Behaviour, considering not only for biology teachers.

Promoting healthy lifestyle in youth centers, houses and clubs by youth workers in after-school period

“Informative Campaign against Drug Use” within “Establishing Healthy Lifestyle and Youth Involvement in Cultural Creativity” programme has been carried out by Ministry of Sports and Youth Affairs, (MSY) in 6 cities (Akhalkalaki, Ninotsminda, Akhaltsikhe, Lagodekhi, Borjomi, Marneuli) across Georgia, which involved around 7 thousand beneficiaries. The informative meetings were conducted in “Youth Centers” functioning under the MSY or under local municipalities. Information meetings were conducted with participation of drug prevention specialists from different medical settings.

Introduction of prevention of non-medical use of narcotic drugs in the university curriculum of the future specialists of education and mass media fields

Addiction Studies course is taught (Master’s Program) in one higher educational institution (Ilia State University), the same course has been worked out in Batumi Shota Rustaveli State University. In the scope of higher education narcotics module is being implemented in educational curriculum in Tbilisi State Medical University (TSMU) as well.

Introduction of institutional mechanisms for drug abuse prevention into the system of continuing education for education, youth workers and mass media workers

Addiction Studies programme has been worked out in Ilia State University in cooperation with Charles University in Prague. From 2015 students will be admitted to the Master's Program.

Developing guidebooks for planning and implementing prevention teaching and respective measures in schools, universities and continuing education system

The sub-program "Healthy Lifestyle" according to Order No/ 908 of the Minister of Education of 10 August 2014 was launched. The sub-program aims at producing one guidebook for school teachers in order to increase their capacity in drug prevention. In accordance of this order open competition for authors of guidebook was announced by MES. In the 2014 the content of the guidebook will be developed which will contain information regarding the legal framework on drugs, (also tobacco and alcohol) as well as it will provide information on educational activities and methodology of their implementation. The guidebook will be provided through the electronic library of the MES and webpage of National Educational Plan. Other guidebooks on prevention activities will be developed in 2015 by MES.

Raising Awareness in Population about Abuse of Drugs and Psychotropic Substances through the scheduled Communication Plan Activities

Since March 2014 the MIA launched a wide-scale anti-drug campaign "No to Bio-Drugs – Let's Change the Attitude Together", in order to increase awareness concerning the abuse of drugs and psychotropic substances and to promote healthy lifestyle among the population. Within the framework of the campaign, the Minister of Internal Affairs and other representatives of the ministry, together with physician-narcologists, organized a number of meetings with the students of higher educational institutions and pupils of public schools.

Various events involving pupils and students have been held within the framework of the campaign. A broad media-campaign has been carried out, within the framework of which numerous reports, TV and radio programs have been devoted to drug-related topics. Furthermore, the issue was widely covered by the press and social networks.

The campaign covered all segments of the society, especially the young generation.

A drug policy webpage has been created on the official website of the Ministry of Internal Affairs, with the objective of introducing main directions and news in the field of drug policy within the competence of the Ministry of Internal Affairs, to all interested persons. The webpage contains all necessary information, what ensure transparency of the activities of the MIA.

The official website of the Ministry of Internal Affairs shares the information on balanced drug policy of the country, indicates the main challenges facing the country and effective measures of response thereto; these measures have been successfully implemented and have been reflected in respective statistical data. Moreover, the drug policy web-page shares the information on the law enforcement activities conducted by the MIA representatives, as well as their involvement in trainings and international meetings on drug-related matters. This website is now also available in English

Community awareness-raising activities based on scientific evidence-based findings

These activities will be implemented after the approval of the Health Promotion State Program. However, some materials have been prepared and placed on the website of the National Center on Disease Control (NCDC). Health Promotion State Program is developed by NCDC and includes following health-related issues – supporting of tobacco Control, healthy food, screening, problems related to alcohol overdosing and etc. The activities regarding the drug addiction will be conducted with participation of relevant stakeholders.

Educating primary healthcare workers in drug and psychotropic substance abuse related risks and early identification

With the active participation of “Center for Mental Health and Prevention of Addiction” special course for Family Doctors (Primary healthcare workers) and timetable for the trainings were designed. From 1 January 2015, 50 family doctors will be trained each month in primary healthcare settings and family medicine centers. The first training within the programme was conducted in December 2014 for 18 doctors. The participants of the trainings are provided with relevant materials prepared by the leading narcologists involved in the training programmes.

Early identification and targeted assistance of children and adolescents suffering from behavioural disturbances and being under other high risks

Office of Recourse Officers of Educational Institutions of Ministry of Education and Science keeps functioning of Psychological Center which receives school students with the consent of school administration, through the special form filled with the consent of teacher and the parent of the minor. Furthermore, the important part of the work conducted by resources officers is to prevent juvenile crimes.

All officers were provided with trainings conducted by Psychological Center of the office in order to identify children who are under the risk of crime or violence and to respond to the risks.

Children who are referred to the physiological service of the office are provided with psychological assistance, they are also provided with teaching life-skills on conflict resolution. If the children are subject to violence from teachers, parents or other children they are provided with psychological service to overcome post-traumatic stress, if there is necessity children are referred to Unit of the Inclusive Education of Ministry of Education and to the Social Service Agency of Ministry of Labour, Health and Social Affairs.

Psychological Centers function in Tbilisi, Batumi, Telavi and Poti, additional new centers will start functioning in Rustavi and Gori.

Targeted preventive interventions for adolescents being on probation and detained as well as those manifesting high risk behaviour outside penitentiary system

The Ministry of Education and Science is implementing programme, which aims at providing education in the penitentiary institutions, the aim of the program is to ensure that inmate children get proper education and have chance to reintegrate into society. 221 pupils are involved in the programme.

Creating system of prevention programs’ coordination and quality assurance

The sub-program “Healthy lifestyle” according to Order No. 908 of 10 August 2014, of the Minister of Education was launched. Till the end of the 2014 the content of the guidebook will be developed

which will contain information regarding the legal framework on drugs, as well as will provide information on educational activities and methodology of their implementation.

3. Demand Reduction – Treatment and Rehabilitation

The Ministry of Labour, Health and Social Affairs prepared protocols/treatment standards for toxic psychosis, caused *inter alia* by psychoactive substances in order to increase effectiveness of detoxification treatment and all these protocols/standards are provided for the settings providing treatment for drug addicts.

MoLHSA prepared project, in order to increase cost-benefit as well as general effectiveness of the sub-component, of State drug addiction programme on in-patient detoxification and primary rehabilitation. Drug Addiction State Program was approved by Government of Georgia in December 2014 and allocated budget was defined as 4 388 500 GEL.

Drug-addiction State Program updated in terms of increasing cost-effectiveness and efficiency of programme resources, gave an opportunity to remove mechanical limitation of the number of beneficiaries, and provided for a reserve. This created a chance to increase amount of beneficiaries (27% by existed funding) and ensure favourable condition for providing geographic access.

In 2014, within the GFT HIV Program 4 OST programs (2 in Tbilisi (including one expanded center), 1 in Gori and 1 in Kutaisi) were supported in Georgia. At present their capacity is 500 beneficiaries. As of November 2014, 745 PWIDs received OST services. In agreement with the donor opening of a new OST program is planned in Tbilisi in 2015.

The National Center for Disease Control and Public Health has already procured the service through state procurement system and signed the service contract with the Center for Mental Health and Addiction Prevention on 28 November 2014. For 2015 amount of secured GFT funding will equal to 1, 4 million GEL.

Within the scope of the basic and specialised study courses, the staff of the MoC is trained in different psycho-rehabilitation programs, including overcoming the drug-addiction (715 participants).

At present, there are three psycho-social rehabilitation centers in the country:

1. Center for Mental Health and Addiction;
2. Kamara – psychosocial rehabilitation center;
3. Anti-Drug Center - at the Patriarchate of Georgia.

All three centers function in Tbilisi and will continue serving beneficiaries during 2015.

Developing treatment and rehabilitation unit for women suffering from drug and psychotropic substance addiction

MoLHSA provides functioning of special unit for treatment and rehabilitation of female drug addicts in Center for Mental Health and Addiction as well as other service providers are offering services for female drug addicts under the state program.

Treatment and rehabilitation of drug addicted women

All service providers are offering relevant services to the female drug addicts. According to the new state program on drug addiction geographical and financial availability for drug addicted women is increased. Women are considered as priority beneficiaries for state drug treatment services.

The MoHLSA is currently working on the plan for referral system mechanism.

Additionally, the International Organization for Migration (**IOM**) announced the open Call for Proposals in the framework of the Project “Socio-Economic Integration Through Social Enterprise Development to Address the Problem of Drug Abuse Among Georgian Nationals, Including Returning and Potential Migrants” funded by the Federal Office for Migration of Switzerland. The program will help rehabilitation of at-risk, stabilized and former drug users in Georgia.

4. Harm Reduction

In 2014, under the GFT HIV program’s harm reduction component, 14 community based service centers have been fully functioning providing the relevant HIV, hepatitis B and C prevention counselling, safe injection instructions, counselling for overdose prevention, safe sex, distributing the injection instruments (syringes), condoms and information materials. The project is implemented by Georgian Harm Reduction Network (hereinafter – GHRN), NGO working on harm reduction programs and advocacy.

In 2014 (as of 1 December), in the framework of the harm reduction programme funded by GFATM 37,895 injecting drug users (IDU) has benefited from at least one component of the programme, the number constitutes around 38 % of the estimated IDUs in Georgia. The programme components are: the distribution of injecting equipment, condoms, information materials; voluntary counselling and testing (VCT) on HIV, HBV, HCV, Syphilis and TB screening.

The number of IDUs who have benefited from all four components of defined package of prevention services (provision of syringes or needles, condoms, informational materials and counselling) is 10,325 in 2014. The target for 2015 is set to increase up to 30,000.

In 2014, 17,041 PWIDs received voluntary counselling and testing (including provision of results) on HIV within the GFATM Program. The target for 2015 is increasing up to 20,000. 6,624, 12,415 and 8,431 PWIDs were tested on HBV, HCV and Syphilis respectively.

In 2014, about 3,300,000 syringes and needles and 300,000 condoms were given out to PWID in order to prevent BBV (a blood-borne virus) 7,389 vials of naloxone were distributed to counter the effects of opioid overdose. Overall number of PWID, who were provided at least with one service of the Georgian Harm Reduction Network, was 37,895, which is more than 80% of estimated PIWDs in Georgia.

In terms of increasing geographical access and coverage with the Harm Reduction Services, Mobile Ambulatory practice will be implemented by GHRN under the GFATM grant throughout 2015. This task will be aimed at covering those cities/districts of the Country, where services under Harm reduction Programs were not offered previously. Beneficiaries of the program will have access to all the services available on the HR site level including but not limited to testing for all four infections (HIV HBV, HCV, and Syphilis), provision of sterile injection equipment, HIV, hepatitis B and C prevention counselling, safe injection instructions, counselling for overdose prevention and etc.

Peer Driven Intervention will remain as a tool for covering those PWID that are hard to reach within traditional techniques. Intervention relies on Network Based, Respondent Driven Sampling Method,

implying that after intense training peer (Seed) involves category of IDUs that had diverse barriers accessing services offered by harm reduction programme.

5. Treatment and Rehabilitation and Harm Reduction in Penitentiary Institutions Providing adequate medical care for detainees of temporary detention Isolators of the Ministry of Internal Affairs

In the near future the Ministry of Labour, Health and Social Affairs and the Ministry of Internal Affairs of Georgia will sign a memorandum of cooperation, with the objective of ensuring effective treatment of pathological condition (withdrawal syndrome) developed as a result of preventing the individuals placed in temporary detention isolators from the consumption of psychoactive substances, as well as with the objective of maintaining continuous therapy for the beneficiaries participating in the substitution programme.

Introducing and expanding methadone detoxification programs, including methadone substitution therapy provided to opioid dependent persons placed at penitentiary facilities

The Methadone detoxification programme for opioid-addicts is available for every prisoner. In case of the consent of opioid-addicts they are provided with services in two penitentiary institutions one in Tbilisi and one in Kutaisi.

There are 382 inmates involved in the programme, including four women.

Currently, the work is underway to regulate the procedures on substitution treatment of opioid-addicts on normative bases.

Introduce methadone detoxification program and methadone retention therapy at women's penitentiary institutions

The Methadone detoxification program for opioid-addicts is available. Currently, the work is underway to regulate the procedures on substitution treatment of opioid-addicts on normative bases. Drug addicted female inmates are not currently represented.

Provide non-opioid dependent drug addicts placed at penitentiary facilities with treatment based on relevant medication (other than methadone)

The drug treatment for non-opioid addicts is available in every penitentiary establishment. The consultations had been held with 248 non-opioid drug addict inmates and adequate treatment was provided. 10 inmates had been transferred into the Central Referral Hospital.

Develop post-detoxification rehabilitation infrastructure

Various rehabilitation programs were conducted in the penitentiary establishments, including: "Return to Society", "Healthy Lifestyle", "Peer Education", etc.

Psycho-rehabilitation program "Atalantis" was prepared to instruct drug-addicted persons housed in four establishments.

The infrastructure for the program in the penitentiary establishment №6 is under reconstruction.

Providing counselling to drug user prisoners on risks related to drug use (overdose especially) prior to their release

Within the framework of the "Civic education training" program, with support of the Social Division, the trainings/consultations are being held to prepare drug-addicted inmates for release (including the programme "Risk of Overdose" - with 48 inmates).

Within the scope of the rehabilitation-re-socialisation programs, the training on "Healthy Lifestyle" is being held by the staff of the Social Division in the penitentiary establishments №5,8,12,15 and 17 (77 participants).

Develop and introduce mechanisms for referring released drug user prisoners to treatment, rehabilitation and harm reduction programs running in the civil sector

Basic training related to the factors contributing to overcome dependency had been carried out for all employees of the Division of Rehabilitation Programs of the National Probation Agency.

An appropriate trainer had been identified for „Training for Trainers” program. Selected candidates had been trained. All the specialists at the Ministry will be trained in about factors contributing to overcome dependency.

The training will be conducted in the first quarter of the next year.

The specialists at the Division of Rehabilitation Programs have been trained in using cognitive-behavioural methodology, in order to ensure the delivery of rehabilitation services for addicted persons.

The "Training for Trainers" in therapeutic group work for addicted persons is planned. Upon completion of the course, the candidates will share the knowledge of rehabilitation programs for all the psychologist of the Division.

The cooperation is underway for between the Division of Rehabilitation of National Probation Agency, Global Fund and Mental Health and Drug Prevention Centre. Substitution treatment program involves several probationers.

Within the framework of the programme "Support for the return back to the society" provided by the NGO "Tanadgoma", the activities are being carried out in the Penitentiary Establishments № 2, 8 and 14. (involving 63 convicts)

The Voluntary Consultation and Testing (VCT) is available in every penitentiary establishment. (7568 inmates)

7568 inmates had been VCT examined on C,B Hepatitis; 8848 inmates had VCT on AIV/AIDS

The harm reduction activities are being carried out by the social workers of the Social Division, and are also implemented within the scope of different rehabilitation programs (including: "Return to Society", "Healthy Lifestyle", "Peer Education", involving total 71 convicts).

6. Legislative Amendments and Modification of Drug Policy

Carrying out advocacy campaigns in order to develop and approve legislative changes

In July 2014, Inter-Agency Coordination Council conducted meeting in Kvareli. The aim of the meeting was to identify main gaps in current Georgian legislation that are obstacles for harm reduction programs. Working Group on revision of legislation was created on the meeting. After the Kvareli meeting the MoLHSA issued order that entitled medical personnel not to notify police on the overdosing cases. Currently Working Group is drafting amendments to the law that would define small quantity for more substances that are widespread in Georgia and to modify list of controlled substances in line with international standards.

By the Order of MoHLSA of 11 August 2014, ambulance doctors will not be obliged to report police on cases of drug consumption in urgent situations (overdosing). Additionally, treatment of overdosing will be funded from state budget for individuals infected by HIV and for those who are under poverty line.

In order to reduce the HIV and drug related stigma in general and specific populations a media campaign will be implemented within the GFT HIV program in 2015 with the budget of 83,000 GEL. The same year 900 health care workers will be trained to decrease the HIV and drug addiction related discrimination in health care settings in 2015. The budget of the activity is 198,000 GEL.

7. Coordination and International Cooperation

Strengthening multi-sectorial cooperation and coordination on national level

Inter-Agency Coordination Council on Combating Drug Addiction is working efficiently and it has conducted four meetings in 2014. Approximately 40 people from different agencies, international organizations and local non-governmental organizations are attending on meetings. The Decree on establishing Inter-Agency Council was re-issued by the Government of Georgia in May 2014. New Decree added Parliamentary Secretary of Government and Head of Crime Prevention Center of the MoJ to the members of the council, ensuring better representation. Additionally new NGOs started taking participation in the meeting of the council.

Establishing /developing cooperation with relevant international organizations or their bodies (CoE Pompidou, EU agencies, Europol, UN agencies, Drug Enforcement Agency (DEA), International Law Enforcement Academy (ILEA) and Reitox Network, WCO Customs Enforcement Network (CEN), WCO-UNODC Container Control Programme), IOM, INL, etc.

For the purposes of capacity building of the canine service and with the assistance of the Bureau of International Narcotics and Law Enforcement Affairs (INL) of the US State Department, rehabilitation of enclosures, purchasing of search dogs and retraining of canine handlers in the USA have been conducted; since 2014 the MIA and Revenue Service canine handlers jointly conduct suppressive measures against illicit flow of narcotic substances at the Tbilisi International Airport.

In September 2014, representatives of the US Canine Service visited Georgia and observed the working process of the operative group and training procedures of the service dogs in practice. The purpose of the visit was to develop recommendations and to plan activities for 2015. Purchase of 5 additional service dogs, selection of 5 new canine handlers and organization of a study visit to the USA - have been planned.

Container Control Programme

In 2012, by the joint initiative of the World Customs Organization (WCO) and the United Nations Office on Drugs and Crime (UNODC), implementation of the Global Container Control Programme (CCP) was launched in Georgia. The Ministry of Finance, the Ministry of Internal Affairs and the United Nations Office on Drugs and Crime signed a Memorandum of Mutual Cooperation. A working group has been established within the framework of the Programme, staffed with the officers from the MIA Patrol Police, Central Criminal Police Department and the Revenue Service of the Ministry of Finance. The working group ensures drug control over the containers at the Poti Port.

International Organization for Migration (IOM) announced the open Call for Proposals in the framework of the Project “Socio-Economic Integration Through Social Enterprise Development to Address the Problem of Drug Abuse Among Georgian Nationals, Including Returning and Potential Migrants” funded by the Federal Office for Migration of Switzerland. The program will help rehabilitation of at-risk, stabilized and former drug users in Georgia. The Secretariat of the Inter-Agency Council on Combating Drug Abuse is represented at the steering committee of the Project.

LEPL Medical Regulation Agency of MoLHSA cooperates with European Drug Agency (DEA) and receives from the information regarding the medicines that might be risky for health.

Information on cooperation with EMCDDA is provided below.

Conduct needs assessment analysis and submitting results to donor organizations and partner states (organising and holding a donor conference)

Upon issuing annual report of the implementation of 2014-2015 Action Plan in January 2015 the meeting of Inter-agency Council will be convened with the participation of all relevant agencies to discuss necessities and gaps in the process of implementation of the national action plan. In December, prior to the meeting of the Inter-Agency Council secretariat of it convened meeting on expert level to consider issues related to implementation of action plan.

Signing bi/multilateral agreements related to combating drug abuse

In 2014, the Government of Georgia concluded international agreements on fight against organised crime with Germany and the United Kingdom, which also cover the issues of combating drug-related crimes. On 1 May 2014, the Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters entered into force for Georgia. Till December 2014, Georgia has concluded international agreements on fight against crime and on police cooperation with 23 countries, namely with: Austria, Azerbaijan, Belarus, Bulgaria, Germany, the Great Britain, Egypt, Estonia, Turkey, Israel, Italy, France, Armenia, Latvia, Lithuania, Malta, Moldova, Poland, Romania, Uzbekistan, Ukraine, Hungary, Kazakhstan. This process is on-going and aims at covering the EU Member States and other countries on the level of bilateral cooperation.

Apply the available international mechanisms (International/regional organizations such as UN, EU, GUAM, BSEC, WCO, and IOM), forum of police and customs attachés, mechanism for bilateral treaties / working groups effectively for strengthening international cooperation aimed at combating drug abuse

In order to strengthen the international cooperation in the fight against drug abuse, the special services of the Ministry of Internal Affairs effectively use the mechanisms of existing international and regional organizations (UN, EU, GUAM, BSEC, WCO, IOM), Police Attaches’ forums, bilateral agreements and working groups.

On 22-25 April 2014, the representatives of the MIA Central Criminal Police Department participated in the regional conference concerning “Best Practice on Information Exchange and Analysis”, held within the framework of the EU project “Heroin Route”, in Kazakhstan.

In April 2014, employees of the Cooperation Center on Fight against International Crime held a meeting with the liaison officer of the UK National Crime Agency, in order to enhance international cooperation in fight against drug abuse.

Capacity building of respective bodies fighting with drug abuse with the help of international organizations / partner countries (through training, sharing experience and study visits)

By the end of January 2014, the employees of International Relations Department and Forensic Main Division of the MIA conducted a study visit in Vienna (Austria), in order to observe the European approach towards new psychoactive substances, more precisely the issues of criminalization of compound classes of new psychoactive substances; The panel discussion addressed legal as well as forensic issues.

In 2014, within the framework of CEPOL exchange program, the representative of the German Criminal Police conducted an official visit to Georgia. The visit had an introductory character and aimed at sharing Georgia’s experience in the field of fight against organized and drug-related crimes.

On 19-23 May 2014, the **Drug Enforcement Administration (DEA) and the Bureau of International Narcotics and Law Enforcement Affairs (INL)** organised an introductory course at the Academy of the Ministry of Internal Affairs of Georgia on the issues of combating drugs. The course was attended by 25 officers of the Central Criminal Police Department.

On 26-28 May 2014, the **Drug Enforcement Administration (DEA) organized a workshop at the MIA Academy** for the officers of the MIA and the Prosecutor’s Office working on drug issues.

On 6-8 October 2014, a training: “National Coordination Agency staff: Key and Core Indicators of Drug Epidemiology, and Annual Reporting” was held in Tbilisi, Georgia. The training was organized within the USAID/CzDA (Czech Development Agency) project. The training covered the issues of preparing annual drug report in line with EMCDDA standards.

On 10-12 November 2014, training on Capacity Building in addictology was held in Prague, the Czech Republic. The training was organized within the project of Developing sustainable research and dissemination capacity in the field of addictology in Georgia, and supported by USAID/CzDA. At the training a draft of annual drug report (covering 2013 fully and 2014 partially) was reviewed.

In the end of December 2014, joint training is planned for the Resource officers of both, the Ministry of Internal Affairs and Ministry of health, Labour and Social Affairs. The training will cover the issues of detecting and responding to drug abuse cases, with special focus on prescription drug abuse.

In April 2015, Georgia will host regional conference on New Psychoactive Substances for EaP countries. The conference will be financed by and organized in close cooperation with EMCDDA.

Sharing experience on results achieved in combating drug abuse and drug related crime and implemented reforms with other countries

On 16 September 2014, within the framework of the three-day official visit, the Ministry of Internal Affairs of Georgia hosted a delegation of experts of the National Police of Turkey, headed by the Director of the International Relations Department of the Turkish National Police. The main objective of the visit was to increase the effectiveness of fight against drug trafficking through joint efforts.

The meetings were held with the representatives of relevant departments of the Ministry. The experts' group of the National Police of Turkey became familiar with the legislation on drugs, psychotropic substances, precursors and narcological assistance, as well as on new psychoactive substances, the specifics of their application and anti-drug strategy.

The parties discussed the possibility of joint activities in the field of fight against drug crime and plans for future cooperation. During the visit, the delegation of the National Police of Turkey visited forensic laboratory of the Ministry and the Vale Border Crossing Point.

Develop international cooperation and supporting international projects (e.g., PRISM and COHESION) in terms of precursor's control

The LEPL - State Regulation Agency for Medical Activities, as competent authority, is registered on governmental page of UN drug control international committee about precursors. Through this page it gets advanced notices from different countries about import and export of precursors. Agency also takes part in international project of precursors – PICS.

Share experience of the EU and its Member States' forensic examination centers for identifying synthetic and new psychoactive substances and determining their chemical structure

Study visit for learning drug-related crime investigation techniques

According to the cooperation program for 2013-2014 with the Republic of Turkey, the study course "Risks Analysis and Drug Detection" was held in Ankara on January 6-10, 2014. The study course was attended by 11 officers of the Central Criminal Police Department.

In the period of March 31-April 11 of 2014 a training course on **Countering Narcotics and Illicit Trafficking** (CNIT) was held in the George C. Marshall European Center for Security Studies in Germany. The following issues have been discussed at the meeting: national security of the 21st century resulted from illicit trafficking of drugs and other criminal activities; involvement of terrorist organizations and transnational criminal groups in drug trafficking. The officer of the Central Criminal Police Department attended the study course.

On 8-12 September, 2014 the Reitox academy training course for European Neighbourhood Policy beneficiaries "Contemporary approaches in drug monitoring" was held in Prague. The European Monitoring Centre organized the training **for Drugs and Drug Addiction (EMCDDA)**.

Plan and implement special DEA course of illicit drug traffic issues

In the period of 16 August– 1 September of 2014 seven officers of the Central Criminal Police Department of the Ministry of Internal Affairs attended the DEA special training course on the issues of illicit drug trafficking in Quantico, Virginia, the United States of America.

8. Information Collection, Research and Evaluation

Developing legislative and regulatory base for national drug monitoring Center's effective functioning

On 20 October 2014, Inter-Agency Council took final decision to establish National Drug Monitoring Center after consultations with EMCDDA taking place during 2014. Currently Secretariat of Inter-Agency Council is working on drafting relevant regulations. In the process of the establishment of the Monitoring Center Secretariat consulted with academia and NGOs, with the aim of being familiar with

their opinions in order to guarantee their participation in the working of National Drug Monitoring Center.

Institutions that had drug related information are identified by the Secretariat of Inter-Agency Council Combating drug addiction and they are providing information without obstacles.

Upon issuing annual report of the implementation of 2014-2015 Action Plan in January 2015 the meeting of the Inter-agency Council will be convened with the participation of all relevant agencies to discuss necessities and gaps in the process of implementation of the national action plan. In the process of evaluating progress of implementation inputs of the individual experts, international organizations and NGOs involved in the activities of the Council will be taken into account.

The Secretariat of Inter-Agency Council is currently drafting report on implementation of the Action plan 2014-2015, the report will cover activities conducted since January 2014 and will be published on official website of the Ministry of Justice as well as it will be disseminated amongst the interested organizations and individuals.

Carry out survey among young people based on ESPAD methodology

The study will be conducted by the National Center for Disease Control and Public Health in 2015 in close cooperation with the Ministry of Education and Science with co-financing of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), NCDC will co-finance the survey partially.

Carry out Behavioural Surveillance Survey (BSS) among injecting drug users and identifying the size of population of problematic drug users

The GFT is supporting BSS and population size estimation studies among PWIDs with total budget of 340 000 GEL. The activity is implemented by the Curatio International Foundation and the results and relevant report will be available by June 1, 2015.

Coherent Drug Police

The Government of Georgia is not limited to the mere implementation of the Anti-drug Action Plan. Since the Elections of October 2012, the Government chose the vector of a balanced drug policy. All initiatives of the state agencies are the outcomes of the consistent policy of the country, which have been planned as a result of the complex analytical work. Due to the comprehensive analytical work, conducted at the end of 2013 by the MIA, several main directions have been identified that required solution in a short and long-term perspective.

In a short-term perspective, it was necessary to solve the problems related to the so-called “homemade drugs”, new psychoactive substances and illicit traffic of classical drugs. As for the second stage, in a long-term perspective it was necessary for the government to strengthen preventive measures thus, minimizing the possibility of re-offence.

“Prescription Drug Abuse” - Legislative Amendments and their Outcomes

In order to combat “prescription drug abuse”, legislative amendments have been elaborated together with the Ministry of Labour, Health and Social Affairs of Georgia; the amendments entered into force on March 15, 2014. Illicit traffic of combined pharmaceutical substances containing Codeine, Ephedrine, Norephedrine and Pseudoephedrine has been criminalized, especially in terms of imposing liability for owners and employees of pharmacies. From these pharmaceuticals the so-called “homemade drugs” such as, “Crocodile”, “Vint” and “Jeff” are made. In accordance with the statistical data, after adoption of the legislative package, more than 90% decrease of the use of “homemade” drugs has been identified.

Ensure adequate working of the Inter-Agency coordination Council on Combating Drug Abuse

Inter-Agency Coordination Council is effectively functioning with the assistance of its secretariat. Council has adopted National Drug Strategy and Action Plan in December 2013. Council conducted 4 meetings in 2014 (10 February, 26 February, 18-19 July, 20 October). All meetings were attended by relevant state institutions, as well as by NGOs and international organizations. On two meetings Council hosted representatives of EMCDDA. Council established working group on revision of drug related legislation, which is currently preparing relevant draft amendments. It must be underlined that number of NGOs interested in the working of the council is increasing.

Secretariat of the Council which is located at Public International Law Department of Ministry of Justice ensures proper functioning of the council. The secretariat organizes meetings, provides all necessary information to the interested actors regarding the working of the council. It also assists the council in the field of research in various directions of the drug policy.

Establish cooperation with the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA)

With the assistance of the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), Georgia is working towards setting up a national Focal Point and a National Drug Monitoring Centre. On 26th February meeting of the Council, head of the unit Reitox and International Cooperation of EMCDDA, Mr. Alexsis Goosdeel gave a presentation on the European experience of the drug situation monitoring. In June, 2014 delegation of Georgia headed by the Minister of Justice visited EMCDDA headquarters in Lisbon, the visit was dedicated to exchange information on drug monitoring systems, and to consider further cooperation possibilities between the Center and Georgia. In September 2014, Georgian experts attended on conference on drug monitoring organized by EMCDDA in Prague, Czech Republic. In October, 2014 Georgia hosted delegation of EMCDDA. Representatives of the Center attended on the meeting of the Inter-Agency Council, and provided practical recommendations for establishing National Monitoring Center. In addition they visited line Ministries and met with international organizations and NGOs. In October, 2014 Georgian delegation attended on the conference of EMCDDA and College of Europe on drug policy of EU and Eastern Partnership countries. In November, 2014 head of secretariat of Inter-Agency Council participated in the meeting of National Focal Points of Reitox network of EMCDDA in Lisbon, Portugal.

In December 2014, in response to the request of the Minister of Justice of Georgia/Head of the Inter-agency Council the EMCDDA's Management Board gave the mandate to the Director of the EMCDDA to negotiate a Memorandum of Understanding between the EMCDDA and Georgia. The first draft of MoU will be provided to Georgian side in early 2015.

4.4 Cooperation in the Framework of the Mobility Partnership (MP) Initiative

Promoting the integrity of civil data in Georgia

Throughout the 2014, the cooperation between Georgia and the European Union has been actively progressing in the framework of the Mobility Partnership. The EU Member States, as well as respective international organisations together with relevant Georgian authorities have been implementing joint projects aiming at facilitation of legal migration including labour and circular migration and fight against illegal migration. By 2014, 13 projects have been completed and 5 more are in the implementation process.

Currently, the following projects are on-going:

1. Supporting the establishment of effective readmission management in Armenia, Azerbaijan and Georgia;
2. Strengthening the development potential of the EU Mobility Partnership in Georgia through targeted circular migration and Diaspora mobilisation;
3. Personalised Assistance for Georgian Migrants;
4. Promoting well managed migration between the EU and Georgia;
5. Asylum System Quality Initiative in Eastern Europe and South Caucasus.

These projects help Georgia to deal with the migration management challenges and take steps towards the implementation of the Visa Liberalisation Action Plan.

The overall objectives of the projects:

- to contribute the establishment and development of an effective mechanism for the management of readmission in Armenia, Azerbaijan and Georgia;
- to strengthen Georgia's capacities to harness the development potential of its Mobility Partnership to benefit migrants, country of origin and country of destination, thereby identifying guidelines and good practices for replication for other EU MPs;
- to promote well managed migration between the EU and Georgia;
- to promote asylum and international protection of refugees in Eastern Europe and South Caucasus;
- to improve, through a regional approach, the quality of decision-making on determination of refugee status.

5. Economic and Social Reform, Poverty Reduction and Sustainable Development

5.1 General Economic Development

5.1.1 Statistical Information

According to the preliminary data, in 9 months of 2014, the GDP in Georgia in current prices amounted to 12 000,0 mln USD (11 989,8 mln USD). Real growth reached 5.9% (5.0% real growth in 11 months of 2014). The largest share in the sectoral structure of GDP is held by trade services (17.3%) and industry (17.3%), followed by transport and communication services (11%), agriculture, forestry and fishing (9.6%), public administration (9.1%), construction (7.0 %) and health and social work (5.9%). The top 5 fastest growing sectors in 9 months of 2014 were: construction (16.3%), financial intermediation (10.6%), manufacturing (9.1%), transport (8.5%) and trade (8.0%). Followed by communication (6.2%), real estate, renting and business activities (6.1%), hotels and restaurants (5.2%), etc.

In 2013, average annual inflation amounted to -0.5% and annual inflation comprised 2.4%. In December 2014, average annual inflation amounted to 3.1% and annual inflation comprised 2.0%. In 2013, the annual unemployment rate in Georgia declined by 0.4 percentage point compared to 2012 (15.0%) and by 0.5 percentage point compared to 2011 (15.1%) and amounted to 14.6%.

According to the preliminary data, in Q3 of 2014, FDI in Georgia amounted to 508 mln USD, which exceeds more than threefold (3,4-fold) to the same data of Q2 2014 and is twofold (99% growth) more than the same data of Q3 2013.

In 9 months of 2014, FDI in Georgia comprised 923.3 mln USD, which exceeds the same data for 2013 and 2012 by 29.1% and 36.2%, respectively. Top 10 direct investor countries were: The Netherlands (28.6% of total FDI), Azerbaijan (23.7%), China (17%), Turkey (8.1%), Luxembourg (7.7%), USA (6.4%), Russia (5.9%), United Kingdom of Great Britain and Northern Ireland (5%), Panama (4.8%) and Malta (4.3%). The largest share of FDI falls on transport and communications sector (27% of total FDI), followed by the construction (22%), manufacturing (16.5%), real estate (12%) and energy sectors (10%).

In 2014, Georgia's total foreign trade turnover grew by 5% compared to the previous year and amounted to 11 457 mln USD, exports decreased by 2% and reached 2861 mln USD, while imports grew by 7% and reached 8596 mln USD.

In 2014, Georgia's trade turnover with the EU countries increased by 4% compared to the same period of the previous year and amounted to 2990 mln USD. Exports to the EU increased by 2% and amounted to 621 mln USD, and imports from the EU increased by 4% and reached 2369 mln USD. The share of the EU in total trade turnover of Georgia comprised 26%, the share of export was 22% and the share of imports – 28%. Among the top 10 trade partner countries of Georgia were two EU Member States: Germany (6th place), Bulgaria (9th place).

In 9 months of 2014, turnover of business sector of Georgia constituted 33.2 billion GEL, which is 13.8% higher compared to the same indicator of the previous year. In the same period, production value of business sector increased by 14.3% compared to the same data of 2013 and reached 17.1 billion GEL. In the Q3 of 2014, employment in the business sector reached 520,217 people. This figure is higher by approximately 13 000 people compared to the Q3 of 2013. In Q3 of 2014, the average monthly remuneration of employed persons in business sector grew by approximately 9% (by 72,4 GEL) compared to the same period of the previous year and reached 887,5 GEL.

The industry sector of Georgia is characterised with rising tendency. In 9 months of 2014, turnover of industry of Georgia constituted 6.3 billion GEL, which is 13% (by 726,5 mln GEL) higher compared to the same data of the previous year. Production value in Industry increased by 12.6% (by 621.2 mln GEL) compared to the same data of 2013 and reached 5 562,5 mln GEL in 9 months of 2014. In the Q3 of 2014, the average monthly remuneration of employed persons in industry reached 876,6 GEL and grew by 12.7% (by approximately 100 GEL) compared to the Q3 of 2013.

In the third quarter of 2014, average monthly nominal salary of employees in Georgia equalled to 850.8 GEL, which is 6.4% higher compared to the same period of the previous year.

5.2 Social Security

Payment of social allowances and ensuring free medical insurance to families living below poverty line

The main priority of the social policy of the Government of Georgia remains focused on the needs of socially vulnerable population. The Government provides resources for those whom the assessment system reveals are most in need – families registered in the general database of the socially unprotected families with the rating points less than 57001.

Since July 2013, the subsistence allowance has doubled and in case of families with one member, it amounts to 60 GEL, for each following member – 48 GEL. Families below the poverty line receive doubled subsistence allowance for the reporting period. In August 2014, 142 062 families (426 088 persons) were receiving the subsistence allowance.

The main challenge still is the poverty reduction, including child poverty reduction. For better and more effective implementation of the social assistance program for children and families with children, evaluation methodology of the social-economic conditions and administration scheme's revision/perfection is being conducted together with UNICEF.

On 31 March 2014, the Government of Georgia adopted the State Targeted Program on the Improvement of Demographic Conditions. The goal of the program is to improve demographic conditions in Georgia through financial benefits. According to the program, starting from 1 June 2014, families with new-born child who is the third or next live born child in the family residing in the regions of Georgia, with no annual natural growth for previous 2 years (this indicator is determined by LEPL National Statistics Office of Georgia), receives 200 GEL (in mountainous regions) and 150 GEL (in non-mountainous regions) on a monthly basis.

Since 2014, the Government of Georgia launched the new Social Rehabilitation and Childcare Program. The program is addressed to the needs of children, disabled and elderly people. The Program has several subprograms addressed to the needs of children: Foster Care, Small Group Home Care, Day care Services, Supporting Children Living and/or Working on the Street Mothers' and Children Shelters, Rehabilitation of Children with Disorders of central Neural System, Early Childhood Development Service, Emergency Assistance for Families with Children in Crisis. Since November 2014, all disabled children regardless of economic conditions of their families are entitled to receive services with 100% financing by the State.

MoLHSA established the Social Programs Monitoring Division within the Social Protection Department. The Division is responsible for monitoring of implementation of State Programs of social care and child protection. The division has monitored more than 50 different services providers and has issued recommendations to them in order to meet existing standards.

Universal Healthcare Coverage and other Healthcare Programs

Since February 2013, the Government of Georgia launched a Universal Healthcare Program. The objective of the program is to improve access and financial protection of healthcare services for the entire population. Services covered by the program increase gradually. At initial level, it covered primary healthcare services and acute out-patient and in-patient care. From July 2013, the program covers planned surgical care, cardio surgery, delivery, and cancer treatment.

In April 2014, the insurance program for the population below the poverty line, teachers and orphan children were merged with the Universal Healthcare Program. In September, insurance program of 0-5 year-old children, pensioners, disabled people and students was transferred into the Universal Healthcare Program. According to the data of January 2015 state schemes cover 92% of the population, while the remaining 470 thousand citizens have the private or corporate insurance package.

As of December 2014, 2.9 mln beneficiaries have already been registered in the primary healthcare centers within the Universal Healthcare Program. As of December 2014, overall, 978 980 cases have been registered, among them emergency ambulance service – 583 491, emergency inpatient – 200 472, scheduled surgery (except cardiac surgery) – 83 910, cardiac surgery – 2 987; chemo –, hormone and radiation therapy – 37 522, childbirth – 69 233.

In addition to the programs, 20 disease-oriented state programs are on-going in Georgia providing disease prevention and screening, as well as the medical treatment and provision of essential medicines. These programs are: the Early Detection of Diseases and Screening, Immunization, Epidemiological Surveillance, Safe Blood, Prevention of Professional Disease, Management of

Infectious Diseases, TB Management, HIV/AIDS, Maternal and Child Health, Drug Addiction, Mental Health, Diabetes Management, Onco-Hematology Services for Children, Dialysis and Kidney Transplantation, Palliative Care of Patients with Incurable Disease, Treatment of Patients with Rare Diseases and with Dependency on the Continual Substitution Treatment, Emergency Ambulance care and Transportation, Village Doctor, Referral services, Medical Examination of Persons Who Should Pass the Military Forces). The budget of these programmes amounts to 126 mln GEL in 2014.

In order to decrease number of mortality of mothers and children, also number of perinatal death from iron deficiency anaemia, and number of early delivery and inborn anomalies, from June 2014 all pregnant population is provided with folic acid up to 13th week of pregnancy and in case of iron deficiency anaemia – with iron deficiency anaemia medication from 26th week of pregnancy.

The strategy and action plan for fighting against non-communicable diseases have been elaborated and will be implemented in order to reduce the non-communicable diseases morbidity and mortality.

In 2013, the Parliament of Georgia approved the concept of mental health management and in December 2014, the Action Plan was adopted by the Government of Georgia. Mental health services deinstitutionalisation is underway in Georgia, together with India and Brazil with the help of WHO and the EU experts.

Maternal and Child Health

Improvement of maternal, new-born and child health (MNCH) outcomes has been positioned among the strategic health priorities throughout the national development plans and health sector strategies since 1999. The latest National Health System performance assessment and the 2014-2020 strategic framework “Universal healthcare and the quality management for the protection of patients' rights” also positions MNCH among 9 strategic priorities. Finally, maternal and child health promotion stands out among core priorities of “Social-Economic Development Strategy, Georgia 2020”. The Ministry also hosts Maternal and Child Health Coordinating Council that brings together all major stakeholders to ensure coherent analysis and action for improvement of MNCH policies and related health outcomes.

There are on-going arrangements to improve quality of perinatal services, which means evaluation of perinatal services, supporting practice of effective perinatal services and creation of the plan of regionalisation (division into levels) (with support of USAID/Sustain piloting of the plan will be conducted in Racha-Lechkhumi region)

Guidelines for non-physiological child birth and safe abortions will be established. Draft has been prepared about regulation of number of abortions and abortions with the aim to select desired sex have been prohibited.

In the reports about number of mortality in children, made by World Health Organization, World Bank and UNDP, statistical data from Georgia was used for the first time and in this point of view, Georgia is the first country in the post-Soviet Union countries.

Create and introduce flexible reporting system within the framework of state healthcare programmes

The Ministry of Labour, Health and Social Affairs of Georgia continues to work on the creation of a Unified Healthcare Information System, which shall provide both effective administration of the system and availability of patient-oriented Healthcare System. Starting in February 2011, with active financial and technical support of the USAID Health System Strengthening Project (HSSP),

elaboration of a new, innovative electronic healthcare system was launched. Implementation of this system will enable the population of Georgia, as well as the state and other stakeholders of the healthcare system, to receive all required information in a simple, effective and continuous manner and ensure appropriate response. The electronic healthcare system will connect insurance companies, medical care providers, pharmaceutical companies and regulatory bodies in order to help them to share reliable information, increase the quality of information and effectively manage resources.

Nowadays following modules are prepared:

- Case registration module
- Billing module
- Reporting Module
- Pharmaceutical Module
- Data base of Medical facility and act
- Program of electronic reporting of information on health insurance losses
- Module of electronic registration of beneficiaries of dialysis and kidneys transplantation program
- Module of registration of beneficiaries of primary healthcare program
- Module of electronic registration of beneficiaries of cardiac surgery program
- Module of registration of pharmaceutical substances
- Module of the unified database of medical institutions
- Module of the unified database of medical staff
- Module of financial accountability
- Electronic healthcare consists of the following basic components: Electronic Medical Records (EMR); financial reporting; regulation of medical activities; portal for insurance companies, medical institutions and pharmaceutical companies; management of electronic prescription and pharmaceutical sector; immunization/vaccination; medical mediation, etc.
- Module of electronic registration of beneficiaries of drug abuse program.

Online registration electronic system was launched for the certification and qualification exams of medical personnel in 2014. Centralised system for registering the prescriptions and search engine for medical products, providing the search of medicines according to the groups are being operated.

Register of Reduced-priced medicines issuance for persons with C Hepatitis is being operated since 2014)

Data base was created in the framework of the targeted state program promoting the improvement of demographic situation, providing the monetary assistance for every third and subsequent children to those families who live in the regions with low demographic growth.

New electronic data base for registering birth and death cases is being established.

Health Care System Concept Paper 2014-2020

Health Care System Concept Paper was adopted, which is based on Health 2020: the WHO European policy for health and well-being, the latest the UN resolution on universal coverage of quality health services, Adelaide Agreement “Health in All Policies” and others.

The Concept is based on n priority directions:

1. Health for all policies – multi sector approach;
2. Evidence-based Health governance;
3. Health Care Financing;
4. Human resource development;

5. Health information system (e-health, EMR);
6. Health service organisation;
7. Maternal, neonatal and child health (Regionalization, Accreditation);
8. Priority non-communicable diseases;
9. Priority communicable diseases (HIV, TB, HCV, Malaria, VPD, etc.);
10. Public Health System Development.

Hepatitis

Within the framework of the Surveillance State Program, the Program for Undertaking Steps to Conduct population-based survey to estimate the prevalence of hepatitis in the general population of Georgia (adopted by Decree No. 1484 of the Government of Georgia on 26 August 2014) envisages organisation of a study concerning: (1) prevalence of hepatitis C, risk factors and genotypes and (2) prevalence of hepatitis B. The protocol of the above-mentioned study has been developed based on the recommendations and direct participation of US CDC experts. Namely, using a multistage cluster random sampling design it is planned to screen and collect epidemiological data on 7000 beneficiaries (+/- 30% refuse rate) greater or equal to eighteen years of age. Blood samples will be drawn from all beneficiaries and tested for markers of HCV and HBV. Study of risk factors will allow defining the burden of mentioned diseases and necessary preventive measures.

In order to ensure universal access to treatment of hepatitis C, Hepatitis C Treatment Program has been launched, which provides patients with necessary investigations and treatment of hepatitis C (with pegilirani interferon and ribavirin) and preferential price (60%) for the hepatitis C treatment drugs for 10000 beneficiaries of the public sector. Georgia represents the second country in the world after Egypt, where hepatitis C treatment medications are delivered with the lowest price to the patients. The negotiations with the U.S. Government for the treatment of the hepatitis C with the new generation medications are underway. The total cost of purchased medications under this privilege was 1 663 138 GEL, where 2 817 300 GEL has been saved.

During 2014 year MoLHSA had active negotiations with World Health Organization and company “Gilead”, vendor of medicine named “Sofosbuvir” about importing this medicine in Georgia in reasonably low price. In November 2014, a successful negotiation has been performed in USA, according to which from the beginning of 2015 a new important public health program will be initiated in Georgia. This program includes prevention, diagnostics, and treatment of Hepatitis C and monitoring of the results. Afterwards, Georgia will become one of the first countries, which has started Hepatitis C elimination program.

Cancer Registry

Within the State Program “Early Detection and Screening of Diseases” Government of Georgia on 9 June 2014, adopted the plan of activities, that should be performed for final implementation of Population Based Cancer Registry. Cancer Registry represents unified form of scientific and public healthcare approaches against cancer. Epidemiological Surveillance over oncological diseases implies continuous, timely, systematic collection of new cases and cancer-caused mortality with the purpose to evaluate the incidence, prevalence, age-specific incidence (mortality) and survival rates. It also enables proper introduction and effective demonstration of cancer screening and other preventive measures. At the time of case diagnostics, multilateral, timely and proper data about disease stage from the viewpoint of progress assessment in cancer control, represent a matter of great importance.

Improvement of health service provision system and medical infrastructure

For strengthening primary healthcare and the role of physicians in regional ambulatories (out-patient clinics), in the first decade of 2014 Government took the full responsibility of “village physician” program management, the salary of the physicians and nurses in the dispensaries have been increased by 30% (the salary of the physician became 650 GEL instead of 500 and 455 GEL instead of 300 for the nurses). Centralised procurement of necessary medical documentation and “Doctor’s bags” (including medications, antiseptic material, single use items and instruments) for physicians of the dispensaries.

In the framework of the project of updating network of primary healthcare, 82 out-patient clinics have been built and equipped in all regions of Georgia during 2014.

In 2014 building the new, multidisciplinary university clinic has been initiated in the village Rukhi, Zugdidi Region by the Ministry of Labour, Health and Social Affairs of Georgia, which will have 220 beds and will be equipped with full auxiliary infrastructure.

In 2014 building the new emergency medical center has been initiated in Gori, in the village Tkhviavi. Building the new emergency medical center is being finished in Gudauri.

In 2014, new building of JSC “National Center for Tuberculosis and Lung Diseases” started operating with 97 beds for resistant tuberculosis department; Inventarisation of different anti-tuberculosis institutions all over the country has been conducted. Analysis of needed capacity for specific out and in patient services has been done and appropriate recommendation has been prepared. national referral laboratory of tuberculosis is being constructed with financial support of the government of Germany.

In mountainous regions and in the villages, located close to the border of the country, the state is subsidizing medical facilities, to ensure their uninterrupted functioning.

As a result of discussions in 2014, a decision has been made for medical centers in mountainous regions, owned by insurance companies, to be redeemed by the government, to ensure provision of mandatory medical services for the population.

In 2014 Concept of Public-Private Partnership has been established in healthcare sector, which can be effectively used to develop strategic objects and create or improve infrastructure.

At the beginning of 2014, Agreement concerning the transition of sustainment responsibilities over the unified laboratory system and the Richard G. Lugar Center for Public Health Research in Georgia was concluded between the Governments of Georgia and U.S. In 2018, Georgia will fully provide all activities and financial support, necessary for the operation of the laboratory system.

Continue Implementing the National Action Plan for Combating the Trafficking of Persons

During the period from January till October 2014, the LEPL State Fund for Protection and Assistance of (Statutory) Victims of Human Trafficking (Atipfund) has carried out the following activities, within the National Action Plan against human trafficking for the years of 2013-2014.

- a) Preparing the individual program of rehabilitation and reintegration, within the national referral mechanism, taking into consideration individual needs. During the reporting period, rehabilitation and reintegration programs were carried out toward the five beneficiaries, living at the shelters for the victims of human trafficking, taking into consideration their individual needs;

- b) Studying the legislative base (on trafficking issues) and improving it, in case of necessity. Atipfund was actively involved in the activities of the working group created for development and improvement of the criminal law legislation;
- c) Developing professional skills of the Atipfund personnel by trainings. The social worker of the Atipfund participated in a two-day training “Combating the Forms of Violence against the Women with disabilities” organised by a non-governmental organisation (NGO) “Partnership for Human Rights”;
- d) Cooperating with the NGOs working in the field of human trafficking, signing new memorandums or renewing the existing ones. Atipfund actively cooperates with the NGOs working in the field of human trafficking, by signing memorandums with them. Currently, the memorandums on cooperation are being renewed;
- e) Leading information campaign for the promotion of the services of the Atipfund (targeting the victims of human trafficking);
- f) The informative audio-video clips, created by the Atipfund, were regularly aired on TV and radio of the national Broadcaster and Adjara;
- g) Flyers prepared by the Atipfund were distributed to the institutions of higher education and the local NGOs;
- h) Informative meetings on human trafficking issues, involving Atipfund employees, were held at various institutions of higher education.

Develop mechanisms of protection, assistance and rehabilitation for victims

The LEPL State Fund for Protection and Assistance of (Statutory) Victims of Human Trafficking (Atipfund) was founded in 2006. There are operating two shelters (Tbilisi, Batumi) for the victims of human trafficking under the control of Atipfund.

The Atipfund’s services for the victims of human trafficking are:

- Legal consultations/aid and court representations
- Psychological assistance/rehabilitation
- Medical assistance
- providing shelters
- Compensation
- Assistance in social reintegration

Statistics (January – December 2014) of Atipfund's beneficiaries:

Victims of labor exploitation	Victims of sexual exploitation
10 Male- 8 Female – 2	5 Male - 0 Female - 5
Total – 15	
Status granted by the permanent group of victim identification	Status granted by MIA
5 Male - 4 Female – 1	4 Male - 0 Female - 4
Total - 9	

Statistics of Atipfund's Services (January – September 2014)

	Psychological Assistance	Medical Assistance	Legal Assistance	Compensation	Shelter
Male	2 (dependents)	0	8	6	-
Female	5	5	7	3	5
Minor	-	-	-	-	-
					2 (Dependents)
Total	7	5	15	9	7

Labour and Employment Policy

Considering the importance and the need of a National Employment Policy for accelerating country's development the Labour Market Formation Strategy 2013-2014 was approved by GoG in 2013. The strategy was extended in 2014 by GoG and currently the action plan for the implementation considers 2015-2018 years.

In the framework of the Labour Market Strategy and an associated Action Plan (2013-2014) the following activities were carried out:

- **Establishment/improvement of legal base**

The draft law on the employment, the draft law on the Labour Migration and the draft law on Occupational Safety were developed. Currently, negotiations between the social partners and various state institutions are in progress in order to finalise the process of drafting the above-mentioned laws.

- **Formation/Development of the Labour Market Infrastructure in order to enhance the range and quality of services available to job-seekers**

The following activities defined by the Labour Market Strategy Action Plan are fully implemented:

- ✓ Development of a legal framework for defining the organisational-legal status of the Employment Promotion Centers (EPCs);
- ✓ Allocation (provision) of office spaces for the EPCs (63 EPCs);
- ✓ Renovation of EPCs (as needed) and provision of office equipment to them (63 EPCs);
- ✓ Selection, recruitment and training of EPCs' personnel (63 EPCs);
- ✓ Elaboration of the particulars and that of the software of the databases of job-seekers and job openings;
- ✓ Coordination of the operation of the EPCs and continuous development, monitoring and evaluation of the EPCs' personnel;
- ✓ Support of daily activities of the EPCs;
- ✓ Creation, development and management of an integrated web-portal for the EPCs.

In 2014, the Twinning fiche on institutional and human resource capacities of the Employment Support Services of Georgia was approved. The implementation of the programme will be launched in 2015.

- **Improved labour market information through institutionalization of labour market infrastructure and establishment / development of the relevant evidence base**

In October 2013, for the purpose of employment support an interactive web-portal (www.worknet.gov.ge) was created by MoLHSA. The job-seekers and employers may register on the web-portal, which is the part of the Labour Market Information System (LMIS). The registration in the system is voluntary and free. An integrated web-portal for the EPCs is fully operated and currently 33453 job seekers are already registered.

In 2014, Government adopted Labour Market Information System (LMIS) Concept and the Implementation Action Plan 2015-2018 and the institutional setting of LMIS was defined. At the same time, the Ministry of Labour, Health and Social Affairs of Georgia plans to conduct announced the tender on the demand component survey of the labour market. The results of the survey will be known by June 2015. As a result of its implementation the database of LMIS will consist the information concerning the demanded professions (throughout the country, as well as regions) and the deficient professions (throughout the country, as well as regions).

- **E-VET Programme**

Financing agreement was signed between the Government of Georgia and the European Union, with the aim to support sectoral reforms in the field of employment and Vocational Education and Training. The general objective of the programme is to stimulate sustainable and inclusive socio-economic development through improved transition from training to employment. The specific objectives of the programme are to strengthen the institutional and human resource capacities of the national authorities to design, coordinate, implement and monitor labour market and skills needs in close partnership with the private sector and enhance the quality and relevance of the VET system in a lifelong learning perspective in order to ensure better synergy between the skills and qualifications offered and the needs of the labour market. In 2014 in the framework of the programme the Labour Market Formation Strategy and the Action Plan 2015-2018, the Concept and Action Plan of LMIS and the Concept of Lifelong Career Guidance and Counselling was adopted.

- **Supporting Legal, Temporary Migration:**

With the purpose of the regulation of labour migration processes in Georgia, the State Commission on Migration Issues has been established in 2010. In the framework of the Commission on 31 May 2013, the decision has been made on the elaboration of the Labour Migration Law. The initial draft of the law was presented by the Ministry of Labour, Health and Social Affairs of Georgia to the Commission on 24 September 2013. A working group was formed in order to work on the further improvement of the draft. The draft law on the Labour Migration is submitted to the Parliament of Georgia for discussions. In parallel, an active work is undertaken for the development of pilot circular migration scheme between Georgia and Germany in the medical and hospitality sectors. The Agreement with France on circular migration was signed in November 2013.

- **Social Dialogue**

The Social Partnership Tripartite Commission was established by the Government of Georgia resolution N258. The first meeting of the Commission was held on 1 May 2014. The Commission shall meet on a quarterly basis, and additionally if necessary. Also, the social partnership working group was established in 2014 in the Ministry of Labour, Health and Social Affairs. The working group discusses priority issues and prepares all the relevant documentation for the submission to the Tripartite Commission sitting.

- **Collective Disputes Resolution Mechanism**

The amended Labour Code established in Art 48 a mechanism of mediation for collective disputes resolution. If direct negotiation fails the Minister may appoint a mediator at the request of the parties or by himself in case of public interest. The Decree No. 301 of 25 November 2013 of the Government of Georgia “On approval of rule of review and resolution of the collective dispute by agreed procedures” was adopted by the Government of Georgia.

There is a roster of eight mediators in place (four core mediators and four reservists) who can be call at short notice to mediate between the parties. This new mechanism has been created with technical assistance provided by the ILO Project. A group of candidates was trained during March-April 2014 with ILO experts. At the end of the training the eight mediators were selected in agreement with MOLHSA, GEA, and GTUC.

- **Improved Compliance with the Labor Laws in Georgia**

In Fiscal Year 2013, the U.S. Department of Labor’s (USDOL) Bureau of International Labor Affairs (ILAB) awarded up to 2 mln USD for a technical assistance project(s) in Georgia to achieve improved compliance with labor laws. The goals are to strengthen government compliance with labor laws and facilitate the effective resolution of labor disputes. The project is implemented by the International Labour Organisation.

In the framework of the technical assistance project:

- ✓ A strategy and action plan for enforcing the labour legislation will be developed by the Government of Georgia in close consultation with the social partners;
- ✓ Information and awareness raising tools on Labour Code will been made available to workers and employers;
- ✓ A monitoring agency on labour conditions will be established, in conformity with ILS;
- ✓ The Georgian Court System will be more knowledgeable about the Georgian labour legislation and the judicial use of the International Labour Standards;
- ✓ The capacities of the labour mediators and awareness of the social partners on the benefits of mediation to prevent and resolve labour disputes will be reinforced.

The preparation of basis, needed for creation of the monitoring institute in order to protect the labour conditions is in progress. The State Programme of Monitoring the Labour Conditions, as well as all other draft laws, was developed with the direct involvement of the social partners. Through the implementation of the programme the real situation in the direction of labour conditions of those, employed in the labour market will be analysed and assessed, which will serve as a guide of the measures, to be taken in the future. According to the mentioned programme, the Government will obtain a data concerning the health and safety in the verified enterprises and organisations.

6. Trade-related Issues, Market and Regulatory Reform

6.1 DCFTA

Economic integration with the EU, through establishment of the Deep and Comprehensive Free Trade Area (DCFTA) as an integral part of the Association Agreement (AA), is one of the priorities on the GoG agenda. The AA including the DCFTA was signed on 27 June 2014. The DCFTA has provisionally entered into force on 1 September 2014.

The Government of Georgia is fully committed to continue reform process as agreed between the parties and devote maximum resources to it. According to the governmental decree the coordination of the DCFTA implementation is assigned to the Ministry of Economy and Sustainable Development.

The Ministry of Economy and Sustainable Development, in coordination with other state agencies, has already elaborated the **2014-2017 Action Plan for the Implementation of the Deep and Comprehensive Free Trade Area**, which is based on the priorities identified by the Association Agenda. Furthermore, more detailed the 2015 Action Plan for the implementation of the DCFTA was also elaborated.

Georgia's needs in the process of the implementation of the DCFTA Action Plan for 2014-2017 have been prepared. On 6 November, the document was presented to the donor community for further consideration.

Under the Governmental Commission on Georgia's EU Integration, chaired by the Prime Minister, an interagency sub-commission was established, which coordinates and monitors effective implementation of the DCFTA. This sub-commission meets monthly at the level of deputy ministers and heads of relevant agencies.

The Ministry of Economy and Sustainable Development has already started an intensive public information campaign in the scope of the **EU Integration Communication and Information Strategy for the Period of 2014-2017** adopted by the Government of Georgia. It includes meetings with different groups of civil society (businesses, NGOs, local authorities), which are held both in Tbilisi and in regions. Additionally, the Ministry created a special web-portal, where all DCFTA related information is accessible, including small summary by chapters for better understanding of the agreement, DCFTA benefits and obligations, on-going and planned reforms.

The Government pays special attention to the transparency and civil society involvement in the implementation process of the AA/DCFTA Agreement. For this purpose, GoG plans to create the DCFTA Advisory Group, in which the civil society (businesses) representatives will be consulted on relevant issues.

6.2 Customs

In the framework of the ENP and the EU assistance, in order to contribute to the DCFTA negotiation and future implementation process, the Georgian Customs Administration through the capacity development activities enhanced the competences of the administration staff and approximated Georgian legislation and the customs procedures with the EU standards.

The key role in the reformation process played an 18 months EU Twinning project implemented at the Revenue Service of the Ministry of Finance of Georgia. Border Management Reform also was strongly supported through EaP Platform 1 - Democracy, good governance and stability.

International Cooperation

Agreements on Mutual Administrative Assistance in Customs Matters have been concluded with Republic of Moldova, Republic of Serbia, Republic of Azerbaijan and Republic of Kazakhstan; further negotiations are on-going with several other States including: Argentina, the USA, Japan, Switzerland, Albania, Mexico, South Africa and United Arab Emirates. Agreements related to the simplification of trade and streamlining of customs procedures are being negotiated with Ukraine. Georgia and the Republic of Turkey are also engaged in talks on the memorandum on the Mutual Recognition of Authorized Economic Operators AEOs. In the framework of this negotiation process, the Terms of

Reference for the Joint Working Group will be signed in July 2014.

A harmonised System Workshop took place in Tbilisi, from 22 to 26 April 2013 and addressed a wide range of HS-related matters, seeking to achieve a holistic view of the subject matter. The workshop was organised jointly by the World Customs Organization (WCO) and the Georgian Revenue Service, with the support of the Eurocustoms fund.

Within the scope of the implementation of the Visa Liberalisation Action Plan by Georgia, the LEPL Georgian Revenue Service Customs Department Employee Code of Ethics and Conduct was adopted. For the purpose of elaborating and updating already existed National Integrated Border Management Strategy and corresponding Action Plan on 14 January 2014, the Government of Georgia adopted a resolution No. 49. The strategy and the action plan were adopted by the government being also the obligation of Georgia within the scope of the Visa Liberalisation Action Plan with EU.

On 21-29 May 2013, the IFC mission to Georgia conducted a study of valuation system operating in the country. The aim of the mission included the identification of gaps with international best practices and assistance, with future procedures targeting the improvement of shortcomings.

Within the scope of IFC technical assistance program the customs administration risk management and intelligence system has been evaluated concentrated on cargo clearance procedures, targeting and profiling development process, sources of information and intelligence used to develop targets and profiles, utilization of E-Customs declaration data and examination results for profile development, profile input process for E-Customs etc. The gap analysis has been conducted and the further steps of assistance have been planned and approved.

Within the scope of Office of Technical Assistance under U.S. Department of the Treasury, the proper assistance has been provided in trainings on border related risk management. The working plan for the sustainable development of the assistance has been in the elaboration process.

The following important actions were implemented in the Revenue Service of the Ministry of Finance:

- The working group has been established and currently there is an elaboration process of the new Customs Code of Georgia. The general approximation of the prospective Georgian Customs Code to the Union Customs code is in the agenda.
- One of the important changes has been the creation of a unified customs unit (unification of customs and clearance departments) while following the recommendations of the EU expert in 2009-2010 based on EU customs blueprint *recommendations*: the assessment team underlined the existence of the particular concentration to fiscal issues and the service oriented policy outweighed the customs control function. Currently particular attention is paid to the re-establishment of a qualitatively restructured unit conveying to it all the customs related issues: customs control, safety and security issues, customs clearance and post-clearance.
- Enforcement of customs control related procedures while making the balance between the services oriented facilitation item and control has been streamlined. This particular approach has been supported by providing more modernized infrastructural developments and detection systems on customs crossing points; adopting the procedures aiming at the approximation to the international standards. The achieved balance between the service policy and customs control function comprises in itself the maintenance of the recognized service policy for the business sector while guaranteeing at the same time safe and secure customs control process. The enforcement of Customs control function can be justified by the specific initiatives

- CONTAINER CONTROL PROGRAMME - Joint Initiative of United Nations Office on Drugs and Crime (UNODC) and World Customs Organization (WCO) has been implemented in Georgia. Memorandum of Understanding between the Ministry of Finance of Georgia and the Ministry of Internal Affairs of Georgia and the United Nations Office on Drugs and Crime (UNODC) has been signed. Correspondingly, Port Control Unit has been established in Georgia on the basis of Poti Customs Clearance Zone comprising the interagency staff from Customs Department, Patrol Police Department and Central Criminal Police Department of the Ministry of Internal Affairs of Georgia. Port Control Unit objectives are the following: drug detection, precursor chemical detection, control of explosive materials, detection of non-declared cargo and the detection of counterfeit goods. The decision was taken to broaden the working area in Tbilisi in order to establish a new unit concentrated on the transit shipment.
- While Strengthening Integrated Border Management through interagency cooperation between Georgia Revenue Service and Ministry of Internal Affairs of Georgia the Memorandum of Understanding concerning the “Cooperation with regard to Revealing Illegal Trafficking in Narcotic Drugs, Psychotropic Substances and Precursors in Georgia” has been elaborated jointly by Georgia Revenue Service and by the Central Criminal Department of the Ministry of Internal Affairs of Georgia, Patrol Police Department of the Ministry of Internal Affairs of Georgia and Expert-Criminal Main Division of the Ministry of Internal Affairs of Georgia. Memorandum of Understanding served as bases for the establishment of Common Interagency Group which operates at the Customs Crossing Point “Tbilisi Airport” and aims at detection of illegal movement of drugs, psychotropic substances and precursors. The Interagency group consists of staff from Customs department, Central Criminal Department and Patrol Police Department and acts within the scope of their competence. Under the subordination of this group, five sniffer dogs were provided by the U.S. Government. The further development of the interagency group work is in progress.
- The Agreement between the Government of Georgia and the Government of the Republic of Armenia on the joint use of land customs crossing points of “Sadakhlo - Bagratashen”, “Sadakhlo-Airum”, “Guguti - Gogavan” and “Ninotsminda – Bavra” has been signed.
- Attention should be paid to the practical implementation of the technical provision document on “data exchange system” within the scope of the protocol between the Government of Georgia and the Government of the Republic of Turkey on details for the electronic data exchange regarding the international movement of passengers, vehicles and goods.
- The Georgian customs administration has initiated the enforcement of canine program at customs crossing points while allocating the resources for the proper infrastructure and the training courses. The canine center has been established with central office in Tbilisi and regional center for Western Georgia in Batumi Drug detector dogs have been delivered from USA and the dog handlers trainings are in process. K9 service will strengthen the customs control in connection of drug trafficking to/through Georgian territory.
- In December 2013, with the financial assistance of IFC and in cooperation with the UNCTAD’s experts, the Revenue Service upgraded the Automated System for Customs Data (ASYCUDA) to the last version, known as the eCustoms. The data model and data sets of eCustoms are fully compatible with the data model and data sets of the World Customs Organization. The eCustoms provides the web based user interface for both internal staff and external users (automated economic operators). Asymmetrical encryption (several levels and types of encryption algorithms are available) and built-in security features, electronic

signature, etc. are available to ensure high level of security. The eCustoms system is the basis for the proper implementation over the process related to the Joint Use of Customs Crossing Points.

One of the trade facilitation instruments that has been initiated is the periodic customs declaration: Gold List members (Georgian version of AEO) can submit periodic customs declaration for the goods imported by company during one month's period. This regulation offers opportunity to submit one import declaration for several consignment imported by the Gold List member during one month period instead of several declarations per each consignment. Members also use simplified custom clearance procedures at customs crossing points and possibility to declare goods in advance including with the possibility to 30 days deferral period for paying all custom duties. These rules represent one more step towards simplification of procedures for more than 150 companies.

Risk based selectivity module has been in progress in relation to main customs procedures – import, export, processing, warehousing etc. However, the risk based selectivity module was not in progress for transit. Considering the principles of interagency cooperation while supporting the improvement of integrated border management policy and facilitating the smooth movement of goods and people at the borders, Georgia Revenue service has the access to the data base of Patrol Police – PIRS: Personal Identification and Registration System. From the very beginning the information from the PIRS system was not in an automatic streamline to the database of the Revenue Service. Since the beginning of 2012 the IT Centre of Georgia Revenue Service has elaborated the software system while receiving the information from the PIRS system automatically in our system that gives us possibility to make more analysis and grant the proper suspicious status to a number of cases while creating the sufficient risk criteria. The new software system entered into force in the middle of 2012 in test regime and by the end of 2012 the software processing entered into force.

Simplified customs procedures entered into force and the customs clearance zone "Tbilisi 2" was opened aiming at segmentation of economic operators and simplification of customs clearance procedures for the group/consolidated consignments (receiver is one consignee but buyers are many). Time and costs required for customs clearance for groupage consignments was significantly reduced. The Revenue Service works on organising various training programs on SPS border control issues in order to raise awareness of the Georgian specialists and ensure sustainable development of SPS skills in this area. In this respect, 2 TAIEX assistance workshops were held in Tbilisi for veterinary and phytosanitary inspectors. These workshops covered veterinary and phytosanitary physical checks, including sampling for laboratory analysis.

- Workshop on veterinary checks at Border Inspection Points, 27-28 January 2014;
- Physical check of goods during the veterinary control (organoleptic and physic-chemical) and taking samples for laboratory analysis;
- Workshop on strengthening the capacity of phytosanitary officers, 24-25 February 2014.

Plant health control, physical examination (using magnifier, binocular and microscope) and taking samples for laboratory analysis according to the international standards.

30 veterinary and phytosanitary officers from Sanitary, Phytosanitary and Veterinary Border Control Division of the Revenue Service and 21 representatives from LEPL National Food Agency were trained and gained special knowledge to undertake control procedures on goods, subject to veterinary and phytosanitary control.

6.3 Standardization, Technical Regulations and Conformity Assessment

6.3.1 Standardization and Metrology

Georgia continues to further develop national quality infrastructure according to the international and the EU best practices, based on Government of Georgia's (GoG) "Strategy in Standardization, Accreditation, Conformity Assessment, Technical Regulation and Metrology" (TBT Strategy), and the "Programme on Legislative Reform and Adoption of Technical Regulations" (TBT Programme). The "Code on Safety and Free Movement of Products" (Code) is the main document for the relevant Governmental authorities to continue implementation of the principles laid down in TBT Strategy and Programme. Georgian National Agency for Standards and Metrology (GEOSTM) follows the principles of above-mentioned documents and performs relevant activities for the implementation of its Institutional Reform Plan (IRP).

In order to be capable to follow the principles and best EU practices in the field of standardisation and metrology GEOSTM, as a member of the relevant international and regional organisations, actively participates in the work of International Bureau of Weights and Measures (BIPM), Euro-Asian Cooperation of National Metrology Institutions (COOMET), International Organization of Legal Metrology (OIML), International Organization for Standardization (ISO), European Committee for Standardization (CEN), European Committee for Electrotechnical Standardization (CENELEC), International Electrotechnical Commission (IEC). GEOSTM has been actively involved in the European standardization and metrology activities through participation in the relevant General Assemblies, seminars, conferences and trainings.

GEOSTM dynamically continues adoption of the European standards as national standards in the priority fields according to TBT Strategy and Programme and provides notification to CEN and CENELEC. During 2014, GEOSTM adopted more than 1000 international and European standards as Georgian ones.

GEOSTM has elaborated and implemented Standards Programme 2014, which includes all priority standards to be adopted in 2014. Standards Programme adopted yearly and renewed in every 6 month, list of priority standards defining in close cooperation with governmental institutions and private sector through the standardization technical committees.

Two standardization technical committees, forth – in Tourism and fifth Technical Committee (TC) in the field of construction and hazard objects has been established. At this stage, in the field of standardization, GEOSTM started participation as a P member in TCs operated under the ISO and IEC and now GEOSTM actively participate in the five Standardization Technical Committees in ISO and in the four Technical Committees in IEC.

To support adoption of the ETSI ENs, the GNCC, as the ETSI Full Member and the ETSI NSO in Georgia, supports transposition of ETSI standards into national level and provides notification to ETSI. During the reporting period 41 ETSI standards were transposed into national level by GNCC in cooperation with GEOSTM.

To develop cooperation with ETSI and improve knowledge in EU standards, GNCC regularly organises ETSI workshops in Georgia. This year, the workshop was conducted by Mr Luis Jorge Romero, the ETSI Director General on 15-16 May. The GNCC was the initiator and the organiser of the Workshop. The GNCC, the Ministry of Economy and Sustainable Development of Georgia, the

Georgian National Agency for Standards and Metrology, mobile and fixed operators, internet-providers and broadcasters attended the workshop from the Georgian side.

During 2014, in close cooperation with ISO, the central secretariat special portal “ISOlution” (<http://geostm.isolutions.iso.org/geostm>) was developed on the official web-page of GEOSTM. The Portal gives an opportunity to Georgian entrepreneurs or other interested parties to buy relevant standards directly from ISO or subscribe to ISO services through this portal. Through this portal all payments will pay in Georgian national currency (GEL) without any additional transaction costs.

In 2014, by full translation into Georgian, the following ISO standards were adopted:

- ISO/IEC 17021:2011 “Conformity assessment - Requirements for bodies providing audit and certification of management systems”;
- ISO/IEC 17024:2012 “Conformity assessment - General requirements for bodies operating certification of persons”;
- ISO/IEC 17065:2012 “Conformity assessment - Requirements for bodies certifying products, processes and services”;
- ISO 14532:2014(en) Natural gas - Vocabulary.

During 2014, according to requests of entrepreneurs and other interested parties, around 300 standards were distributed and 70% of these standards were ISO and EN standards.

During 2014, 386 Georgian Standards were windrowed from the Georgian Standards Registry, part of them were conflicting standards with EU and international standards and some of them were old international and European standards, which were abolished by respective International and European Standards organisations.

In the field of metrology, integration of GEOSTM into the activities of international/regional metrology organisations is one of the crucial issues for ensuring international recognition of its CMCs (Calibration and Measurements Capabilities) of Georgia. GEOSTM representatives took part in BIPM meetings, COOMET committee meetings, Quality Forum and respective TC per measurement fields.

Qualification of GEOSTM staff is one of the key aspects of all technical assistance projects that are being realised in the field of quality infrastructure in GEOSTM. Within the framework of the Twinning project, internships of GEOSTM Metrology Institute staff in the advanced European metrological institutions were held (PTB Germany, ZMK Germany). Also, in the framework of different technical assistance projects (e.g. bilateral German-Georgian cooperation project, EU Twinning project and regional project), various seminars and trainings are regularly taken place.

Representatives of GEOSTM, as well as different interested parties (ministries, manufacturers, NGOs, laboratories) take part in the seminars on permanent basis, which improves and raises awareness regarding the importance of the national quality infrastructure.

In the framework of the phase I of CIB (Comprehensive Institutional Building) Programme, certified courses for quality managers and quality auditors were performed from 15 September to 2 October. The courses were provided by Ukrainian Association for Quality (UAQ) member of European Organization for Quality (EOQ). Staff of GEOSTM Metrology Institute has passed the exams on 1-2 October, 2014 successfully and following qualifications were awarded: Lead Auditors - 2, Quality Managers - 6, Auditors - 8, Junior Auditor - 1.

One of the main issues of the GAP assessment of GEOSTM, as well as of GEOSTM's IRP is the improvement of GEOSTM physical and supporting infrastructure, development of national measurement standards base and respectively, development of human resources and capacities of GEOSTM Metrology Institute's reference laboratories, as well as of Standardisation department.

These issues are being addressed in the framework of Comprehensive Institutional Building (CIB) Programme. The CIB program for GEOSTM is covering following crucial aspects:

- Upgrade of physical infrastructure – building, laboratories premises and supplementary infrastructure (CIB 2011; on-going). The renovation process covering renovation of following laboratory premises: Length, Force, Acoustics, Vibration, Radio Frequencies, Conductivity, pH measurements, Optics, Time and Frequency, Flow, Small Volumes, Density, all relevant systems e.g. heating-cooling, ventilation, electrical supply, water and sewage system, also drainage system are being renovated;
- Upgrade of Measurements Standards Base – priority list of equipment have been developed in the framework of Twinning project. The EU expert will transform these lists in the form to be in line with EU procurement documents' requirements. The draft lists are finalised; A German expert from ZMK, jointly with representatives of relevant laboratories, elaborated final list of the measuring instruments to be procured under CIB II phase, as well as technical specifications and submitted to EU delegation in December 2014;
- Capacity building – development of human resources, training of the staff regarding the new instruments and methods in metrology, training of secretaries of the national technical committees (staff of standardization department), etc. Following stages have been conducted, prior information notice has been published, and short listing was performed. The selection process was finalised and the winner was identified;
- CIB project - the individual contract for “Support to the Georgian National Agency for Standards and Metrology” was signed at the end of 2012. Activities under CIB 2011 have already started:
 - ✓ Project Management Company LTD “LMC” was selected, project design team “Architects of Invention” was selected, Guiding document “Basic requirements for calibration laboratories and proposals for their further development at GEOSTM was elaborated by German experts;
 - ✓ The evaluation of the technical condition of GEOSTM building via visual inspection, examination has been performed by National Forensic Bureau;
 - ✓ The geological research regarding the need and possible design of drainage system according to the recommendations of German experts and project management company was performed;
 - ✓ Works for installation of drainage system were completed;
 - ✓ The engineering expertise/research was conducted by the LEPL Levan Samkharauli National Forensics bureau, regarding the evaluation of the existing cement covering on 3rd and 4th floors of GEOSTM building as well as regarding the carrying capacity of the structure of the building;
 - ✓ Company for realization of renovation works of building including laboratory parts as well as for development of engineering systems was selected and renovation process is on- going;
 - ✓ The part of renovation works covered from state budget (300 000 GEL) was completed in December 2014, the expertise of works were performed by experts of National Forensics Bureau. The part of renovation works financed by CIB grant contract will be finalised by the end of January 2015. The expertise of the performed works will be examined by experts from National Forensics Bureau of Georgia.

On its way to achieve international recognition, GEOSTM takes necessary measures to ensure traceability of measurement standards, through:

- Active participation in the comparisons carried out in the framework COOMET. GEOSTM already participated in the comparisons in the field of electricity, temperature, phys-chemical

measurements. Participation in bilateral comparisons in the field of mass and electrical measurements (as pilot laboratories) had been performed, comparison reports A and B were prepared and agreed;

- Calibration of reference standards abroad: the reference measuring is permanently sent for calibration in Germany, Czech Republic, Ukraine, Belarus, Germany, etc. One of the main aspects of GEOSTM IRP is related to ensuring the international recognition of GEOSTM Metrology Institute;
- In order to achieve international recognition in the field of metrology Quality Management System according to the international standard ISO/IEC 17025 has been implemented in Metrology Institute of GEOSTM.

On 15-17 October 2013, international peer-assessment of three laboratories of GEOSTM Metrology Institute (Electrical, Mass and Temperature Measurements Labs) was performed. The peer-assessment was conducted by the experts of regional metrology organization (COOMET). All three laboratories successfully passed the peer-assessment. According to the positive results of the assessment, metrological infrastructure and technical competence of the country was recognized; this will promote the increase of export potential of the country and facilitate access of Georgian products on international markets.

On 11 February 2014, the implementation of Quality Management System according to the ISO/IEC 17025 International Standard was recognized by the COOMET Quality Forum Technical Committee and Certificate of Recognition (QSF-R32) was issued.

In March 2014, international recognition of calibration measurements certificates issued by GEOSTM Metrology Institute in the field of temperature measurements was achieved.

Works for publication of Calibration Measurement Capabilities in the field of electricity and mass are on-going.

6.3.2 Accreditation

The main Task of the Unified National Body of Accreditation – the Georgian Accreditation Center (GAC) is to conduct accreditation of conformity assessment bodies in the both – regulated areas where a conformity assessment is mandatory and non-regulated areas where the conformity assessment is a voluntary.

To meet the international requirements in the field of conformity assessment of the goods and overcome technical barriers in trade, it is necessary to increase competitiveness of the product and service produced in Georgia. To achieve this goal, it is important to develop national quality infrastructure including, accreditation system based on international requirements and internationally harmonised standards. For this purpose, the GAC continues its effort to conduct activities according to international requirements and in order to approximate its practice with European and international accreditation structures such as European co-operation for Accreditation (EA), International Laboratory Accreditation Cooperation (ILAC) and International Accreditation Forum (IAF).

In January 2014, the GAC developed and made changes in GAC's rules and procedures based on the resolutions of the International Laboratory Accreditation Co-Operation (ILAC). According to the changes, international standard for inspection bodies ISO/IEC 17020:2012 replaces the standard ISO/IEC 17020:1998 – “General criteria for the operation of various types of bodies performing inspection”. Thus, various types of inspection bodies operating in Georgia are able to apply for the accreditation in compliance with the new version of international standard.

Moreover, to ensure continuous experience of GAC's lead assessors and invited technical assessors and also to involve new experienced individuals into GAC activities number of trainings in compliance with new and old versions of the international standards were performed according to GAC's annual training plan. Trainings were held in ISO/IEC 17020:2012, ISO/IEC 17065:2012, ISO/IEC 17025 and ISO 15189 standards.

At the same time, in the framework of the EU Integration Communication and Information Strategy of the Government of Georgia for the period of 2014-2017, a seminar on Approximation of EU requirements with Georgian Quality Infrastructure was held at Shota Rustaveli State University in Batumi on 5 March 2014.

To increase awareness about accreditation, on 9 June 2014, the GAC organised the "Accreditation Day" event within the framework of EU CIB (Comprehensive Institutional Building) and with participation of stakeholders. Accreditation in quality infrastructure, its further goals and prospective were discussed during the seminar.

The year of 2014 was important in terms of strengthening bilateral cooperation with accreditation bodies of other countries. Namely, on 18 September 2014, a cooperation agreement was signed between the National Accreditation Agency of Ukraine (NAAU) and Georgian Accreditation Centre. Moreover, on October 31, 2014 on the second commission session of economic co-operation between Georgia and Hungary the memorandum between Georgian Accreditation Centre (GAC) and Hungarian Accreditation Body (NAT) was signed.

During 2014, the GAC conducted:

- 61 accreditations of various conformity assessment bodies (41 testing laboratories; 10 car inspection bodies; 1 calibration laboratory; 3 product certification bodies, 1 personnel certification body, 3 inspection bodies, providing verification in the field of legal metrology, 2 Medical laboratories).
- 33 surveillance visits to the accredited bodies (18 testing laboratories; 2 car inspection bodies; 2 product certification bodies; 5 calibration laboratories; 4 inspection bodies providing verification in the field of legal metrology, 2 personnel certification bodies).

Steps have been taken to prepare Georgia to achieve the conditions necessary to conclude an ACAA covering one or more sectors, as envisaged by the Association Agreement, and in accordance with a related comprehensive institutional reform plan and legislative reforms. In particular, according to EA associate membership agreement, GAC (partly funded by the EU CIB project) participated in works of all EA Technical Committees, including:

- Certification Committee (March and September);
- Inspection Committee (March and September);
- Multilateral Agreement Council (October);
- General Assembly (May and November).

In September 2014, the GAC submitted a formal application to the European Co-operation for accreditation (EA), in order to start procedures for bilateral recognition (BLA), aiming to reach international recognition of conformity assessment documents issued by Georgian accredited bodies.

To ensure the involvement of interested parties in accreditation and conformity assessment activities, the rules for GAC advisory board - Accreditation Council – established by the order No. 1-1/403, 30.12.2014 of the Minister of Economy and Sustainable Development.

6.3.3 Market Surveillance

Technical Regulations and Market Surveillance

The development of national market surveillance system according to international and European best practices is one of the most important factors with regard to the effective implementation of EU-Georgia Association Agreement, namely the DCFTA component.

The Georgian side, in close cooperation with the Delegation of the European Union to Georgia and the EU expert involvement, developed the Action Fiche for the EU technical assistance in market surveillance field and accordingly prepared the ToR project, which considers gaps and needs analyses of the Georgian market surveillance system and the Technical and Construction Supervision Agency (TCSA) – responsible body for market surveillance of most products in industrial field), as well as elaboration of market surveillance action plan and Institutional Reform Plan (IRP) for TCSA according to the Market Surveillance Strategy on Industrial Products and results of gaps and needs analyses. The IRP will be a guiding document for future activities of TCSA. The EU Technical Assistance Project considers the training programmes for TCSA with focus both on approximated EU directives (e.g. simple pressure vessels, pressure equipment, hot water boilers, etc.) and on the directives currently in the approximation process. The training programme contains the theoretical and practical exercises in Georgia, as well as in EU Member States.

The ToR project is planned to start in the first quarter of 2015 and will be in process for 15 months.

The TCSA continues its activity related to preparation of technical regulations taking into account the principles of EU legislation and the following regulations are already adopted by the Government of Georgia - “Technical Regulation on Safety of Lifts in Service” and “Technical Regulation on Safety of Cableway Installations in Service”.

For the implementation of its activities according to the EU best practices, the TCSA participated in several seminars and workshops, in particular:

- Meeting of Association Committee in Trade Configuration concerning to implementation of obligations envisage by TBT chapter (3 December 2014 in Brussels, Belgium);
- Study visit on Conformity Assessment and Market surveillance within the frameworks of EU Technical Assistance and Information Exchange (TAIEX) programme (30 June - 2 July 2014 in Brussels, Belgium);
- Seminar on “Prevention and control of major accident hazards involving dangerous substances (SEVESO Directives)”, within the framework of PPRD East Programme (28 April - 1 May 2014 in Bucharest, Romania);
- Study visit within the framework of the EU Twinning project “Strengthening of the Metrology and Standardization Infrastructure According to the Best Practices in the EU Member States” concerning to Quality Infrastructure and Market Surveillance system according to Slovenia best practice (26-31 January 2014 in Ljubljana, Slovenia).

6.4 Agriculture, Sanitary and Phytosanitary (SPS) Issues

6.4.1 Agricultural development

Agriculture has become one of the top priorities of the Government of Georgia since 2012.

1. Strategy for Agricultural Development in Georgia (2015-2020)

The Strategy for Agricultural Development in Georgia (2015-2020) has been completed and will be officially presented by the end of January 2015. The aim of the Strategy for Agricultural Development in Georgia is to create an environment that will increase competitiveness in agro food sector, promote stable growth of high quality agricultural production, ensure food safety and security and eliminate rural poverty through sustainable development of agriculture and rural areas.

The key strategic measures of the strategy:

1. Enhanced Competitiveness of Rural Entrepreneurs;
2. Institutional Development;
3. Amelioration and Soil Fertility;
4. Regional and Sectorial Development - Value Chain Development;
5. Ensuring Food Security;
6. Food Safety, Veterinary and Plant Protection;
7. Climate Change, Environment and Biodiversity.

2. Spring Program 2014

In 2013, the Government of Georgia initiated the Spring Program. In 2014, the Program is being carried out by the LEPL Agricultural Projects Management Agency. The total budget of the program is estimated 82 mln GEL. Approximately 800 000 farmers will benefit from this program. Beneficiaries are those farmers, who own or possess agricultural land with area up to 1.25 ha and use these lands for cultivation of annual and perennial crops. Under this program farmers will receive two types of card: 1) cultivation card –140 GEL (per hectare) for land cultivation and 2) agro card –50 GEL for agricultural inputs.

Within the initiative of the Government of Georgia, the Ministry of Agriculture has developed 2014 years small-land farmer summer works promotion project.

The project aims to encourage the government to continue their activities with small-land farmers in building their own sustainably developing farming. Farmers were given the ability to bring the harvest on multiyear un-ploughed areas. These areas are mostly harvested by grains, vegetables, and technical crops. Multiyear plant care measures were also held.

Participating beneficiaries of the Spring Program 2014 are the farmers who own, use or possess ownership of 1.25 ha - including the agricultural land for the production and use of annual or multiyear crops. Farmers, according to a plot of land, are divided into two categories and according to these categories the farmers get different amount of benefits per hectare, maximum 190 GEL per hectare.

The categories are:

- a) Farmers, who have 0.25 ha - of land plots;
- b) Farmers, who have 0.25 ha to 1.25 ha.

760 000 beneficiaries took part in 2014 years small-land farmer summer works promotion project.

Within the project, 82,605,333 GEL amount benefits will be used by 760 000 beneficiaries. 474,056 beneficiaries will get rural - agricultural/tilling cards 40,741,707 GEL worth and 41,863,626 GEL worth “Agro-cards”. In the framework of the project, beneficiaries spent 51,895,536 GEL on “Agro-cards” and they received benefit of 18,059,387 GEL from agricultural/tilling cards.

Besides the above-mentioned, the **USAID-funded project under the Ministry of Agriculture** have trained and consulted their advice service staff to enhance their qualifications and strengthen their skills in the extension service issues. Apart from this project, NGO CIDA organised “Local Actors Join Together in Inclusive Economic Development and Governance in the South Caucasus (JOIN)” programme. Theme: Information - consulting services strategy. The **EU funded project Capacity Development of the Ministry of Agriculture Project implemented by FAO** has been helping the Ministry of Agriculture in elaboration of the extension system strategy for Georgia that should result in establishment of the effective system for provision of advice to Georgian farming community, as part of its efforts to build the capacity of small farmers. Currently, the assistance of the project is focused on enabling at least 30 district level MoA Information Consultancy Service centers to develop extension packages for the farmers and provide advice in accordance with the internationally recognized FAO criteria.

3. Scientific Research Center of Agriculture (SRCA)

The LEPL Scientific Research Center of Agriculture was established in February 2014.

The key directions of the Centre:

1. Research, development and dissemination of the new technologies;
2. Promotion of modern agricultural technologies via extension services;
3. Assess the risk in food security and safety, animal health (veterinary), soil and plant protection;
4. Promoting the development of bio agricultural methods and organic farming;
5. Soil fertility management;
6. Support the restauration of endems and conservation (Genetical Resources Banks) of agro-biodiversity of plants and animals;
7. Certification and standardisation of seeds and planting materials;
8. Development and adaptation of modern agri-machinery;
9. Implementation of the modern agri, bio, nano and informational technologies.

4. Cheap Agro Credit project

In order to improve access to financial resources for agricultural activities, the Government of Georgia created the Cheap Agro Credit project in 2013. The credit scheme is based on co-financing mechanism of the Rural and Agricultural Development Fund and banks as well as micro-financial organisations. Cheap Agro Credit program includes seven components:

1. Up to 5,000 GEL with 0% interest rate for commodity loan;
2. Up to 100,000 GEL with 6-8% interest rate for working capital;
3. Up to 1,000,000 GEL with 1-3% interest rate for long-term investments;
4. Up to 1,000,000 GEL with 1-3% interest rate for agro leasing;
5. Up to 10,000,000 GEL with 4-6% interest rate for grape processing companies;
6. Up to 10,000,000 GEL with 4-6% interest rate for citrus procuring companies;
7. Co-Investment project for agro processing companies.

Since the launch of the project 27 177 farmers/producers have benefited from the Cheap Agro Credit. The sum of the agro credit amounts 722 mln GEL.

5. Co-investment Project

Co-investment project for agro processing companies is initiated by the Government of Georgia. Total investment of the project is estimated as 30 mln USD. Key objectives of project are creation of 50 new or rehabilitation of inactive agro processing companies in low economic activity regions and geographic diversification of agro processing companies. Under this program, 16 projects were approved and 6 out of them have already started the implementation.

6. Produce in Georgia

The programme “Produce in Georgia” is initiated by the Government of Georgia in June 2014. Key goal of the programme is to support and development of production oriented industries. The programme is carried out by several state agencies: Agriculture Project Management Agency (APMA - under the Ministry of Agriculture), Entrepreneurship Development Agency and National Agency of State Property (EDA and NASP - under the Ministry of Economy and Sustainable Development). APMA is in charge of Agricultural component of the programme with the 30 mln GEL budget (out of a total 49 mln GEL budget for the entire programme). Financial assistance, infrastructural support and technical assistance are the key components of the programme.

Program directions:

1. High-tech greenhouses (vegetables, berries and greens);
2. Intensive cattle farming (dairy and meat);
3. Cattle, poultry, fish feed factory;
4. High-tech, intensive poultry factory (meat, thatching);
5. Fruit, berries, vegetable, citrus processing;
6. Nuts processing;
7. Wool, leather processing;
8. Laurel, tea, tobacco processing.

Industrial directions include:

4. Food Production;
5. Production of non-alcoholic beverages;
6. Production of cigars, cigarillos and cigarettes;
7. Production of bitumen and bitumen product;
8. Production of chemicals and related industries;
9. Rubber and plastic produce;
10. Wood processing;
11. Apparel industry, including clothes, shoes, thread (wool, silk) production and leather processing;
12. Construction materials (stone, plaster, asbestos, mica or similar materials); ceramic produce; production of glass and its produce;
13. Production of inexpensive metals and their produce;
14. Automotive industry (cars and mechanisms); electric equipment and their parts; sound recording and producing equipment, televised image and voice recording and producing equipment, production of their parts and appliances;
15. Production of pearl – natural or cultivated, precious and semi-precious stones; precious metals and their produce; bijouterie/costume jewellery; coins;
16. Production of over ground transport, aircrafts, water transport and related equipment and appliances;
17. Production of various industrial goods

Under this programme, loan amounts from 600 000 to 2 000 000 GEL with 11-12% interest rate, from which 10% will be subsidised by the Government of Georgia.

Legal approximation according to DCFTA

The AA/DCFTA Agreement implies the approximation of Georgian legislation with EU *acquis*. The on-going process of Georgian legislation revision, in which MoA and the LEPL National Food Agency (NFA) are actively involved, entails: revision of present Comprehensive Food Safety Strategy and Legislative Approximation Program; drafting of primary legislation and relevant secondary legislation. NFA is involved in this process as a main SPS implementing state authority. In July 2013, the EU and Georgia successfully concluded negotiations for the DCFTA and the Agreement was signed on 27 June 2014.

The European Integration Department will be established within MoA in January 2015, which will be entitled to ensure, within its competence, harmonisation of legal acts, regulating the sphere of agriculture with the EU law.

The Department will ensure the coordination between departments and legal entities within the Ministry in order to fulfil commitments related to the European integration process. The European Integration Department will participate in governmental activities on the implementation of the Association Agreement related issues and will be mainly focused on approximating the Georgian agro legislation to the EU requirements in order to develop and submit proposals to the management of the Ministry and collaborate the proposals regarding other European integration related issues.

The European Integration Department will actively participate in this process along with other departments of the Ministry and representatives from LEPL National Food Agency, particularly, in all three directions of the work - veterinary, food safety and phytosanitary.

During 2014, the Law and Parliamentary Relations Department supported the working group, consisting of the Ministry and the staff of LEPL National Food Agency, in drafting certain amendments to the Georgian Code on Food/Feed Safety, Veterinary and Plant Protection based on the recommendations of the EU experts in order to make it fully in compliance with the EU Legislation. The law entered into force on 17 May 2014.

In March 2014, working groups have been created in order to prepare draft legislation according to the No. 2-69 Order of the Minister of Agriculture on Approval of Comprehensive Strategy and Legislative Approximation Programme in Food Safety. Relevant decree of the Government of Georgia No. 783 of 5 May 2014 amends the Decree of the Government of Georgia No. 1756, which provides for the normative acts subject to harmonisation to the EU legislation for upcoming 2014-2020 years.

Currently, *inter alia*, draft regulations on “Control of Potato Wart Disease” and “Wood Packaging Material in International Trade” Rules for state control of animal origin food products, are being elaborated in the Department and are sent to the relevant ministries for their suggestions. The relevant pieces of the EU legislation have been researched and reviewed in cooperation with Georgian specialists and international experts.

The GoG adopted following normative acts:

- a) “Rules for Identification and Registration of Bovine Animals” No. 764, 31 December 2014;
- b) “The Rules for Approval of Business Operators” No. 722, 26 December 2014;
- c) “Technical Regulation regarding Honey” No. 714, 26 December 2014.

The working groups completed working on following directives/regulations:

- a) Conditions under which certain harmful organisms, plants, plant products and other products may be introduced into or moved within the country or certain protected zones thereof for trial or scientific purposes and for work on varietal selections;
- b) Establishing a procedure for the notification of interception of a consignment or a harmful organism from third countries and presenting an imminent phytosanitary danger;
- c) Introducing community measures for the control Newcastle disease;
- d) Requirements for feed hygiene.

The Minister of Agriculture of Georgia in 2014 adopted amendments to the Minister's order No. 2-217 regulating measures for the control of classical and African swine fever virus.

The Law and Parliamentary Relations Department has been working on the Technical Regulation on Milk and the Milk Products, in collaboration with NFA since December 2013, according to the No. 2-288 Order of the Minister of Agriculture. The developed document is currently subject to the public debate, open for experts and relevant NGOs.

The staff of the Department has been actively engaged in the ongoing preparatory work of the draft law on "Species and Habitats" and the Ministry of Environment Protection and Natural Resources has created the working group to facilitate the work on the law.

Through collaboration with the Ministry of Labour, Health and Social Affairs, the Department staff has concluded the draft Order of the Minister of Agriculture on "Handling Plants and Mushrooms Containing Narcotic Drugs, Psychotropic Substances, and Precursors for Scientific Research Purposes". This normative act No. 2-149 was adopted by the Minister of Agriculture on 19 August 2014.

Farmers Co-operation

Activities carried out in 2014 by the Agricultural Co-operatives Development Agency within the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD).

On 10-16 March, OXFAM with the financial support of the Project "Agricultural Cooperatives Support and Development in Georgia of the European Neighbourhood Programme" (ENPARD) organised the study tour in Serbia of Georgian Delegation consisting of the Ministry of Agriculture, LEPL Agricultural Cooperatives Development Agency and Agrarian Committee of the Parliament of Georgia.

The overall objective of this visit to Serbia as candidate for the EU Membership was introduction of Agricultural Policy and Agricultural Cooperatives Development Strategy.

On 11 March, the LEPL Agricultural Cooperatives Development Agency participated in the ceremony of signing Memorandum organised by ENPARD among Consortium members - four organisations OXFAM, Mercy Corps, Care, and People in Need in Tsinamdvriantkari.

Representative of the Targeted Projects Department of the Agency has participated in Samtskhe - Javakheti Advisory Board workshop organised by "Mercy corps" in Bakuriani on 11-12 March 2014.

On 23-30 March 2014, international organisation "People in Need" (PIN) organised a study tour in the Czech Republic in the frame of the ENPARD program – "Georgian Agriculture - Agricultural

Cooperatives Development”, by participation of the representatives of Ministry of Agriculture and LEPL Agricultural Cooperatives Development Agency. The aim of this study tour in Czech Republic as a member state of the European Union' was introduction of Agricultural policy and strategy for the development of cooperatives.

On 15 April 2014 in Kutaisi at the Hotel “Bagrati”, the LEPL Agricultural Cooperatives Development Agency organised a workshop for the representatives of municipalities of west Georgia and representatives of the ENPARD.

On 22 April 2014, by the initiative of the LEPL Agricultural Cooperatives Development Agency and the Oxfam the Round Table “Agricultural Cooperatives Systems Development with National Policy Principles” was organised. Deputy Minister of Agriculture David Galegashvili, Agricultural Cooperatives Development Agency, George Misheladze and Chairman of the Agrarian Committee in the Parliament of Georgia, Gigla Agulashvili were present at the event together with the representative of Delegation of the European Union in Georgia, Agriculture and Rural Development Attaché, Juan Echanove. During this meeting the Georgian agricultural cooperation systems issues were reviewed. The nature of the meeting was in frame of discussions and ended with the adoption of a joint communique.

On 29 April 2014, in the Municipality of Baghdadi the Chairman of the LEPL Agricultural Cooperatives Development Agency, George Misheladze met with local farmers and agricultural cooperatives and he shared detailed information about the process of the registration of Agricultural Cooperatives. The meeting was attended by representatives of PIN organisation that are acting in this region. On 29-30 May, the LEPL Agricultural Cooperatives Development Agency participated in media tour organised by ENPARD and UNDP.

On 1 May 2014, the LEPL Agricultural Cooperatives Development Agency held workshop in Public college “Aisi” (village Kachreti), with the participation of Ministry of Agriculture eastern Georgian information-consultation centre representatives. The meeting was also attended by representatives of ENPARD Consortium members.

On 29-30 May 2014, the LEPL Agricultural Cooperatives Development Agency participated in ENPARD and UNDP's jointly organised media tour.

The Conference on Policies to Support Georgian Agricultural Cooperatives organised jointly by FAO projects – “Capacity Development for the Ministry of Agriculture Programme”, financed under ENPARD initiative by EU and Austrian Development Agency (ADA), was held on 9 July 2014. Representatives of LEPL Agricultural Cooperatives Development Agency, as well as ENPARD Consortium members and agricultural cooperatives were participating in the Conference.

On 25-26 September 2014, a representative of LEPL Agricultural Cooperatives Development Agency participated in the Business Plan Presentation of grantees' contestants. The contest was organised by People in Need (PIN) in Kutaisi.

On 11 December 2014, a representative of Agricultural Cooperatives Development Agency participated on the Business Plan Presentation of grantees' contestants. The contest was organised by Mercy Corps in Tbilisi.

On 25 December 2014, in the framework of the ENPARD program, People In Need handed tractors to 1st round grantees, including 5 agricultural cooperatives of Imereti and Racha regions. The Deputy Minister of Agriculture and the Chairman of the LEPL Agricultural Cooperatives Development Agency participated in the event.

With the technical support of FAO, the LEPL Agricultural Cooperatives Development Agency has conducted 7 workshops for stakeholders. Representatives of ACDA, MoA and ENPARD Consortium members participated in these workshops.

ENPARD prepared and printed the Agricultural Cooperatives Guide in cooperation with ENPARD Consortium in Georgian, Azerbaijani and Armenian languages, which were disseminated among local information - consulting centres for distribution. The Agricultural Cooperatives Guide is also permanently distributed during the meetings conducted by the Agency.

With the support of ENPARD, the Consortium LEPL Agricultural Cooperatives Development Agency has elaborated and released booklet of “Frequently Asked Questions” that includes all the necessary information for stakeholders, concerning agricultural cooperatives. Other activities carried out by the LEPL Agricultural Cooperatives Development Agency on the EU integration: the LEPL Agricultural Cooperatives Development Agency celebrated Cooperatives International Day for the first time in Georgia on 5 July 2014. The event will be held annually on the first Saturday of July.

On 30 October 2014, the LEPL Agricultural Cooperatives Development Agency signed memorandum with EU-Georgia Business Council (EUGBC) and participated in training cycle “Prospects of EU-Georgia Association Agreement/DCFTA – Discussing tariff and non-tariff barriers in the trade with the EU”, organised by EUGBC. Representatives of 50 cooperatives have participated in training cycle held in Batumi, Signagi and Tbilisi.

Within the auspices of the European Neighbourhood Programme for Agriculture and Rural Development in Georgia (ENPARD Georgia), the Review Mission for second tranche in May 2014, positively assessed the work undertaken by the MoA for fulfilment of the relevant specific conditions related to the following: 1) Strengthened farmers’ co-operation; 2) Capacity building for small farmers; 3) Capacity building of the institutions involved in agriculture. As a result, the second tranche for the direct budgetary assistance amounting 6 mln EUR was fully disbursed to the Government of Georgia.

6.4.2 Food Safety

Legal Issues

Food Safety Code

According to the Order No. 2-234 of 7 December 2012 of the Minister of Agriculture working group on drafting Georgian Code on Food/Feed Safety, Veterinary and Plant Protection has been established.

As a result of the work undertaken by MoA and NFA involving EU experts, NGOs and other relevant stakeholders the draft of the new **Georgian Code on Food/Feed Safety, Veterinary and Plant Protection** has been prepared. In June 2013, the draft has been distributed to relevant state authorities for further discussions. In October 2013, a workshop on “**Amendments to Food/Feed Safety, Veterinary, and Plant Protection Code**” has been held. The workshop was attended by representatives of NGOs, state authorities, private and international experts and academia. As a result of the workshop, final version of the code has been elaborated, which was distributed to relevant state stakeholders and passed state discussions. Consequently, the amended Code was adopted by the Parliament of Georgia on 17 April 2014. The Code was enforced on 16 May 2014.

Legal Approximation Program

The comprehensive strategy and legislative approximation program in food safety was prepared by the interagency working group for development of food safety system in Georgia under the Commission for the EU Integration (May 2009-October 2010).

This strategy and legislative approximation program aims to further develop legal and institutional framework in the food safety area and establish a solid food safety system in Georgia in line with the EU and international standards.

According to the Order No. 2-97 of the Minister of Agriculture of 5 April 2013, a working group on revision of existing legislation approximation program has been established, that identified legislative documents to be adopted within next 8 years. On 5 May 2014, the amendments to the Order have been adopted by the Government of Georgia by the Decree No. 783.

According to the order No. 2-69 of 28 March 2014 of the Minister of Agriculture of Georgia the working group to implement legislative approximation programme through elaboration and adoption of secondary legislation was established. Respectively, separate groups in the fields of food safety, veterinary and plant protection have been established.

The following activities are being done to approximate Georgian legislation to the relevant EU legislation:

In Veterinary field

Adopted:

- According to the Order No. 2-123 of the Minister of Agriculture of Georgia, was adopted Quarantine Measures for the Control of Classical Swine Fever.

Following drafts of the secondary legislation are being elaborated:

- Rule for the Control and Quarantine Measures of African Swine Fever;
- Cattle Registration and Identification Rule;
- Feed Hygiene Rule;
- Rule for the Control Newcastle Disease.

In Food Safety Field

Elaborated:

- “Official control rule of animal origin food”.

Is being elaborated:

- “Business operator Approval Rule”;
- “The General Hygiene Rule of food”.

In Phytosanitary Field

Is being elaborated:

- Guidelines for regulating wood packaging material in international trade;
- Rule for the control of Potato Wart disease;

- Procedure for the notification of interception of a consignment or a harmful organism from third countries;
- Rule for Establishing the conditions under which certain harmful organisms, plants, plant products and other objects listed in Annexes I to V to Council Directive 2000/29/EC may be introduced into or moved within the Community or certain protected zones thereof, for trial or scientific purposes and for work on varietal selections according to commission directive 2008/61.

Following documents of secondary legislation of Georgia are being revised:

- "The rule on organisation of small packaging of Pesticides" approved by Decree No. 447 of 31 of December 2013 of Government of Georgia;
- "The rule on control and sampling of pesticides and agrochemicals placed on the market" approved by Decree No. 447 of Government of Georgia of 31 December 2013;
- "The rule on storage, transportation, realization and usage of pesticides and agrochemicals" approved by Decree No. 451 of Government of Georgia of 31 December 2013.

The relevant EU Phytosanitary Measures are considered regarding to the amending process of present Georgian secondary legislation.

Based on requirements provided for in DCFTA the work was launched to elaborate list of EU SPS legislation that will be divided according to the Georgian economic priorities.

Food Safety State Control

In order to meet the EU requirements for establishing effective food safety system in Georgia and observe Farm to Fork principle, based on risk analysis, the Food/Feed State Control Program is annually elaborated. The state control is carried out on production, processing and distribution stages.

Guided by Order of the Minister of Agriculture No. 2-19 of 24 January 2014 on approval of Food/Feed Safety, Veterinary and Plant Protection State Control Annual Programme the monitoring plan has been elaborated.

In period of 1 January 2014 - 1 September 2014, Food Safety Department of NFA assessed 2602 business operators for planned inspection and 659 business operators for non-planned inspection.

During the period from 1 January 2014 - 19 September 2014, the documentary check has been conducted in 2140 business operators.

During the period from 1 January 2014 - 1 September 2014, planned inspection conducted in 94 slaughterhouses and non-planned in 65 slaughterhouses. Follow up inspections have been carried out in 174 slaughterhouses.

Monitoring of the Food Market

In the framework of monitoring plan, 4188 samples have been taken and tested. Incompliance has been found in 1057 samples.

Amount of expired and destroyed food by 2014:

- Meat and meat products - 6797 kg;
- Food egg - 4550 units;

- Other food - 3002 kg;
- Water and other alcoholic and non-alcoholic beverages - 1601 litres.

Administration of the monitoring:

Due to violation of certain requirements of the Food/Feed Safety, Veterinary and Plant Protection Code, 444 business operators have been fined with total amount of 209,400 GEL.

Implementation of Inspections by 2014

Annual inspection plan 2014 was elaborated according to the Order No. 2-19 of the Minister of Agriculture of Georgia of 24 January 2014.

During 2014, 2133 planned inspections of FBOs and 627 non-planned inspections have been carried out. Follow up inspections have been carried out in 2424 FBOs. Fines have been issued to 414 FBOs, among them operation has been suspended in 113 FBOs. Total amount of fines is 251,800 GEL.

In Veterinary field

In April 2013, Georgia became a member of EUFMD. The membership enables Georgia to interact more intensively with the EU Member States in conducting animal disease control activities in the country. In April 2014, Georgia has been moved to EUFMD - PCP stage 2.

Animal identification

Identification of bovine animals was planned and is continuing. During the 2014 cattle 91243 have been identified. Work on establishment on the electronic database is on-going. During 2014, 266,363 cattle were identified in total.

Animal health protection measures

- To develop the field of veterinary activities contractual veterinarians were hired.
- Animal health protection plan 2013-2018 is on-going as planned.

Work is on-going

- To create Anthrax control plan;
- To create Rabies control plan;
- To create brucellosis control plan.

Veterinary state control measures

- Official control of veterinary drugs in veterinary control facilities has started (in vet. clinics, drug-store). In different regions of Georgia 183 samples of veterinary drugs have been taken and tested for quality control;
- Planned control activities for safety of veterinary drugs have been conducted in 11 region of Georgia. Checks have been performed in 220 facilities, among them: 189 veterinary drug stores, 4 whole sale points, 15 zoo shops, 4 veterinary clinics, 2 veterinary clinic/zoo shops, 5 zoo shop/veterinary drug stores, 1 veterinary drug production;
- 17 ampoule of false veterinary drug and 80 tablets of obsolete veterinary drugs have been revealed and destroyed;

- Work is on-going to provide veterinary control on Animal migration roads.

Disease prevention measures

In 2014 Animal disease prevention measures have been strengthened with a planned, full scale vaccination campaigns such as FMD, Anthrax and Rabies vaccination, as well as planned brucellosis programs. Preliminary figures of 2014:

FMD Vaccination

- 2014 – 2 622 981 heads of animals were vaccinated
 - ✓ 1 617 526 head of cattle
 - ✓ 1 005 455 head of small ruminants

Anthrax vaccination

- 2014 – 952 723 animals vaccinated in risk areas
 - ✓ 402 640 head of cattle
 - ✓ 544 982 head of small ruminants
 - ✓ 5101 horse

Rabies vaccination

- 2014 – 234 228 cats and dogs were vaccinated

Vaccination plan

Work is ongoing to develop the new strategies for Brucellosis and Tuberculosis.

Monitoring on Brucellosis

133 825 cattle have been tested on Brucellosis, among them 2903 were positive.

In order to strengthen veterinary measures new staff has been employed in central and regional offices of the LEPL National Food Agency.

In Phytosanitary Field

Treatment against pests

In order to study Georgian phytosanitary status and spread of quarantine pests in agricultural lands (open areas, protected areas, in the fields, near forest) as well as in store farms, 1700 unit of pheromonic traps have been installed. By using of pheromonic traps, the research is performed on the following pests: *Carposina niponensis*, *Frankliniella occidentalis*, *Aleyrodidae*, *Tuta absoluta*, *Phthorimaea operculella*, *Diabrotica virgifera*, *Anoplophora glabripennis*, *Dendrolimus superans sibiricus*, *Pseudaulacaspis pentagona*, *Trogoderma granarium*, *Caratidis capitata*, *Rhagoletis pomonella*, *Grapolita molesta*.

Around 50 000 hectares have been treated against locusts in Eastern Georgia, including 10 000 hectares treated by aviation.

193 pesticides and 92 agrochemicals have been registered in Georgia in 2014.

In the framework of sub programme – “Plant Protection and Phytosanitary Reliability”, official control of the quality of pesticides and agrochemicals have been conducted at the trading points. During 2014, 134 samples of pesticides and 33 samples of agrochemicals have been taken and sent for laboratory test. 7 operators have been fined for violation of the pesticide labelling rule, while, due to the mismatches of quality requirements, based on the results of laboratory research of pesticide quality, 2 operators were fined.

6.4.3 Institutional Strengthening and Capacity Building

Capacity Building

In the field of animal health, laboratory of the Ministry of Agriculture of Georgia was granted accreditation according to ISO 17025. Also, it is planned to add phytosanitary laboratory research.

In 2014, regional offices of the LEPL National Food Agency have been supplied with proper equipment for phytosanitary activities.

Human Resource Development

Capacity building activities have been conducted for NFA and MoA staff in the following areas:

- Workshop on development of official control rule according to EU law;
- Workshop on drafting priority list for legislative approximation;
- Trainings on implementation of EU law at national level;
- Approximation of Georgian legislation with EU relevant legislation.

The EU funded project Capacity Development of the Ministry of Agriculture Project implemented by FAO, as part of its efforts to help build the capacity of the MoA staff, and in particular the newly established a policy group, has elaborated the training program covering a wide range of topics such as the Value Chain Analysis, Policy Analysis Matrix, Analysis of Statistical Methods, Financing Instruments and Models, Yield Prognosis Systems, International Protocol, Geographic Information Systems (GIS), Intensive English Courses, International Trade and WTO Membership Responsibilities, Farming Methods and Production and Post-farm Technologies, Food and Agriculture Policies in EU “Old” and “New” Members States and Accession Countries. Currently, the training activities are underway majority of these topics.

6.5 Tourism Development

The number of international travellers to Georgia has been steadily increasing over the years. In 2014, total number of international arrivals to Georgia equated 5 493 492 (2% increase over 2013). In the first three quarters of 2014, receipts from international tourism were around 1.4 billion USD and the share of tourism in GDP was 6.2%.

Substantial growth can be observed in the data of arrivals from the EU Member States. In 2014, the number of travellers from these states reached: 231 402 representing 10.8% increase over 2013. The largest number of travellers arrived from Poland (46 024), followed by Germany (33 314), Greece (21 408) and the United Kingdom of Great Britain and Northern Ireland (18 492).

In 2014, air transportation was the most popular means of arrival among visitors coming from the EU Member States, with percentage distributions as followed: air transportation 62%, land 33%, sea transport 4% and railway 1%.

The increase in number of arrivals is attributed to the entry of new airlines, which operate direct flights to the various European destinations. Hereby, marketing activities carried out by the Georgian National Tourism Administration (GNTA) also played a significant role. For instance, as a result of a large-scale promotional campaign conducted in Poland in 2013, in 2014, the number of Polish travellers grew by 25%. It is forecasted that the growth of international travellers from Europe will be sustained in subsequent years as well.

International Travel Fairs

As a driving force in travel industry, participation in international exhibitions gives important impulses to a continuously growing market. In 2014, Georgia actively participated in several international travel fairs in various EU Member States: Kingdom of Denmark (Copenhagen), Federal Republic of Germany (Berlin and Frankfurt), Republic of Latvia (Riga), Republic of Estonia (Tallinn), Italian Republic (Milan), Republic of Poland (Poznan), United Kingdom of Great Britain and Northern Ireland (London) and the Kingdom of Spain (Madrid and Barcelona). Above-mentioned fairs provide unique possibility for Georgia to benefit from the leading think tank of the global tourism industry, improve business relations, and meet more than 5,000 exhibitors representing different countries and regions.

Press and Info Tours

In 2014, the Georgian National Tourism Administration (GNTA) has organised press and info tours for the European tour operators and journalists: Republic of Lithuania, Republic of Latvia, Federal Republic of Germany, Italian Republic, Republic of Poland, Czech Republic, United Kingdom and Northern Ireland, Kingdom of the Netherlands, Hungary and the Slovak Republic. Organising such tours is a significant step forward in promoting Georgia's tourism potential.

International Projects

Georgia holds the post of Vice-Chairman for the United Nations World Tourism Organization (UNWTO) Regional Commission for Europe (term 2013-2015) and is actively involved within the organisation.

Georgia is a member of the transnational UNWTO project "World Amber Road". Representative of the Georgian National Tourism Administration participated in the First Amber Road Committee meeting, which took place on 9 June 2014 in Vilnius, Lithuania.

The Georgian National Tourism Administration has been involved as a partner in Tempus programme and the European Commission project "CruiseT" (Network of Competence centers for the development of cruise tourism in the Black sea region). The GNTA participated in 3 meetings of the project, which took place in Ukraine (Odessa), Federal Republic of Germany (Bremerhaven) and Georgia (Tbilisi, Batumi, Kutaisi).

Training Courses for Potential Guest House Owners

The Georgian National Tourism Administration, with the support of GIZ, launched an initiative in Samegrelo-Zemo Svaneti region of Georgia, which involved conducting training courses for potential

guest house owners. These particular training courses were attended by more than 260 individuals. The project aims to motivate the above-mentioned individuals to undertake the challenge of opening a guest house within the region and gives them the basic knowledge and tools in order to succeed. In 2015, there are plans to further cooperate with GIZ on conducting hospitality and management training courses for three hotels already operating in the region.

6.6 Taxation

During the Reporting period:

- ✓ Protocol amending double taxation avoidance agreement with the German Federal Republic was signed;
- ✓ Double taxation avoidance treaty with Sweden was ratified by the Parliament of Georgia Agreement With BELARUS ON EXCHANGE OF INFORMATION ON TAX MATTERS was signed;
- ✓ Further negotiations are on-going with Bahamas and Seychells to sign the agreement ON EXCHANGE OF INFORMATION ON TAX MATTERS, as well as, with Lithuania to sign agreements on technical cooperation and on MUTUAL ADMINISTRATIVE ASSISTANCE AND EXCHANGE OF INFORMATION IN TAX MATTERS;
- ✓ The new system for automatic exchange of tax information was implemented within the Georgia Revenue Service. Georgia is now able to use Standard Transmission Format (STF), format designed and recommended by the OECD, for the transmission of taxpayer information. In parallel the negotiations are on-going with Argentina to conclude memorandum on the automatic exchange of information for tax purposes, as well as with Lithuania to sign agreements on MUTUAL ADMINISTRATIVE ASSISTANCE AND EXCHANGE OF INFORMATION IN TAX MATTERS, which includes special provisions concerning automatic exchange of tax information;
- ✓ Phase I questionnaire within the Peer Review Process of the Global Forum on Transparency and Exchange of Information for Tax Purposes was filled out and sent to the Global Forum Secretariat. Draft report was completed to be presented for discussion and adoption by the Global Forum Peer Review Group. The peer review meeting is scheduled on 30 June;
- ✓ Twinning project “Strengthening Administrative Capacity of the Georgia Revenue Service in Taxation” was launched. The corresponding workshops and trainings has been carried out with the purpose to strengthen the administrative capacity of the Georgia’s Revenue Service in line with the European Union and international standards in the following fields:
 - Tax control – to continue improving the risk analysis system and strengthen the control capacity of staff and introduce computer audit in the control work
 - Enforcement of tax debts – to improve and implement measures that will increase tax collection
 - Taxpayers’ services – improve the public trust and legal certainty
 - Legislation – to provide analysis, recommendations and road maps in the fields of VAT and Excise to ensure implementation according to the Association Agreement
 - Human resources – to improve and implement techniques that will provide professional development for Revenue Service staff.

6.7 Intellectual Property Rights

By September 2014, within the framework of the ENP Action Plan Sakpatenti has undertaken the following actions according to the priorities listed:

Priority: Consolidation of the relevant institutional structures, as well as of the offices for industrial property rights, copyright protection and collection societies; extension of the cooperation with third country authorities and industry associations.

Action 1

Consolidation of the relevant institutional structures, as well as of the offices for industrial property rights, copyright protection and collection societies:

- Sakpatenti continues to support Technology Transfer Center of Georgia in increasing the awareness on technology transfer issues and competitiveness of SMEs while responding the technological needs of SMEs and promoting the innovation culture in Georgia; Sakpatenti facilitates R&D process with relevant stakeholders of Technology Transfer Center of Georgia;
- By efforts of Sakpatenti in March 2014, IT Incubator was established. IT incubator is a working space with up-to-date technical equipment and uninterrupted internet. Sakpatenti provides relevant office space and services, free of charge, for start-ups and innovative young individuals. The IT incubator assists beginner software developers in creation and development of new programs;
- Sakpatenti started a dialogue with relevant government authorities to form a platform in respect of IPR enforcement issues to engage all interested parties for achieving effective results;
- Sakpatenti is in the process of development of Intellectual Property Rights Electronic Registration System through U.S. Government assistance. The new system represents a Web-based electronic registration and management system for intellectual property objects allowing right holders and applicants unhindered and cost-effective IPR registration and maintenance. The new e-filing system will significantly improve the quality of Sakpatenti services;
- On 31 January 2014, a Memorandum of Understanding was signed between the National Intellectual Property Center of Georgia Sakpatenti and the Association of Sommeliers. The future cooperation of Sakpatenti and the Association of Sommeliers will be mainly directed at the protection, development and promotion of appellations of origin of Georgian wine;
- On 25 February 2014, the International Chamber of Commerce (ICC) Georgia and Sakpatenti concluded the memorandum of cooperation. The parties will carry out targeted projects serving mutual interests and will cooperate in the field of human resources development. Furthermore, the parties will facilitate the awareness raising activities and promote the IPR protection among the stakeholders;
- On 23 June 2014, a Memorandum of Understanding was signed between Sakpatenti and the Computer Games Association. The memorandum aims to facilitate development of innovative activities, as well as close cooperation to create and promote information technologies. Within the memorandum, the parties will implement target projects of common interest, which will support successful projects in the field of information technologies developed in the IT incubator of Sakpatenti;
- On 7 October 2014, a memorandum of understanding was signed between Sakpatenti and the Georgian Bar Association, which provides for planning and implementation of joint programs aimed at popularization of intellectual property legislation and development of educational activities.

Action 2

Renew existing agreements and conclude new treaties on intellectual property protection with third countries

- “Protocol on Amending the Agreement on Cooperation between the Government of the Republic of Kazakhstan and the Government of Georgia in the Field of Industrial Property Protection of 11 November 1997” was signed.

MoUs with third countries:

- MoUs with Ukraine and Poland Patent Offices were signed on 23 September 2014, within the WIPO Assemblies
- Arrangement with the Israeli Patent Office was signed Concerning Action of the Israel Patent Office as an International Searching Authority and Preliminary Examining Authority under the Patent Cooperation Treaty for Certain International Applications Received by the National Intellectual Property Center of Georgia.

Priority: Take measures to increase public awareness in the field of intellectual and industrial property protection. Establish an efficient system of use of patent information for enterprises.

Sakpatenti library and Technology Transfer Center of Georgia is providing services to all interested parties to use online and paper resources of patent information.

Action 1: Translate into Georgian and publish works of famous authors working in the field of intellectual property

- Two editions of Magazine “*IP Georgia*” were published.

Action 2: Publish and disseminate information and educational booklets and other similar materials:

- Information posters of different formats;
- Presentation booklets and other materials;
- Booklets for Wine Festival and Georgian Traditional Wine Federation;
- “Don’t violate the Copyright” (leaflet);
- Triplet “Say No to Falsification” in two languages;
- Triplet “Appellation of Origin of Georgian Wine”;
- Other Polygraphic services.

Action 3: Hold seminars and trainings on raising public awareness in intellectual property for different public segments.

Sakpatenti developed ambitious plans for extensive training of all IPR-related professionals in legal and practical matters of copyright enforcement, involving judges, prosecutors, police forces, attorneys, journalists, students and other groups. Trainings took place both in Georgia and abroad; training cooperation became a standard feature for all negotiations and memoranda of understanding/cooperation laid down by Sakpatenti in 2014. Private sector representatives and government officials tasked with IPR enforcement were targeted through the following events:

- On 28-30 January, the National Intellectual Property Centre of Georgia Sakpatenti hosted the students from Ilia State University;
- On 20-21 February, Sakpatenti hosted the ICC youth representatives and held lectures for the audience in the field of intellectual property;
- On 10-11 March, Sub-Regional Workshop “Working Together for Promoting Knowledge Transfer and IP Commercialization in Georgia”, organised by Sakpatenti and the World Intellectual Property Organization (WIPO), took place in Tbilisi, at Courtyard Marriott Hotel.

- On 3 April 2014, pupils of higher classes of Rustavi public schools visited Sakpatenti and attended lectures on intellectual property objects;
- On 26 April 2014, National Intellectual Property Center of Georgia (Sakpatenti), in partnership with the US Embassy in Georgia organised a joint event in celebration of World IP Day at the Royal District Theatre in Tbilisi;
- On 11-14 June, Sakpatenti organised a workshop on Adjudication of Cybercrime Cases in Batumi;
- On 19-20 September, Sakpatenti participated in organisation of seminar on IPR law for judges held in High School of Justice;
- On 20 September, Sakpatenti, in association with GIZ, conducted a seminar on IPR law for Sakpatenti representatives;
- Regional Conference on Geographical Indications “Legal insights and branding strategies” was held on 8- 9 October 2014 in Tbilisi;
- Collective Copyright Management Conference was held on 5-6 November 2014 in Tbilisi.

In the reporting period the number of trainings and seminars were delivered on the protection of IPR in cooperation with the WIPO/EPO/USAID/GIZ/CLDP and in the framework of the MoUs with different agencies.

For the public outreach activities other communication tools were used in 2014 which involved TV/Radio interviews/programs, media coverage of seminars, trainings, online information. All events organised by Sakpatenti were reflected on Sakpatenti webpage (www.sakpatenti.org.ge) and were publicized through different media outlets.

6.8 State Procurement Policy

6.8.1 Developing legislation

The Association Agreement (AA) chapter on public procurement envisages a gradual approximation of Georgia’s public procurement system to the relevant EU Directives. The AA defines an indicative timeframes for the successive steps of this approximation process and the corresponding, reciprocal opening of the parties’ public procurement markets. One early measure is the preparation of a comprehensive roadmap for a gradual approximation.

SIGMA’s technical assistance was initiated based on the request of the SPA. The scope of the TA is the following: support the SPA in in elaboration of draft comprehensive roadmap for gradual approximation; provide the SPA with advice on identifying the regulatory and institutional changes needed for complying with the basic standards required by the AA; A review of the new EU Directives and a presentation and discussion of the significant changes would be a first step in this process.

Under the framework of TA the following workshops were held in October and December, 2014:

- Workshop on the new EU Directives was held on 22 October, 2014 in Tbilisi. The aim of the workshop was reviewing the new EU Directives, presentation and discussion of the significant changes. SPA relevant staff and representatives of other competent authorities (Ministry of Justice, Ministry of Economy and Sustainable Development, Economic Council under the Prime-Minister, Ministry of Finance) were participated in the workshop;
- Workshops on review and revision of the legislative and institutional gap analysis were held in October and December, 2014.

It should be mentioned that initiation of renegotiations with the EC on the content of relevant annexes is required for finalization of a roadmap. Renegotiation is necessary as the legislative package to update the EU acquis on public procurement has been adopted after signing the AA. Renegotiations on the relevant public procurement annexes were launched on 2 December 2014.

To ensure further development of state procurement policy and its approximation to EU respective regulations, major legislative amendments focused on ensuring more transparency and equal treatment have been implemented:

- “Standstill period” was introduced - Order No. 9 of State Procurement Agency, dated 7 April 2011, was amended in order to introduce stand still period, which means that contracts shall not be awarded following 3 working days after winner is identified. Introduction of stand still period ensures the strengthening the rights of interested parties. They can appeal any decision of procuring entities to the Dispute Resolution Board before contracts is awarded.
- Legal mechanism preventing the excessively low bids was introduced - In case of submitting excessively low bid, which is 20% lower than estimated value of procurement; procuring entity has a right to request submission of guarantee for contract fulfilment from 2% to 10%, while in other cases guarantee may be requested from 2% to 5% of contract value.
- Remedies/review mechanism was enhanced - on the 25 September 2014 amendments were made in Dispute Resolution Board (DRB) procedures and enacted since 1 October 2014. Legislative amendments regarding the submission and acceptance of the complaint are in line with the relevant EU Directives and enable the decision of the contracting authority to be appealed within 15 days after issuance of such decision at the DRB. Prior the amendments the statutory time-limits were not stipulated by the relevant legislation.

The most significant amendments to the Order #11 of the Chairman of the Agency (Order # 11 on the Rules of Activity of the Procurement Related Disputes Resolution Board under the State Procurement Agency) was adopted on 27 February, 2015, which enables all kind of decisions of tender committee’s to be appealed in DRB, including the cancelled tenders, and/or tenders, where no bids are received.

Noteworthy, any interested person can notify the DRB regarding the fulfilment of DRB decisions and provide supportive information; on the other hand, DRB has a right to request any relevant documentation/information from the contracting authority. It should be emphasized that non-compliance with the decisions of DRB results in legal liability as defined by the legislation.

The qualification requirements for DRB members representing the civil society was introduced by the recent amendments. According to these amendments, the election of DRB members from the civil society shall be conducted independently without intervention of SPA; the Chairman of SPA is not entitled to reject the any member elected by the civil society.

The amendments mentioned above will be enacted from 16 March 2015.

- Transparency of contracts - Procuring entities are obliged to upload the information on the fulfilment of contract, actual payments, any changes to contract and relative documents in CMR (Contract Management Registry) module in Georgian Unified Electronic Government Procurement system (eProcurement system)¹⁸. This information is available to public.

¹⁸<https://tenders.procurement.gov.ge/public/?lang=en>

- Establishing review procedures for registering suppliers in Black List¹⁹ - For registering companies in the black list a review mechanism has been established. After the submission of respective documents by procuring entity to the SPA set by the State Procurement Law, the SPA gives opportunity of explanation to all involved parties - procuring entity itself and relevant company. The SPA has discretion to register the company in the Black List depending on the circumstances such as competitiveness, proportionality of public and private interests and damages caused due to company's infringement. The number of other amendments regarding the debarment procedures were introduced in respective legislation, namely in the Order #9 of the Chairman of State Procurement Agency since 1st October, 2014. Last amendments were adopted on 23 January 2015. The recent amendments are as follows:
 - The contracting authority is obliged immediately notify the SPA on the ground of debarment of entity/supplier;
 - The statutory time-frame for the review procedures against the debarred company was introduced – SPA reviews the application regarding the blacklisting within 2 months upon submission of it;
 - The bases for the rejection and refusal of the application were defined;
 - The type of decisions and SPA's obligation to issue a grounded decision was introduced – the decision shall provide the bases of such decision, including legal bases and all circumstances that were taken into consideration;

The review procedures regarding the debarment were simplified by involving electronic workflow. The applicant (contracting authority) is not requested to provide supportive documentation in case all relevant information is uploaded in the eProcurement system.

- For further simplification of consolidated tendering procedures the model standard contract was drafted – elaboration of standard contract sample ensures the minimisation of the risks of mistakes and reduces the costs and expenses of administrative resources.

6.8.2 Development of Georgian Unified Electronic Government Procurement System (eProcurement)

The main principle of SPA is to study and stay up to date with modern knowledge and developments, what will allow us to take necessary actions on users' needs through offering adequate services and adding new options and applications to the eProcurement system. This approach ultimately leads to increased transparency of the system and on the other hand encourages the competition in public procurement by creating “level-playing field” for suppliers.

Recent developments of eProcurement system:

- For procuring entities to further simplify and improve their state procurement reporting procedures the respective module (e-PLAN) was developed and integrated into the eProcurement system to allow for electronic submission and registration of state procurement annual plans. The annual state procurement plans are available for any interested person, who is registered in the system. Thus suppliers are informed prior on planned procurements and able to schedule their business activity accordingly.
- Announcement of tender through the system is restricted in case a procuring entity has no registered state procurement plan in e-PLAN module. Also, the tender notice restriction is extended to cases, when the plan does not provide the CPV code of objects the tender is announced for. Result of this change is the following: (i) no tenders are announced if they are not considered prior by the annual procurement plan or without modification of such plans; (ii)

¹⁹Black List is maintained by SPA

tender notification provides accurate and precise information to suppliers on intended procurement.

- Procuring entities are obliged to upload the information on the contracts awarded through simplified procurement, any changes to contract, their fulfilment and actual payments, as well as relative documents in Contract Management Report (CMR) module. Information that is uploaded in CMR is available for all registered users. In August 2014, CMR module was upgraded and linked to e-PLAN module. As the result of no public contracts can be concluded and uploaded in CMR if respective procurement was not planned prior and properly reflected in e-PLAN. Introduction of such restriction serves as a sound monitoring tool for prevention of law infringements.
- The alert application regarding the changes in tender was launched. Through this application the registered users of the eProcurement system are informed via internal notices about any changes related to tenders they are interested in. Moreover, the registered users of the eProcurement system, procuring entities, as well as the suppliers receive information about any changes in their tenders via SMS messages together with internal notices.

6.8.3 Public Awareness

In Order to increase effective use of e-procurement system and ensure qualified approach to the procurement process, SPA is initiating comprehensive approach to address this problem; in particular SPA has opened a Training Centre. The objective of the training centre is to help procuring entities to train their personnel in order to decrease qualitative defects in tender process. Training sessions address procurement legislation and e-Procurement system operation. In 2014, 92 representatives of local self-government authorities and other contracting authorities from regions were trained.

The SPA strives to enhance the awareness among procuring entities and suppliers. For this purpose SPA continuously monitors and makes analysis on needs of users and problems. Several awareness activities were conducted, namely:

- On 19 September 2014, a round table for suppliers, particularly focusing on SMEs was held by the SPA with the support of EPI, USAID. The goal of the round table was encouraging participation of private local companies, as well as foreign companies in state procurement. It aimed at increasing awareness on e-procurement system and state procurement legislation, state procurement markets and new business opportunities among private companies and economic Officers of foreign embassies in Georgia.
- In May-June 2014, workshops were held in five regions for procuring entities by SPA staff. The aim of the workshop was delivering up to date information on key issues identified during the conducted procurement procedure analysis.
- Meeting was held between SPA staff and companies operating in different sectors (construction sector; ICT; fuel & oil) and representatives of the contracting authorities. The main target of the meeting was obtaining information from both parts involving in state procurement - supplier and procurers, identification of problems during procurement process and introducing with the relevant recommendations regarding problematic issues.
- In order to ensure efficiency of procurement procedures, increase the knowledge and skills of employees of the contracting authorities, SPA elaborated and published methodological instructions for the state procurement initiation phase with the help of USAID G3 program, more precisely:(i) conducting procurement initiation phase, (ii) defining qualification criteria, (iii) defining requirements regarding the objects to be procured²⁰.
- The most common mistakes were identified during the review of registration documents for the registering into the White List. Respectively, the recommendations on correct compiling the

registration documents were published for entities willing to get registered with the White List. As well as the recommendations on proceedings necessary for automatic prolongation of registration with the White List were published.

- The User's manual²¹ for eProcurement system was updated and published on SPA official web-page. It incorporated the definitions related to innovations introduced into the system.
- Recommendation regarding requiring justification of proposing more than 20% lower bid price than estimated value and ability of contract fulfilment for that amount was elaborated and published.
- The list of Frequently Asked Questions was published on the official web-page²² of the State Procurement Agency exhibiting questions that are most frequently asked by users via the hotline and other departments of SPA, and answers to them.
- SPA has elaborated the guideline on remedies procedures, which will guide the interested persons throughout the whole review process.²³

6.9 Statistics

In the view of the EU integration, cooperation with the Statistical Office of the EU (Eurostat) is of crucial importance. In a broader sense, the overall objective of such cooperation is an approximation to the EU standards in official statistics.

The National Statistics Office of Georgia (Geostat) maintains close working relations with the Statistical Office of the EU (Eurostat). Geostat staff members regularly participate in various seminars, workshops and meetings organised by Eurostat, including the high level events.

In May 2013, the final report on the Adapted Global Assessment (AGA) carried out in 2012 under the Eurostat auspices was published. The goal of the AGA of the National System of Official Statistics of Georgia was to evaluate the level of conformity vis-à-vis European standards, incorporating the UN Fundamental Principles of Official Statistics, the European Statistics Code of Practice, as well as the Eurostat Statistical Requirements Compendium. The AGA aims at supporting the improvement of the organisation, services provided and overall efficiency of the Geostat and the alignment of the whole national statistical system of Georgia with international and European recommendations and best practices. It also proposed a list of actions to be undertaken in order to improve and strengthen the statistical system, and evaluated statistical production against the *acquis* (i.e. legal basis, methodologies etc.).

AGA missions to Georgia were very successful. In Tbilisi, the mission met all producers of official statistics that drew up a true picture of the national statistical system of Georgia. Realisation of the recommendations given in the final report will further increase and develop the statistical capacity not only in Geostat but all institutions producing official statistics in the country. It will enhance the cooperation between country's statistical bodies and the coordination of their operations.

The monitoring is ongoing of the implementation of the recommendations given in the report. AGA recommendations have already been implemented. In particular, the Methodology and Quality Management Division was established, and a new classification of activities (based on NACE rev.2) has been developed as well as business register update procedures and software. The PC-Axis software was implemented within the framework of the cooperation project with Statistics Sweden.

²¹http://www.procurement.gov.ge/getattachment/ELibrary/Manuals/PA_USER_MANUAL-indd.pdf.aspx

²²http://www.procurement.gov.ge/getattachment/FAQ_30-VF.pdf.aspx

²³<http://www.procurement.gov.ge/getattachment/ELibrary/LegalActs/matsne-2743273-0.pdf.aspx>

The General Population Census was conducted 5-19 November of 2014. About 13 000 persons were hired as field workers. According to the decision made by the Government Commission for Census Coordination, Agricultural census was conducted together with the Population Census. The State Budget is main financial donor, while UN Population Fund (UNFPA), Sida and the World Bank also made a financial contribution to Census activities.

As mentioned above, representatives of Geostat regularly participate in high level seminars held by Eurostat for Eastern Europe, Caucasus and Central Asia countries. The overall objectives of these seminars are to inform and discuss with the senior management of the EECCA National Statistical Institutes key issues in the field of statistics to assist them in the development of their national statistical systems. The seminars also provide an opportunity for the NSI managements to meet informally and to discuss issues of common interest and practices.

Geostat has been engaged in several bilateral cooperation projects with the EU Member States, such as Sweden, the Netherlands and Poland. The Cooperation project with Statistics Sweden is a long-term (at least 3 years with possible prolongation) and with a wide scope (economic statistics, including national accounts, price statistics and business statistics, and the management issues). The project started in May 2011 and will continue until May 2015 (including the no-cost extension). The possibility of the second phase of the project is under consideration.

The cooperation between Polish and Georgian statistical offices has started in 2011 and is continuing in 2014. In the scope of the project, the representatives of Statistical Office in Katowice shared their experience to Georgian colleagues in the compilation of regional accounts. The representatives of National Accounts Division of Geostat were acquainted with the European methodology of regional GDP calculation and practical issues of its implementation, which has already started in Georgian regional accounts calculation and will be continued and developed in the future.

6.10 Enterprise Policy

In order to promote the exchange of information and best practice on enterprise and industrial policy and facilitate association of Georgia to EU initiatives for stimulating competitiveness (e.g. exchange of information, participation in networks and studies, trainings), the representatives of Government of Georgia, together with representatives of business associations, actively participate in the meetings and workshops under the auspices of EaP Platform 2 Economic Integration and Convergence with EU Policies. Georgia actively participates in seminars and workshops related to the upgrading SME Policy Index, second round of which will start in 2014 (Seminar on Upgrading the SME Policy Index - 19-22 May 2014, Trento, Italy; Regional Workshop on Small Business Act assessment - 30 June-2 July 2014, Turin, Italy); Regional Workshop on SBA Policy Index - February 2014, Zagreb, Croatia).

In order to support business development, facilitate export and integration in the EU market, the Ministry of Economy and Sustainable Development permanently holds meetings with business sector in order to raise awareness on the requirements of the EU markets and also on New Approach Directives, to which Georgian legislation is approximated.

In order to support business development, the Entrepreneurship Development Agency (February 2014) and the Innovation and Technology Agency (February 2014) were created. The main functions of Entrepreneurship Development Agency are to support increase of private sector competitiveness, SME development, entrepreneurial skills development, export promotion, adaptation of the DCFTA requirements, start-up development, etc. The main functions of Innovation and Technology Agency is to support to the development of innovation, new technologies and ICT. Also, support to establishment start-ups, commercialisation of innovations and R&D, development of export oriented products and others.

The Ministry of Economy and Sustainable Development, in close cooperation with OECD started the elaboration of SME Development Strategy, which will be the guiding document for SME policy in 2016-2020.

Investment and Export Promotion

In order to advance Georgia's business climate and further attract FDIs from diverse markets, as well as develop export capacity, the Ministry of Economy and Sustainable Development established the Investment and Export Policy Department. The Department works on a policy level and its main goal is to harmonise investment legislation and provide guidelines for the export development.

One of the main priorities is to have in place an adequate business and export development strategy; therefore, the department focuses its activities on introducing investor friendly policies and studying the existing legislation in order to initiate amendments based on investor needs.

In the first two quarters of 2014, the Ministry continued to draft recommendation for harmonising the investor related legislation, especially in terms of gaming business and free tourism zones. Some recommendations have also been submitted to change the legislation in terms of filming production and attract the European producers.

Part of the Georgia's new ambassadors to EU Member States have been briefed on Georgia's business climate and benefits of the DCFTA in order to provide accurate information to EU business circles and promote cooperation.

The Ministry of Economy and Sustainable Development continued to provide the investor aftercare service, which aims to eliminate the bureaucratic obstacles that locally established investors may face in the country and coordinate their communication with the government entities. Existing investors regularly receive information on the ways of expanding operations in Georgia. However, investor aftercare also envisages overcoming some obstacles that investors may face in Georgia, like issues connected with VAT refund.

The Ministry has supported the Ferrero Rocher company (Italian investment) activities in Georgia, as well as solved some issues faced by Heidelberg company (German investment) and Swiss investor-Blauemstein. In total, the Ministry has provided aftercare service up to 10 companies from January 2014. The Austrian logistics Company Gebrüder Weiss LLC has successfully launched its operations in Georgia and MoESD has encouraged company to expand its business and open more A class warehouses across the country.

In order to monitor implementation of the projects and aftercare service, the Ministry continues to run the Client Relationship Management system (CRM).

Import/Export trends analysis was conducted (by countries/product groups Harmonized Commodity Description and Coding System HS levels 2-4/years) with forecasts for imports (with separate emphasis on Fast Moving Consumer Goods FMCG in the first quarter of 2014). Pricing policies of different international brands operating on Georgian market have been studied. There have also been other analytical activities upon government or investor demand.

In April 2014, the Ministry hosted high rank business representatives from Belgium, who have successfully explored the business climate and two of businessmen are considering establishing a joint venture with Georgian companies. (Operation fields: light manufacturing and real estate).

In April 2014, representatives of the East West United Bank, based in the Grand Duchy of Luxemburg, visited Georgia to get acquainted with the business climate and establish a local client portfolio.

In May 2014, the Ministry of Economy and Sustainable Development has diploid a delegation to participate at EBRD annual meeting in Warsaw, where minister has lead the Investment outlook session along with Georgian private sector representatives. The Minister highlighted the importance of signing Association Agreement with the EU, also the benefits of the DCFTA for Georgian companies and potential investors. In May 2015, Tbilisi will host EBRD Annual meeting gathering over 1500 delegates. MoESD along with the Ministry of Finance will be responsible for the organisation of the event.

In December 2014, Colliers International conducted Georgian Real Estate Market Research, study included eight fields: Georgia Entertainment Market, Georgia Hotel Market Report, Georgia Office Market, Georgia Residential Market, Georgia Retail Market, Georgia Warehouse Market, Specific Study Gudauri-Kazbegi, Bakuriani-Borjomi, and Tbilisi Real Estate Market.

The Asian Development Bank (ADB) and the Ministry of Economy and Sustainable Development of Georgia held an International Investment Forum: “Georgia – Regional Hub and Asia's Gateway to Europe” in Tbilisi, Georgia on 29-30 October 2014. The event brought together up to 300 high ranking governmental and business representatives from different states including EU Member States. In the frames of the forum, the Investment Catalogue was published which included main state and private investment projects.

In the end of August 2014, Georgia was visited by an independent international investment company from Sweden – Dunross. The company has already conducted significant investment into the Georgian economy and plans to assess the potential for further expanding their investments.

In November 2014, the Investment and Export Policy Department in the Ministry of Economy and Sustainable Development of Georgia stated review process of Georgian investment legislation. The amendment process will affect several legislative acts: Law of Georgia on the Investment Activity Promotion and Guarantees, Law of Georgia on State Support for Investments, Law of Georgia on Facilitation of Development of Free Tourist Zones. As a result, Georgia will have improved investment climate, which will attract and support potential investors.

Entrepreneurship Development Agency

In order to support the development of SMEs and export, the Government of Georgia established “Entrepreneurship Development Agency” under the Ministry of Economy and Sustainable Development (March 2014). The main goal of the agency is to increase the competitiveness of the Georgian small and medium businesses, as well as to assist local companies in diversifying their export potential. Main activities include fostering establishments of start-ups, advancing exports to various markets including the EU, assisting local enterprises on the DCFTA approximation, easing access to finance, business consulting, info centre establishment, support in standards approximation, technology transfer, etc.

In order to address the capacity building needs of the Agency, in cooperation with GIZ, the following initiatives were launched:

- a. Drafting annual development strategy and action plan;
- b. HR development, including adoption of the Business Excellence Model;
- c. Development of web pages.

As a part of TA provision, EDA signed MoU with the European Bank for Reconstruction and Development in order to provide SMEs with business consulting services.

In the beginning of July 2014, EDA signed MoU with the Polish Agency for Enterprise Development (PARP). The MoU outlines active cooperation between EDA and PARP in knowledge sharing and capacity building.

The Entrepreneurship Development Agency carries out a number of activities targeting the further development of the private sector in Georgia and boosting country's export potential.

EDA supports SMEs in:

- enabling easy start-up and long-term solvency of local enterprises;
- Encouraging high entrepreneurial culture among Georgian small and medium enterprises via training, consultations, business linkages & matchmaking;
- accessing information regarding the financial instruments available locally and internationally;
- accessing to finance via different schemes (interest rate financing, collateral insurance, grants, etc);
- Facilitating support mechanisms for technical assistance to local enterprises for improving the production process, operations management & business cycle;
- Promoting Georgian products internationally on targeted markets via: Product exhibitions, inbound and outbound trade missions, online marketing, product completions;
 - In 2015 EDA plans to participate in a number of food and beverage trade fairs, among them: “Rigafood 2015” 2-5 September, Riga, Latvia; “Anuga” 10-14 October, Koln, Germany; “CPHI Worldwide 2015” 13-15 October, Madrid, Spain. Overall up to 30 Georgian producers are expected to exhibit their production;
- Building export capacity for SMEs, assisting with action plan preparation and offering export support programs;
- Creating export selling capabilities for SMEs through education programs;
- Accessing business intelligence (market reports, access guides to targeted markets).

Starting from June 2014, as a part of a Government programme, through cooperation with financial institutions EDA launched its first programme dedicated to supporting local producers by provision of technical assistance and access to finance. The programme is carried out under the name of “Produce in Georgia”, in cooperation with the relevant counterpart agency from the Ministry of Agriculture.

EDA manages portfolio 29 projects out of which 26 were issued bank loans and 3 are using leasing services.

In 2014, EDA assisted Georgian companies to promote their production at 4 international food and beverage exhibitions.

In the beginning of September 2014, EDA participated in the Riga Food – largest food industry fair in Baltic States, which outlines trends of food industry developments. With EDA's support, 7 representatives of the Georgian private sector took part in the fair.

On 19-23 October 2014, EDA organised SIAL PARIS – one of the world's largest food international exhibitions in Paris, France, 6 Georgian companies participated in mentioned exhibition. In the same period of October 23-26 EDA participated in Western China International Fair (WCIF) held in Chengdu China. Exhibition was organised together with Georgian Wine Agency and 10 Georgian companies were given a possibility to exhibit their products on one of the most important exhibition in

China. On 24-26 November, EDA participated in SIAL ABUDHABI 2014 – as previously mentioned, SIAL is one of the biggest international food exhibitions in the world, 6 Georgian Companies including one of the biggest players in non-alcoholic and Foodstuff Sectors were supported to take part in SIAL ABUDHABI 2014.

Spatial Planning and Construction Sector

In order to bring construction and spatial planning sector to the higher level, the Ministry of Economy and Sustainable Development, in close cooperation with acting international organisations, is providing several activities:

- “Spatial Planning and Construction Code” is being developed by the Ministry of Economy and Sustainable Development in cooperation with GIZ and a group of local specialists;
- According to the developed 5 years strategy, the Eurocodes Translation Editorial Board (ETEB) was created at the Spatial Planning and Construction Policy Department of the Ministry of Economy and Sustainable Development. The team started working since 1 September 2014, scope of work includes Translation Process of Eurocodes into Georgian and approximation of Modern Georgian Technical Terminology;
- The USAID Economic Prosperity Initiative (EPI) funded project “Implementation of Building Code Development Program” has been finished the full package of non-structural part of IBC (International Building Code) has been translated and adopted.

➤ Sustainable Development & Green Economy

The Ministry of Economy and Sustainable Development is actively involved in the work of the Panel on Environment and Climate Change, which was created in November 2009 under the auspices EaP Platform 2 - Economic Integration and Convergence with EU policies.

As a result of long-term negotiations with EaP countries, in frames of the Panel on Environment and Climate Change, Regional Project on Green Economy in Eastern Partnership countries has been launched on 1 January 2013.

The overall objective of the project for EaP countries is to move towards a green economy by decoupling economic growth from environmental degradation and resource depletion. More specifically the programme is structured around three main components:

1. Governance and financing tools for promoting Sustainable Consumption and Production - SCP;
2. Strategic Environmental Assessment - SEA and Environmental Impact Assessment - EIA: accompanying SCP policy implementation;
3. Demonstration projects.

In addition, as of 1 January 2014, Georgia participated in all EaP meetings, *inter alia*, in the Eastern Partnership Panel on Environment and Climate Change:

- ✓ Regional Expert Meeting “Economic Instruments for Greener products in Eastern Partnership Countries” in Paris on 6-7 March 2014; the main objectives of the meeting were i) to present and discuss the draft Policy Manual “Creating Market Incentives for Greener Products” and ii) to exchange the experience of the design and implementation of four categories of product-related economic instruments – product taxes, environmental tax differentiation, deposit-refund systems and extended producer responsibility (EPR) – internationally and in EaP countries.

- ✓ Regional Workshop on Green Economy and Sustainable Consumption and Production in Tbilisi on 6 May 2014; the workshop aimed at i) raising awareness on GE and SCP approaches and their economic, environmental and social benefits, ii) reviewing overall progress in resource efficiency in the region, iii) stocktaking progress in GE and SCP policy development and iv) exchanging experience and learning success stories from the EaP and other European countries.
- ✓ Regional awareness raising and capacity building workshop on UN Environment Programme's (UNEP) approach to sustainable public procurement in Tbilisi on 7-8 May 2014. The main objectives of the workshop were to i) raise awareness on the potential benefits that could be derived from SPP, the challenges as well as the opportunities of SPP implementation, ii) increase the capacity of policy-makers and heads of procurement in SPP policy development and implementation, and iii) exchange experience and learn success stories from EaP and other European countries.
- ✓ Seminar on "Circular Economy, Resource Efficiency and Waste" for Eastern Partnership Country Representatives in Brussels and Antwerp on 3-6 June 2014. The seminar gave opportunities to exchange views and experience and discuss possible joint activities on green economy and waste management. It also included study visit to an enterprise dealing with waste management.
- ✓ Study tour on Monitoring, Reporting and Verification (MRV) systems for industrial installations, regulatory and institutional framework in Berlin (Germany) and Gozdnica (Poland) on 9-13 September. The tour was organised by the Clima East Project and focused on MRV for industrial installations in Germany and Poland as well as introduced with databank and methods how to communicate with the stakeholders and how to provide public access to information on installations and their emissions, learned about verifier's accreditation.
- ✓ The third EaP Green Steering Committee Meeting in Minsk, Belarus on 8 October 2014 organised by OECD. The objectives of the meeting were i) to review progress in programme implementation and the results achieved ; ii) discuss, suggest amendments and endorse a draft plan of action for 2015; iii) share information on the country efforts to reform national policies.
- ✓ Eastern Partnership Seminar on International Climate Negotiations organised by Clima East Project in Berlin on 13-14 November 2014. Aim of the of the seminar was to discuss the Intended Nationally Determined Contributions (INDCs) to the 2015 global climate agreement, country-specific preparations and considerations on INDCs, international cooperation on climate policies, as well as future action how to enhance implementation of pre-2020 mitigation ambition;
- ✓ Study Tour on Strategic Environmental Assessment (SEA) organised by UNECE in Prague on 1-5 December 2014. The tour was prepared for eastern partnership countries and Russia with the aim to support and empower national experts from Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine and Russia in the implementation of SEA related activities in their own countries and provide participants with best practice examples on the application of SEA in the strategic planning process.

6.11 Competition Policy

6.11.1 Developing Legislation

The Law on Free Trade and Competition was adopted on 8 May 2012 by the Parliament of Georgia.

Since coming into force it became obvious that the law had certain gaps requiring relevant amendments to make it more comprehensive and applicable.

Since December 2012, the Ministry of Economy and Sustainable Development has been working on amendments to the Law on Free Trade and Competition to further bring Georgian competition

legislation in line with relevant EU *acquis*. Several meetings were held in order to present up-coming draft amendment to public.

On 30 April 2013, the Ministry of Economic and Sustainable Development has organised international round table on Competition Law and Policy in Georgia, South Caucasus and the EU. The round table was supported by GIZ, Delegation of European Union to Georgia, TI, GDRI, Swedish International Development Cooperation Agency and the Swedish Competition Authority (Sida/SCA) and the Embassy of the Republic of Poland to Georgia.

On 1 May 2013, the workshop on Developing Competition Policy in Georgia was held by European Commission with the support of GIZ and the Delegation of European Union to Georgia. The draft amendments to the Law on Free Trade and Competition were discussed at the workshop.

The amendments to the Law on Free Trade and Competition were adopted on 21 March 2014 and the law was renamed as Law of Georgia on Competition. Under these amendments, the new and independent Agency of Competition was established.

6.12 Public Finance Management

6.12.1 Public Internal Financial Control (PIFC) Reforms

In November 2008, the Public Expenditure and Financial Accountability project (PEFA – a joint World Bank & EU Commission for Public Financial Management Assessment) carried out an evaluation of the internal audit functions. The assessment identified that, in most cases, internal audit functions were shared between the General Inspectorates and the Chamber of Control, and that there was no legislation or norms for regulation.

In order to address the problems and issues inherent to the existing situation, while maintaining a proper functioning of internal systems, the MoF carried out several actions to develop Public Internal Financial Control (PIFC) system in the public sector. Accordingly, the policy vision was adopted in 2009; the relevant law on PIFC and internal audit units were created in 2010. The Central Harmonization Unit coordinates its process since 2010.

Currently Internal Audit units have been established in:

- 16 at the ministries of Georgia;
- 5 at the ministries of Autonomous Republic of Adjara;
- 5 at the ministries of Autonomous Republic of Abkhazia;
- Tbilisi City Hall (since 2012);
- 5 at the municipalities of Adjara (since March 2011);
- Legal Entities of Public Law (not in all of them);
- Municipalities of Georgia.

From 2014, Internal Audit Units were established in so called “law enforcement” ministries: Ministries of Defence, Internal Affairs, Corrections and legal Assistance and Justice according to the law. At present internal audit covers all ministries of Georgia. Also, in 2014 started creation of internal audit units in local governments, the process is still continuing.

In 2014, there are around 200 internal auditors throughout the country; 110 of them are employees of the 16 line Ministries of Georgia. According to the training strategy developed in 2012, 3 levels of trainings are conducted: basic, advanced and for the Heads of internal audit. In 2014, three basic trainings were held by local trainers, who were trained and chosen by the

international experts. In addition, sustainable training concept was drafted to ensure more effective development of internal audit field and communication between three players - Central Harmonization Unit (CHU), MoF Academy and donors.

During 2013 and 2014, several pilot projects were conducted, aiming the transformation of theoretical knowledge into practice. Different ministries were chosen to perform pilot system-based audit, IT audit and financial audit. CHU was actively participating in this process and provided needed expertise together with international experts. Meanwhile, CHU was able to see the needs of auditors on spot. Information collected was accumulated in the process of drafting and improving the internal audit manual. In 2014 following pilot audit projects were conducted in the Ministry of Finance - System-based audit, the Ministry of Education and Science - IT audit, the Ministry of Environment and Natural Resources Protection - Financial audit. Each team consisted of the local staff of internal auditors and one CHU member. Pilot audits were held with the support of GIZ and the help of an international expert. The ministries were chosen according to their willingness and capacity of an internal audit unit. At the end of 2014, the preparation of system-based audit was started in the Ministry of Defence. CHU prepared Internal Audit Manual, which will test by the internal auditors during 2015 before its final adoption.

One of the most important activities in 2014 was the preparing amendments of the Public Internal Financial Control (PIFC) law. Main purpose of changes was to make the law more compliance with the international standards, to eliminate double interpretation, to assure the functional independence of the Central Harmonization Unit (CHU) under the Ministry of Finance taking in account the best relevant international practices. This issue has been discussed with all interested parties: including line ministries, the heads of internal auditors and the Supreme Audit Institution. Their comments have been taken under consideration. Notable issue is also the paragraph, which describes the process of preparation of internal audit report and relation between internal audit unit and the auditee in the process. Now it is more clearly formulated and does not allow the interpretation.

In 2014, study visits were held in two countries, with the participation of internal auditors from different institutions, including the Ministries of Culture and Monuments Protection; Economy and Sustainable Development; Education and Science; Internally Displaced Persons, Accommodation and Refugees; Regional Development and Infrastructure; Sports and Youth Affairs; Justice; Tbilisi City Hall; Ministry of Finance of Autonomous Republic of Abkhazia and members of CHU. One visit to Slovenia was aiming at receiving experience on a certification program for internal auditors; another visit was held in Croatia dedicated to exchange experience of the local CHU and internal audit function in different institutions.

On 10 June 2014, the Internal Control Council meeting was held. Minister of the Finance and deputy minister were presented, also the expert of OECD/SIGMA and the representatives of GIZ. A main issue discussed by agenda was annual report of the CHU 2013 and recommendations for Internal audit units, concerning the risk assessment methods, procedures of internal auditing, record retention and etc. Other issues discussed on council were: obligations undertaken by the international agreements, statistical information about formation of internal audit units, amendments of the law on PIFC, action plan of the CHU.

The important activity of the second half of the year was to assess the status-quo of PIFC reform by OECD/SIGMA; the gap-analysis is the fundament for developing a PIFC Policy Paper. After OECD/SIGMA subject matter experts will finalise and submit gap-analysis, CHU will start working on drafting policy paper and action plan, which should be adopted by the Government of Georgia in 2015. The document will focus on internal audit issues, as well as on financial management and control. Additionally, CHU started working on Financial Management and Control rules and

procedures and completed first adapted draft. FMC rules and procedures proposed were discussed among top management, budget and treasury of MoF.

The CHU is continually working in order to implement an effective and well-functioning PIFC system within the country.

6.12.2 The State Audit Office of Georgia (SAO)

The activities in different directions carried out by State Audit Office of Georgia according to its revised Strategic Development Plan for 2013-2017 during the period 2014 were as follows:

Performance Audit

6 performance audits are being conducted in 2014, specifically:

1. Performance Audit of Regulatory System of Drugs and Pharmaceutical Activities;
2. Performance Audit of Management of State Owned Enterprises;
3. Performance Audit of Provision of Irrigation Services to Farmers;
4. Performance Audit of Public Debt Management;
5. Performance Audit of Solid Waste Management;
6. Performance Audit of Informational Technologies of LEPL State Procurement Agency;
7. Performance Audit of Public Debt Management Information Systems.

Applying methodological amendments to the Performance Audit Guidelines is in progress. Project of performance audit quality assurance procedures has been designed, however, due to its complexity the introduction of pilot test mode is required.

Audit Quality Control and Assurance

The quality assurance system is monitored by the Quality Assurance Department of SAO. The quality control reviews undertaken encompassed the review of systems, procedures and organisational practices, which are established to provide reasonable assurance to the SAO management that audit reports are appropriate in the circumstances and compliant with professional standards.

Throughout this period, the Quality Assurance Department performed quality reviews of the SAO annual and the SAO budget execution reports.

Also, during the reporting period, the Department performed quality control reviews of 17 audit reports, including 2 financial audit reports, 8 financial and compliance audit reports and 7 compliance audit reports. The department also performed quality control review of “Budget execution report on audit results of 2012-2013 of local self-governing entities”. In addition, 5 performance audit reports were reviewed by international experts from GIZ and the Swedish National Audit Office (SNAO).

Introduction of Informational Technology (IT) audit

During the 2014, the State Audit Office has developed IT audit development plan for 2014-2017, which sets out 6 strategic goals:

1. Preparation and development of the methodological basis of IT audit;
2. Attraction of IT auditors and promotion of professional development;
3. Creation and improvement of technological and infrastructural basis for IT audit;
4. Enhancement of IT audit performance;

5. Deepening of cooperation with governmental and international organisations in the process of development and implementation of innovations;
6. Organisational support of the SAO for the development of IT systems.

Currently, the SAO is in the process of development of IT audit methodology.

Combined audit of Georgian State Electrosystem has been recently completed (review of IT systems was carried out along with financial and compliance audit). In addition, the SAO is involved in parallel audit of public debt management (PDM) information systems together with 25 countries.

During the year of 2014, 7 employees attended IT audit training courses. The SAO employees participated in the following professional development activities:

- An online course in IT audit designed by INTOSAI Development Initiative (IDI) – 3 employees were trained and granted international certificates as a result of 7-week learning course;
- IT audit lectures carried out by specially invited expert. As a result, 7 employees were trained.

Implementation of recommendation follow-up system

During 2014, the SAO developed recommendation follow-up system, which aims to:

1. Increase the role of Parliament in the recommendation follow-up process;
2. Improve the quality of recommendations;
3. Improve close monitoring of the progress of corrective actions carried out by audited entities;
4. Increase the benefits of the State Audit Office.

Recommendation follow-up system is web-based application that unites three different interfaces for the Parliament, the SAO and auditors.

The design of recommendations follow-up electronic system provides interactive communication opportunity for all users. The SAO and audited entities provide all the mandatory documents and information describing recommendations and the status of implementation. This system allows users to find detailed information about recommendation implementation process, including, actions taken by the audited entities, financial costs and benefits of the implemented recommendations.

To improve the aforementioned process, the SAO developed a draft version of recommendation follow-up manual, which includes methodology of monitoring the development and implementation of recommendations, instructions to work with the electronic system and other topics related to this process.

Improvement of management systems and processes

The SAO developed an electronic audit card that provides the opportunity to register and classify audit findings. Currently all audit reports issued in 2013 and relevant findings were reflected in the electronic system. The SAO implemented a draft version of the strategic planning and performance measurement policy. The SAO aims to improve and implement the policy.

Enhancement of HR Management

In 2014, the staff assessment system has been introduced and developed. Additional assessment criteria and indicators were added to existing system. It should be noted that the staff

assessment system has been working in the test mode. During the reporting period 23 and 25 employees participated respectively in financial and performance audit trainings.

In 2014, the SAO signed the Memorandums of Mutual Understanding/ Mutual Cooperation with the leading high education institutions accredited in Georgia, in particular, with International School of Economics at Tbilisi State University (ISET), Caucasus University and University of Georgia. Within the framework of the memorandums, the SAO will facilitate the internship of the successful students in the SAO and their involvement in the research publications preparation process of the auditing activity, state budget execution analysis and public sector financial management system.

Continuous Development of Internal and External Communication

Aiming at the performance audit popularisation, in 2014 the SAO carried out the events, planned within the framework of the strategy, namely:

- Meetings with the journalists covering the economic issues; The aim of the meeting was informing journalists about the performance audit results and recommendations of the “Vocational Education System in Georgia – Current Reforms and Challenges” (7 March 2014);
- Head of the Performance Audit Department answered the questions regarding the audit details in the Business Courieri broadcasting. Based on the recommendations of the performance audit findings, TV story regarding “Vocational Education System in Georgia – Current Reforms and Challenges” was prepared (8 March 2014);
- The presentation of audit findings on “Vocational Education System in Georgia – Current Reforms and Challenges”. Representatives of the Ministry of Education and Science of Georgia, vocational colleges, public sector, media and international organisations attended the meeting. The event was covered by the media;
- Deputy Auditor General of the SAO was also invited to Business Courieri to speak about the basic directions of the performance audit of emergency (10 March 2014);
- The SAO also held the presentation on “Performance Assurance in the State Procurement System: transparency, accountability and modern approaches of the development.” The meeting was covered by media (25 June 2014);
- On 21-23 March, the training for journalist, which was attended by over 20 press, TV, radio and internet media representatives, was organised in Lopota (Kakheti). The following issues were discussed at the training: Performance audit directions; Activity of political parties’ financial monitoring; SAO web-site presentation.

Aim of the training was to improve the communication of the SAO and media representatives as well as supplying media with the information regarding the SAO activities.

Enhancing International Cooperation

The State Audit Office (SAO) continues its active engagement with International Organisation of Supreme Audit Institution (INTOSAI) and its regional organisations, as well as enhances bilateral cooperation with Supreme Audit Institutions.

On 25 March 2014, as a result of 4-year successful cooperation between the State Audit Office (SAO) and the Swedish National Audit Office (SNAO), the extension of the MoU for the period of 2014-

2016 was signed. According to the “Project Plan for Institutional Development Cooperation between the State Audit Office of Georgia and the Swedish National Audit Office 2014 – 2016”, the two supreme audit offices have agreed to engage in a bilateral cooperation that aims at developing the capacity of the SAO to conduct and maintain performance auditing in compliance with international principles and standards ISSAI.

Based on the successful cooperation experience, BMZ commissioned DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) in 2012, to start new regional programme – “Public Financial Management in the South Caucasus”. The first programme phase was designed for two years, 2012–2014. In frames of the first phase, the cooperation with SAO was enlarged and covered following fields: Implementation and Development of Performance Audit (PA) function; Improvement of SAO reporting and cooperation with Parliament; Support of local self-governing bodies audit department, which included assistance in the drafting of two-years report to the parliament, foreseen by the law. A Memorandum of Understanding between GIZ and SAO for the second phase 2014 – 2016 was signed on Sept. 25, 2014. The fields of cooperation will be mainly the same as in the first phase: Further support of PA implementation; Enhancing the cooperation with parliament regarding mandate and independence, which means the legal framework and the establishment of rules and procedures in SAO as well as in the Parliament; Support in conducting audits of local entities in Georgia.

During the 2014-2016, the SAO will implement the Twinning project called “Institutional strengthening of the State Audit Office of Georgia” in cooperation with German Bundesrechnungshof and Najwyższa Izba Kontroli (NIK). The overall objective of this twinning project is the improvement of accountability for the use of public funds in the Georgian public administration. The Twinning project has 3 main components:

- Strengthening SAO corporate and resource management;
- Strengthening financial and compliance auditing and reporting;
- Audit staff professional development and performance appraisal and Polish Supreme Audit Institutions.

Pool of 40 international experts will be engaged in the implementation process of the Twinning project, Resident Twinning Advisor (RTA) , who was newly elected in February 2014, will be at the SAO for the whole period of the project and locally coordinate the successful implementation of the project. In September 2014, the official Twinning contract GE/12/ENP/FI/15 from the EU delegation was presented to the engaged parties. Thus, the official start of the project is 1 October 2014.

Membership in new working groups

In 2014, the SAO became a member of the 4 new working groups.

In the framework of International Organisation of the Supreme Audit Institutions (INTOSAI):

Goal 1 - Professional Standards Committee (PSC)

- Performance Audit Subcommittee

Goal 3 – Knowledge Sharing

- Working group on Information Technology (IT) audit;
- Working Group on Audit Extractive Industries.

In the framework of International Organisation of Supreme Audit Institutions (EUROSAI):

- Information Technology (IT) Working Group

The SAO participated in 3 trainings/seminars, 2 conferences and 10 working meetings, organised by the international and regional organisations of supreme audit institutions (INTOSAI, EUROSAI and ASOSAI). More than 30 employees of the SAO attended the above-mentioned events.

Public Audit Institute (PAI)

The PAI that was established for the purpose to contribute to the development of public sector audit and improve public service quality, during 2014 has provided:

- Certification training course for the public sector auditors (February-April 2014)
- Active audit service for the public sector;
- Trainings for SAO staff and other representatives of public or private sector.

Certification

PAI continued the certification process, for those, willing to serve as an auditor in the public sector. The above mentioned certification was held in Georgia for the second time, thus it was of utmost importance for the development of performing audit in the public sector.

57 persons expressed their will to pursue this certificate. They passed through the 2-month special qualification course and after the completion of this course, 42 successfully passed the certification exam. As a result, they were awarded with the 5-year certificate for performing audit in the public sector.

The above-mentioned certification process will continue in the future. In order to ensure the higher quality of audit, the mandatory continuous education program and quality control system will be introduced as well.

Audit

In 2014, the PAI has performed 5 audits: Monument Protection Agency, Energy Development Fund, “Namakhvani” etc.

Trainings

During the 2014, PAI held Tax Code training in Kutaisi and Tbilisi, as well as IT audit, internal audit and public accounting trainings in Tbilisi.

Enhancing Transparency of Political Parties Finances

The SAO’s new web-page is being actively used during the pre-election period to enhance the transparency of political party’s finances through publishing 3-week declarations by each candidate, detailed information about donations received by electoral subjects and information regarding pre-election period funds. Since May 2014, the SAO improved the transparency of political finances and election monitoring by publishing financial declarations and other related information on political parties in machine-readable format.

According to the Auditor Generals initiative Consultative board of NGO representatives was organised (Including 9 member NGO’s and IFES as an observer organisation). According to the consultations board has drafted AG decree regulating deadlines for pre-election campaign; also prepared amendments to the methodology and amendments to Auditor Generals other 6 decrees. During the pre-election period besides of working on decrees and regulations related to political finances Board discussed 20 cases and information about possible illegal donations. In addition, as a result of consultations with NGOs, the Auditor General’s Decree No. 76/37 was prepared on the “the

regulation of some issues regarding financing of 2014 election campaign of local self-government entities”.

As regards the new regulations, the SAO representatives held joint trainings for the political parties’ representatives and initiative groups, as well as meetings aimed at raising awareness regarding existing regulations and requirements. The SAO discussed all the details of local elections with political parties and independent candidates. The SAO representative held 6 group meetings in Tbilisi and 4 in different regions of West Georgia for independent candidates. Besides these group trainings it was possible to get consultations in the SAO offices having about 1000 individual meetings and by the HOT LINE receiving more than 800 calls during the 3 month period.

6.12.3 Financial Monitoring

For further implementation of requirements of the FATF Recommendations and EU Third Directive (Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing) certain changes and amendments have been introduced into the preventive AML/CFT legal and institutional framework of Georgia. The mentioned developments are as follows:

- In December 2013, the Government of Georgia set up an Interagency Council for Developing and Coordinating Implementation of the Strategy and Action Plan for Combating Money Laundering and Terrorism Financing. The mandate of the Council covers elaboration the respective Strategy and Action Plan. Under the chairmanship of the Ministry of Finance the Council will also coordinate the timely completion of the activities listed in the Action Plan, periodically review the Strategy, foster collaboration between the competent bodies and supervise the compliance with international standards. More detailed information about the goal and composition of interagency council is available on the following link: <http://www.fms.gov.ge/uploads/files/Without Track Changes Sabchos Debuleba.pdf>;
- The AML/CFT Strategy was approved by the Resolution of Government No. 236 of 18 March 2014. The AML/CFT Strategy and Action Plan is a three year (2014-2017) document laying down the goals of the Government in this field, in particular, developing risk-based state policy against ML/FT; improving AML/CFT legislation in accordance with international standards; enhancing the capacity of state agencies involved in fighting against ML/FT; assisting the monitoring entities in complying with AML/CFT regulations; and promoting domestic and international cooperation in the fight against ML/FT. The strategy aims to establish the effective national framework for combating money laundering and terrorism financing, which is compatible with international standards and will contribute to the prevention, early detection and reduction of money laundering and terrorism financing crime. In order to ensure implementation of the goal and objectives of the strategy, the action plan providing for concrete actions, designating agencies in charge of their fulfilment and setting specific timeframes is enclosed with the strategy. Implementation of the strategy and action plan shall be supervised by the interagency council comprised of representatives of appropriate government bodies and other organisations operating in the field of fighting and prevention of money laundering and terrorism financing. The English translation of National Strategy as well as the Action Plan is available on the following link: http://www.fms.gov.ge/index.php?action=page&page_id=56&lang=eng;
- The AML/CFT Strategy and Action Plan provide for the conclusion of cooperation agreements between the Financial Monitoring Service of Georgia (FMS) and the newly designated AML/CFT supervisory bodies. Under the changes of 20 March 2013 to the AML/CFT Law of Georgia, the State Insurance Supervisory Agency was designated as supervisory institution for

insurance companies and non-state pension scheme founders. Before the changes the supervisory authority was carried out by the National Bank of Georgia. Consequently, the Memorandum of Cooperation was signed on 10 April 2014 between the FMS and the Agency. The Memorandum provides for the cooperation mechanisms between the two institutions, including through the exchange of information, provision of assistance in developing AML/CFT guidance and regulations and organising trainings for insurance companies;

- The Regulation of the FMS on Receiving, Systemizing and Processing the Information by Commercial Banks and Forwarding to the Financial Monitoring Service was amended on 17 June 2014 to make legal provisions governing correspondent banking relationships consistent with the FATF recommendations. The English translation of the mentioned normative act is available on the following link: http://www.fms.gov.ge/uploads/files/Commercial_Banks_Eng_07.2014.pdf;
- The Regulation of the FMS on Receiving, Systemizing and Processing the Information by Lawyers and Forwarding to the Financial Monitoring Service was adopted on 2 October 2014. The Regulation defines in detail the CDD obligations of lawyers, as well as the terms and procedures for record keeping, STR reporting and internal control procedure. The text of Regulation is available on the website of the Service (Georgian version): http://www.fms.gov.ge/index.php?action=page&page_id=53&lang=geo;
- For enhancing the effectiveness of the FMS the legislative changes were introduced to the Law of Georgia “on Facilitating the Prevention of Illicit Income Legalization” on 5 May 2014 (in force from 1 July 2014), under these changes the FMS became accountable and shall submit an annual progress report to the Government of Georgia; the head of the FMS is appointed for the term of four years and dismissed by the Prime Minister of Georgia. As regards the budget, it will not be reduced compared to the previous year’s financing without prior consent of the service;
- In accordance with the recommendations of the 4th round evaluation report by MONEYVAL and in order to facilitate further approximation of Georgia’s legislative framework with international AML/CFT standards, the amendments were introduced to the Law of Georgia “on Facilitating the Prevention of Illicit Income legalization” on 24 December 2014. The changes and amendments provide for the:
 - Designation of electronic money providers as reporting entities;
 - Obligation of reporting entities to understand the ownership and control structure of their clients;
 - Obligation of reporting entities to understand the purpose and intended nature of business relationship of their clients;
 - Inclusion of unusual patterns of transactions in the definition of the unusual transaction;
 - Application of simplified due diligence measures only when ML/FT risks are low;
 - Extension of prohibition on anonymous accounts to DNFBPs;
 - Revision of provisions on third parties/intermediaries in line with FATF recommendations;
 - Revision of requirements against tipping-off in line with FATF recommendations;
 - Revision of provisions on the protection from liability in case of legitimate disclosures in line with FATF recommendations.

Please see the amended text of the AML/CFT Law of Georgia on the official website of the FMS: [http://www.fms.gov.ge/uploads/files/AML_Law_\(Eng\)_Without_Track_Changes.pdf](http://www.fms.gov.ge/uploads/files/AML_Law_(Eng)_Without_Track_Changes.pdf)

- On international level the FMS cooperates actively with its foreign counterparts and international organisations through exchanging information and experience and assisting to law enforcement agencies within the scope of its competence. For strengthening the bilateral cooperation the FMS has signed the Memorandums of Understanding with foreign counterparts of 36 countries (during 2014 the MoUs with relevant services of following countries have been signed: Greece, Netherlands, Lithuania, Argentina and Malta).

6.13 Financial Services

6.13.1 Legal Framework for the functions of the National Bank of Georgia

In the period covered several steps have been taken by the NBG for the purpose of improvement of the regulatory framework of the National Bank of Georgia.

In particular the amendments were introduced to the order No. 69/04 of the Governor of the NBG, dated 28 June 2013 regarding the approval of “the Rule for Supervision and Regulation of the Activities of Commercial Banks” (Order No. 12/04 of the Governor of the NBG, dated 4 February 2014), amendments establish new regulations in a whole range of important issues.

“The Rules of Operation Related to the Cash or Other Valuables in Commercial Banks” (Order No. 105/04 by the Governor of the NBG, dated 29 November 2012) has been amended (Order No. 15/04 of the Governor of the NBG, dated 4 February 2014). Amendment includes regulation on the use of electronic signature by banks in the process of transacting in cash or other valuables with their clients.

“The Regulation of Emission, Circulation, Accounting and Repayment of Treasury Bills and Treasury Obligations” was approved (Order No. 17/04-N39 of the Governor of NBG and the Minister of Finance of Georgia, dated 7 February 2014) to amend previous order (No. 10/01-N51 by the Governor of NBG and the Minister of Finance of Georgia). This amendment envisaged additional norm regarding the emission of government notes, with the aim to enhance availability of long-term financing in the domestic economy.

“The Rules Regarding the Classifying Information as Confidential and Dissemination of the Confidential Information” was approved (Decree No. 1 of the Board of the NBG, dated 14 February 2014), which regulates issues of treating information within NBG as confidential, issuance of information treated as confidential and restricting access to confidential information derived from the goals of the Monetary Policy, Statistical and/or Financial System Stability interests.

“The Rules and Conditions for the Registration of Investment Funds in the National Bank of Georgia” was approved, (Order No. 22/04 of the Governor of the NBG, dated 14 February 2014), which defines the procedures and conditions needed to register investment funds in the NBG.

“The Regulation Regarding the Dealing Operations” was approved (Order No. 33/04 of the Governor of the NBG, dated 28 March 2014), according to this Regulation, commercial banks have to create internal policies and procedures for management of dealing securities’ portfolio. This statute ensures establishment of efficient practice for management of dealing securities’ portfolio.

“The Instruction of Opening Accounts and Operations with Foreign Currency at Banking Facilities” (Order No. 24/04 of the Governor of the NBG dated 7 April 2011) was revised and complemented (Order No. 36/04 16 April 2014). According to the revision, application for opening bank account will

be considered valid in case Public Registry sends electronic application to the bank regarding the opening of the account.

“The Rules for the destruction of Lari banknotes and Coins” (Decree No. 5 of the Board of the NBG, dated 13 May 2014) was approved, which regulates conducting the operations of counting-demolition of the invalid Lari banknotes and coins by the NBG.

“The Regulation Regarding the Operational Risk Management in Commercial Banks” was approved (Order No. 47/04 of the Governor of the NBG, dated 13 June 2014). According to the regulation, each commercial bank operating in Georgia, domestic as well as branches of foreign banks, must have operational risk management framework. The framework must be consistent with the size and complexity of the bank and must be in line with the operations conducted by the commercial bank. In addition, framework must be fully integrated in overall risk management process of commercial banks.

“The Regulation Regarding the Risk Management in Commercial Banks” was approved (Order No. 48/04 of the Governor of the NBG, dated 17 June 2014). The above-mentioned regulation ensures active supervision of bank management, policies and procedures, risk identification and assessment, definition of limits, monitoring of these limits as well as implementation of IT systems, risk and internal control procedures.

“The Regulation Regarding the Credit Concentration and Large Scale Risks in Commercial Banks” was approved (order N49/04 of the Governor of the NBG, dated 17 June 2014). The above mentioned Statute sets limits and restrictions that should be met by banks to avoid credit concentration and resulting large-scale risks.

“The Rules of Assets Classification and Use and Accumulation of Reserves in Case of the Occurrence of Losses for Commercial Banks” was approved (Order N51/04 of the Governor of the NBG, dated 17 June 2014). The aim of the rule is commercial banks to form and implement internal procedures and reporting requirements concerning the classification of their assets and liabilities related to their reserves. The above mentioned will enhance assessment of realistic financial stance of banks and ensure objective information for depositors, management, shareholders, potential investors, NBG and other stakeholders.

Legislative base regulating commercial banks operation was renewed, namely “The Rules of Licensing Commercial Banks” was updated (Order N52/04 of the Governor of the NBG, dated 17 June 2014). At the same time, “the Regulation Regarding the Fit and Proper Criteria for the Administrators of Commercial Banks” was approved (Order No. 50/04 of the Governor of the NBG, dated 17 June 2014) defining criteria of fitness and propriety for the administrators of commercial banks.

Order of the Governor of the NBG (No. 116, dated 4 May 2001) about the “Conflict of Interests and Conduct of Banking Operation among Bank Administrators and Persons Related to Them” was amended (Order No. 53/04 of the Governor of the NBG, dated 17 June 2014). According to the amendment, if NBG and commercial bank could not agree whether the particular client or his/her transaction must be treated as related person or related transaction, then NBG’s position is decisive.

The Amendment was initiated in the “Rules for Determining and Charging Fines for Commercial Banks” (Order No. 242/01 of the Governor of the NBG, dated 25 December 2009). According to the amendment (Order No. 54/04 of the Governor of the NBG, dated 17 June 2014) administrator of the commercial bank will be fined by 2000 GEL, if he/she could not follow the rules defined by “The Law Regarding the Activities of Commercial Banks” and other by-laws regulating banking activities, and

also if administrator could not properly execute his/her obligations resulting the breach of law by the bank.

The Amendments were made to the Decree No. 134/01 of the Governor of the National Bank of Georgia, dated 22 October 2010, regarding “the approval of the Regulation on Conducting External Audit of Commercial Banks” (Order No. 55/04 of the Governor of the NBG, dated 17 June 2014). The amendments clarify that NBG is entitled to arrange meetings with external auditor without the consent of the commercial bank. Provision of information by the external auditor to NBG shall not mean the breach of confidentiality. In addition, adverse developments identified by the external auditor should be submitted to NBG immediately.

Order No. 24/04 of the Governor of the NBG, dated 7 April 2011 regarding “the Instruction of Opening Accounts and Operations in Foreign Currency at Banking Facilities” was amended (order No. 58/04 of the Governor of the NBG, dated 19 June 2014). The above-mentioned amendment defined that restriction regarding the banking operations in foreign currency do not apply to the following operations: repayment of principal of the foreign currency denominated financial instrument (including deposits and loans), interest payment on this instrument or fines on this instrument that are expressed as a percent, transferring money to foreign country territories to non-resident persons.

Order No. 49/04 of the Governor of the NBG, dated 17 June 2014 regarding the “Approval of the Regulations Regarding the Credit Concentration and Large Scale Risks in Commercial Banks” was amended (Order No. 59/04 of the Governor of the NBG dated 24 June 2014). According to the amendment loans issued by the banks or other liabilities and/or their parts, which are guaranteed by the assets pledged for the monetary operations of the NBG under the framework of the repo agreement are not included while calculating the limits, with the amount not exceeding the maximum loan that could be obtained from the NBG.

The Decree No.1 dated 14 February 2014, regarding the “Rules for Classifying Confidential Information, Dissemination of Confidential Information and Approval of the Registry of the Confidential Information” was amended (Decree No. 7 of the board of the NBG dated 4 August 2014). According to the above-mentioned amendments head of the structural unit of the NBG is authorized to address to the Vice-President or the Executive Director with the well-supported solicitation and ask for the classifying correspondence with the subjects under the NBG’s supervision which concerns supervision issues as confidential.

Order No. 44/01 dated 17 March 2010, regarding the “Approval of the Instruction Regarding the Use of International Bank Accounts in Georgian Banks” was amended (Order No. 76/04 of the Governor of the NBG dated 11 August 2014). According to the amendment IBAN codes of the commercial banks was updated in a new edition of the annex.

Order No. 100/04 of the Governor of the NBG dated 28 October 2013, “Regarding the Approval of the Capital Adequacy Requirements for Commercial Banks” was amended (Order No. 81/04 of the Governor of the NBG dated 25 August 2014) to define list of the institutions authorized by the NBG for the external credit assessment.

Changes were initiated (Order No. 87/04 of the Governor of the NBG dated 10 September 2014) in the order N48/04 of the Governor of the NBG dated 17 June 2014, regarding the “Approval of the Statute Regarding the Risk Management in Commercial Banks”. According to the Amendment, term of the “Operational Risk” was removed from the statute, along with this all the regulations related to this term was removed as well-policies, limits, evaluation, monitoring.

Important amendments were initiated with the Order No. 89/04 of the Governor of the NBG dated 12 September 2014 in the Order No. 24/04 of the Governor of the NBG dated 7 April 2011 regarding the “Approval of Instruction of the Opening Accounts and Conducting Operations in Foreign Currencies by the Banking Institutions”. Namely, commercial banks were restricted to open the accounts, when code words or numbers, which do not contain name of the owner, are used for the purposes of the identification of the account holder and the identification of the account holder is only possible with the account number. At the same time, commercial banks are not allowed to open the account such that it will be impossible to identify the account holder according to the requirements listed in the 6th article of Georgian law regarding the “Facilitating the Prevention of Illicit Income Legalization”.

Order No. 94/04 of the Governor of the NBG dated 30 September 2014, “Regarding the Approval of the Methodological Guide for Electronic Signature Introduction”, was issued. The Guide was developed in accordance with the requirements of the legislation of Georgia and regulations governing in the European Union. It aims to define the general principles that provide reliable and safe environment for using electronic signature in the banking sector.

Decree No. 9, dated 17 October 2014, regarding the “Rules for Classifying Confidential Information, Dissemination of Confidential Information and Approval of the Registry of the Confidential Information” was issued by the Board of the NBG. Described legal act defines types of confidential information in the National Bank for monetary policy, statistics and financial stability purposes. It also defines confidential categories for information assets as followed from the Law of Georgia on Information Security.

According to the amendment (Order No. 111/04 of the Governor of the NBG dated 10 November 2014) to the Order No. 33/04 of the Governor of the NBG dated 7 February 2012 “On the Approval of Regulation and Conditions of Registration of Micro Finance Organization at the National Bank of Georgia”, time elapsed from the issuance of Proof of Conviction form shall not exceed 15 calendar days as submitted to the NBG by the directors and holders of significant share of the microfinance organisation. As for the Proof of Conviction form issued by relevant foreign authorities, the issuance period shall not exceed 2 months.

Decree No. 11 dated 31 December 2014 regarding the Amendment to the Decree No. 3 dated 23 April 2010 of the Board of the NBG on “Defining the Types of Loan Collateral” was issued by the board of the NBG. According to the amendment, in line with the Law of Georgia on Securities Market, debt securities denominated in GEL (Georgian Lari) and issued by resident and non-resident legal entities was added to the list of the types of loan collateral.

Over the accounting period total of 46 normative acts were issued by the National Bank of Georgia.

Together with this, regarding the priorities defined by the Eastern Partnership Road Maps (C.6. Cooperation of macroeconomic and financial stability issues. 1) Promote macroeconomic stability including price stability; 3) Promote financial stability including by way of reforms and regulation in the financial sector. Eastern Partnership Roadmap; the bilateral dimension, p. 40), which stress macroeconomic stability including price stability and facilitation of financial stability, it is worth mentioning the following points:

- According to the 3rd paragraph of the organic law of Georgia “On the National Bank of Georgia” the main objective of the NBG is to maintain the price stability. To achieve its main goal (price stability), the NBG operates monetary policy based on inflation targeting regime. In line with this regime, inflation target is set at 5% for 2015-2016 and at 4% for 2017.
- Along with the development of the economy inflation target will be gradually reduced. Therefore, long term inflation target of the National Bank of Georgia is 3%.

- In addition, according to the 3rd paragraph of the organic law of Georgia “On the National Bank of Georgia” ensuring financial stability is the goal of the NBG. With this aim the NBG implements financial system supervision in accordance with the best international practices and encourages stable and sustained development of the financial sector. Namely, the NBG takes into consideration Basel Committee recommendations while forming the framework for the financial system supervision and aims at achieving optimal balance between efficiency and risk-taking via risk-based prudential supervision approach. Active process of implementation of Basel III provisions in the banking system was commenced in 2014 with the objective to closely align financial sector regulatory framework to capital directive. Since December 2013, commercial banks report their capital adequacy based on standardized approach of pillar 1, while minimum pillar 1 capital adequacy requirement became binding in June 2014. Beyond this, commercial banks have already submitted their first ICAAP (Internal Capital Adequacy Assessment Process) results and NBG has launched the SREP (Supervisory Review and Evaluation Process).

6.13.2 Insurance State Supervision Service of Georgia

In the framework of the financial sector assessment program, the World Bank/International Monetary Fund carried out a new mission in 2014 that has extensively reviewed the current situation in the field of insurance and elaborated recommendations.

At present, the draft document underlines measures to be taken in insurance system including funding service and measures for proper functioning.

After analyses of recommendations by the Insurance State Supervision Service of Georgia an action plan will be elaborated with relevant timetable.

In accordance with obligations taken under Chapter IV, Title II of the Partnership and Cooperation Agreement (PCA) between the EU and Georgia, reforms include financial services, as well as development of the market of securities, namely proper consideration of the recommendations of 2006 Financial Sector a program of International Monetary Fund/World Bank (FSAP).

On 10 April 2014, the Memorandum of Cooperation was signed between the Financial Monitoring Service of Georgia and the LEPL Insurance State Supervision Service of Georgia. On 24 June 2014, the Memorandum of Understanding was signed between the National Bank of Georgia and the LEPL Insurance State Supervision Service of Georgia, in order to enhance the effectiveness of inter- agency cooperation.

7. Cooperation in Specific Sectors

7.1 Transport

The Association Agreement (AA) and Deep and Comprehensive Free Trade Area (DCFTA)

On 3-6 February, 3-7 March, 17-19 March and 2-6 June, visits of four TAIEX expert missions were conducted in civil aviation, road, maritime, and railway transport fields in Georgia. The aim of the missions was to assess the needs of Georgia for harmonisation of transport related legislation with the EU *acquis* as well as to verify capacity building possibilities for the relevant members of staff.

In June 2014, transport related academic events were delivered following the Government of Georgia’s “Communication and Information Strategy on EU Integration for 2014-2017”. Namely, on

13 June 2014, the public lecture on “Maritime Sector in Georgia: Current Stand and Prospects” was held at the Batumi State Maritime Academy and the range of issues were included such as: provisions on maritime transport in the Association Agreement and the Deep and Comprehensive Free Trade Agreement; employment perspectives of the Georgian seafarers following the re-recognition of the Certificate of Competency by the EU; flag state image of Georgia as a maritime nation; port policy and significance of the Anaklia deep sea port construction; enhancing transit potential and logistical hub within Georgia.

The lectures on the AA and DCFTA were also held at the BSMA, the Maritime Training Centre “Anri” and Batumi Navigation Teaching University by the Maritime Transport Agency. The presenters accentuated the importance of approximation of the Georgian maritime legislation with the EU law. The Representatives of the LEPL Maritime Transport Agency on 25 September 2014 delivered similar lectures for the Georgian Seafarers.

The public lectures were held by the representatives of the Transport Policy Department from the Ministry of Economy and Sustainable Development and the LEPL Land Transport Agency for the students enrolled in the Faculty of Mechanical Engineering at the Georgian Technical University majoring in road transport.

The lectures have also been conducted in the “Georgian Aviation University” by the representatives of LEPL Civil Aviation Agency on the enhancement of awareness regarding the Georgian civil aviation integration into the European Common Aviation Area.

During the public lectures the students had the opportunity to be informed on the implementation process of obligations, regulations and directives described in the “Common Aviation Area Agreement between Georgia and the EU and its Member States” (CAA-A) into the Georgian national legislation, as well as the issues related to the integration of Georgia in the “European Organisation for the Safety of Air Navigation” (EUROCONTROL).

Cooperation with International Financial Institutions

Georgia actively cooperates with the financial institutions. Particularly, the Transport Policy Department of the Ministry of Economy and Sustainable Development of Georgia with technical assistance of the Asian Development Bank (ADB) is working for the elaboration of the National Transport Policy and its Action Plan. The national transport policy will review the Georgian transport sector, identify issues that impede the development of the sector and recommend a series of measures designed to improve the delivery of transport services and capacity in Georgia.

Moreover, the Government of Georgia with the support of the World Bank is working on the strategy document for development of Green Growth Strategy for the Freight Transport and Logistics Sector in Georgia. The purpose of the project is to identify opportunities to improve the cost-efficiency and environmental sustainability of goods movement by reducing fuel consumption and emissions (both local and global). It should also assess how these “greening” efforts would contribute to the consumer welfare, jobs and growth.

Regional Cooperation

Georgia is actively involved in the working process of Eastern Partnership Transport Panel. During 2014, the Georgian delegation composed from the representatives of the Ministry of Economy and Sustainable Development and the Ministry of Regional Development and Infrastructure participated in the 6th and 7th Eastern Partnership Transport Panel meetings focused on the inclusion of inland waterways into the EaP transport network, the state of play of priority projects, regulatory

convergence as well as technical topics such as maintenance and road safety. Beside in the framework of the Transport Panel on 9-10 October 2014, the Georgian delegation has participated in the information days on the Connecting Europe Facility.

The Georgian side provided an update on regulatory convergence of the Georgian transport systems and shared their ideas about innovative financing tools for the improvement of transport connections.

As agreed on Transport Panel meetings, Georgia presented updated information on 3 priority infrastructure projects of regional significance for improving road connections in Georgia and in the region:

- Construction of Tbilisi-Senaki-Leselidze road section (Chumateleti-Argveta);
- Construction of Rustavi-Red Bridge Highway;
- Modernisation of Tbilisi-Marneuli road section.

Whilst continuing active cooperation with the EU Transport Corridor Europe-the Caucasus-Asia TRACECA Programme and with its on-going projects, Georgia strives to ensure that outcomes of the implemented projects reinforce competitiveness and attractiveness of the TRACECA corridor for trade liberalisation and reduction of barriers through the corridor.

Maritime Safety and Security II

LEPL Maritime Transport Agency (MTA) of the Ministry of Economy and Sustainable Development has been actively involved in TRACECA Maritime Safety and Security II project.

In 2014, the LEPL Maritime Transport Agency has received assistance of the project on following activities:

- Effective implementation of IMO mandatory instruments;
- Training of trainers and maritime inspectors in the application of the ILO Maritime Labour Convention (MLC, 2006), ILO Maritime Labour Academy;
- Implementation of ILO MLC, 2006 in Georgia;
- CleanSeaNet Project in cooperation with EMSA, enabling Georgia to receive satellite imagery for marine pollution.

As Georgia has already applied for the VIMSA Audit, which will be held in February 2015 and as it is vital for the country to pass the audit successfully, TRACECA Maritime Safety and Security II project has allocated fund and has found an expert with the similar audit background in order to assist the agency in the preparatory processes. The *two mock* audits have already been held at the agency, together with the gap analyses and follow up missions.

Additionally, TRACECA Maritime Safety and Security II assistance included activities in terms of the security matters.

Besides, in 2014, the following seminars have been conducted with support of the project:

- Project Workshop on Maritime Safety and Security;
- Security Seminar;
- Strengthening of national legislation regarding port reception facilities for ship generated waste and cargo residue.

TRACECA Project Civil Aviation II / Egis Avia

As for TRACECA Civil Aviation Project II, it must be noted that the Georgian side, as the beneficiary state of TRACECA, was actively involved in the Project. Almost every activity was performed by the parties (Georgia and TRACECA Project team) in order the project to be fruitful. By the assistance of this joint project of TRACECA and Egis Avia and in accordance with the Road Map elaborated by the project team Georgia has already implemented several regulations in the national legislation:

- Regulation (EC) No. 261/2004 on Establishing Common Rules on Compensation and Assistance to Passengers in The Event of Denied Boarding and of Cancellation or Long Delay of Flights, and Repealing Regulation (EEC) No 295/91, which entered into force from 1 September 2012; and
- Regulation (EC) No. 1107/2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air, entered into force from 1 April 2013;

Simultaneously, the GCAA is still conducting intensive activities on the 6 European Regulations, which were also described in the TRACECA Road Map:

- Regulation (EC) No 2027/97 on Air carrier liability in the event of accidents, which is planned to enter into force during 2015;
- Regulation (EC) No 785/2004 on insurance requirements for air carriers and aircraft operators, which is planned to enter into force in 2015;
- Regulation 1008/2008 on Operation of Air Services – Chapter II - Operating License which is planned to enter into force also in 2015;
- Council Directive 96/67/EC of 15 October 1996 on access to the Ground handling market at Community airports;
- Dir. 79/2000 – Working Time of Mobile Workers which is planned to enter into force in 2015;
- Dir. 93/2006 on Operation of Airplanes – Chapter III, which is planned to enter into force in 2015.

These regulations already been drafted and most of them are planned to enter into force in 2015 (Besides the Ground Handling Directive).

The training courses, the technical assistance missions and the study tours, which were organised in the framework of the Project, were led by high-level and competent experts, which had all necessary skills to share their knowledge and understanding of the regulations/directives with the Georgian civil aviation staff.

TRACECA Project Civil Aviation Safety / EASA

The Second on-going project in civil aviation domain is the TRACECA Project Civil Aviation Safety/EASA, which is still being implemented by the joint cooperation of TRACECA and the European Aviation Safety Agency (EASA).

Like the above mentioned TRACECA Civil Aviation Project II, Georgia was also a beneficiary of the TRACECA/EASA joint Project.

The Project has started on 1 March 2012 and is to be finished on 31 May 2015.

The Georgian side was actively involved in the Project. In the frame of the project GCAA staff participated in the following Project Activities:

- Third EASA Pan-European Partner Countries Workshop – PANEP III;
- ICF informative session on new EASA rules + EASA Basic Regulation - Info session on BR;

- European preparatory meeting before the session of ICAO Dangerous goods Panel;
- Conference on future aerodrome rules in Europe;
- Fourth EASA Pan-European Partner Countries Workshop – PANEP IV;
- EASA TAG ADR meeting;
- Fatigue Management Workshop;
- HEMS (Helicopter Emergency Medical Services);
- Fourth EASA International Cooperation Forum (ICF 4) 2014;
- Fifth EASA Pan-European Partner Countries Workshop – PANEP V (Including one day dedicated workshop on aerodromes);
- Airworthiness Inspector refresher & OJT;
- Operations Inspector refresher & OJT;
- Basic AME training;
- Advanced AME training;
- Dangerous goods inspector training;
- ACAM training;
- Part M with specific focus on Continuing Airworthiness Monitoring Organisation (CAMO);
- Initial SAFA Training;
- Training on standardization inspection of competent authorities;
- Training on ECCAIRS;
- SM initiative kick-off workshop;
- Safety Management Initiative: SSP / EASP Training;
- Management initiative Workshop 1;
- Management initiative Workshop 2;
- Management initiative Workshop 3;
- Management initiative Workshop 4;
- ATM/ANS Workshop;
- Steering Committee 1;
- Steering Committee 2;
- Steering Committee 3;
- Steering Committee 4.

The training courses which were held during the project were very helpful for Georgian side, as the “ECAA Agreement between Georgia and the EU and its Member States” and its annex 3 describes the number of regulations which are related to the safety. In this regards, the training courses will significantly assist Georgian civil aviation staff to implement these Regulations in the Georgian National Legislation much more easily and effectively. Worthy to note “on the spot support” in the OPS and AIR domain to Georgian CAA, 14-16 July 2014 in Tbilisi, which was based on the outcome of ICAO USOAP were held in 2013. “On the spot support” was resulted by the EASA - Technical report with a series of recommendations to Georgian CAA.

TRACECA Road Safety II Project

The "TRACECA-Road safety II" project is the follow up to an earlier EU funded regional road safety project. The Project will be undertaken over the 2 years from Jan 2014 to Jan 2016 and will assist 10 beneficiary countries (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan). The project objective is implementation of the TRACECA Regional Road Safety Action Plan by assisting countries to strengthen institutional capacity and develop and implement country specific road safety action plans to address their road safety problems. This will also ensure that the corridor transport system actively promotes the safety, security and protection of users, property, public and the environment that might be involved in or affected by this system.

In October 28-31, 2014, the Ministry of Economy and Sustainable Development of Georgia with support of the above mentioned project organised the first National Action Planning Workshop. In the framework of the workshop parties have discussed the results in regards of the institutional issues, road safety infrastructure and the future steps regarding the regional action plan, which will be established by the project. In the workshop also participated different governmental and private stakeholder representatives.

Logistics Processes and Motorways of the Sea II (LOGMOS II)

With the support of Transport Policy Department the final meeting of the TRACECA project – “Logistics Processes and Motorways of the Sea II” (LOGMOS II) was convened on 2 April 2014 in Tbilisi, Georgia where the TRACECA member countries discussed the Master Plan and Action Plan documents prepared in the framework of the LOGMOS project.

Herewith, on 3 July 2014, the wrap up meeting with the team leader and the key expert of the LOGMOS II project was held, where the parties discussed the road map of the Master Plan developed in the framework of the project.

With the support of Transport Policy Department and with participation of 13 TRACECA member states, the Meeting of the Permanent Secretariat of the IGC TRACECA was held on 3 April 2014, in Tbilisi, Georgia. The parties discussed the on-going projects developed in the framework of TRACECA programme and current stand in implementation of the TRACECA strategy.

Transport Dialogue and Networks Interoperability II (IDEA II)

Georgia actively participated along with the TRACECA member states including in the two Expert Group meetings held in the framework of TRACECA project - Transport Dialogue and Networks Interoperability II (IDEA II) on investments and legislative harmonisation held on 2-5 June 2014 in Chisinau, Moldova. In the framework of the meetings, the parties discussed the mechanisms for identification of priority projects for the Transport Investment Forum of 2015 as well as issues related to harmonisation of the national legislation with the EU *acquis*.

In the framework of the above-mentioned project on 19-20 August 2014, Georgia also participated in the Expert Group meeting dedicated to the Expert Group Corridor Benchmarking and Transport Modelling.

In the framework of the EU TRACECA Programme, Georgia has expressed continuous support to the “Silk Wind” project initiated by the Kazakh side. The project primarily aims to increase transit traffic through the railway lines and sea routes from China towards Europe and optimise and develop international transport corridors. In the scope of the project an Intergovernmental Agreement has been drafted between the Governments of Azerbaijan, Georgia, Kazakhstan and Turkey.

The Georgian side represented by the Transport Policy Department and the Georgian Railways participated in the Working Group meeting in Baku, Azerbaijan on 27 February 2014 where the parties discussed and suggested their comments on the draft agreement of the project. At the end of the meeting the project member states agreed to pass the second phase of the internal state procedures on the draft agreement for completion of the project.

In this regard, the Government of Georgia has already completed the second round of the internal state procedures in relation to the draft agreement.

Maritime Transport

The Government of Georgia strives to enhance port infrastructure. For this purpose, particular importance is attached to the construction of the new Deep Sea Port in Anaklia. The Anaklia port shall have the following competitive advantages:

1. Strategic location;
2. Capacity to receive Panamax type of vessels;
3. One stop shop solutions;
4. Simple and fast procedures;
5. All year round safe navigation.

The Government of Georgia announced the Invitation for the Expression of Interest (“EOI”) for the construction and development of the Anaklia New Deep Sea Port in the near future. 12 companies from various countries have officially expressed interest towards the project. The winner shall be selected by the Governmental Commission.

New port is supposed to be constructed in 7 phases and reach the capacity of handling 100 mln tons of cargo. Construction of the new port is strategically important and shall result in significant increase in cargo turnover through Georgia.

On 30 January 2014, representatives of the Ministry of Economy and Sustainable Development, the MTA and the Ministry of Environmental Protection participated in the conference “Sustainable development of the blue economy of the Black Sea enhancing marine and maritime cooperation” held in Bucharest, organised by the European Commission and the Government of Romania. Participants discussed issues related to integrated maritime policy, preservation of marine environment in the Black Sea, management of fisheries and fostering regional cooperation.

On 5 February 2014, the Agreement between the Government of Georgia and the Government of the Republic of Cyprus was signed in Tbilisi that signifies deepening of bilateral maritime cooperation between Georgia and Cyprus that shall increase the cargo turnover between the ports.

In 2014, the MTA signed bilateral MoUs for the mutual recognition of seafarers’ certificates with the following EU Member States: Belgium, Latvia, Denmark, Romania, Greece, Malta, Cyprus, Lithuania and Slovenia.

Significant progress was made in terms of flag state performance. In September 2012, amendments to the Maritime Code of Georgia concerning state registration of ships entered into force. As a result of legislative changes, new registration procedure was introduced which is in line with the EU standards. Hence, in 2013, detention ratio of ships flying the Georgian flag reduced in comparison with previous years. As a result of implemented reforms as well as reduced detentions on 1 July 2014, the Georgian flag was moved from “Black” to “Grey List” under Paris MoU.

In 17 October 2014 Direct Ferry Service between the Constantza and Batumi Ports was commenced. The ferry service line will be operated by the Ukrainian company, UkrFerry. The Ukrainian ferry Greifswald of mixed type (Ro-Ro/Rail/Passenger ferry) (holding capacity: 50 auto truck, 50 vans, 150 passengers) will serve the ferry line. The ferry service will be provided twice or once a week. The Reopening of the direct ferry service between Constantza – Batumi – Illichivsk ports will promote development of the transport corridor of Europe – Caucasus – Asia, as well as realization of the Georgian transit potential.

In 30 October 2014, the Parliament of Georgia ratified the following international treaties:

- ILO C185 - Seafarers' Identity Documents Convention, 2003;
- International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004;
- Convention on the International Maritime Satellite Organization, 1998.

On 20 November 2014, Georgia became the 85th member of the International Hydrographic Organization (IHO). Membership of Georgia in the IHO shall enhance safety of navigation in Georgian ports and facilitate capacity building of the LELP state Hydrographic Service of Georgia.

Land Transport

Pursuant to the European Agreement concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR) to which Georgia acceded on 19 May 2011, Georgia has fully implemented digital tachograph system for the vehicles engaged in international transport. Namely, in 2014, the Land Transport Agency issued 332 digital tachograph cards to drivers and transportation companies.

On 22 March 2014, the Agreement between the Government of Georgia and the Government of Hungary on the International Transport of Passengers and Goods by Road entered into force.

On 8 May 2014, the Agreement between the Government of Georgia and the Government of the Slovak Republic on the International Transport of Passengers and Goods by Road was initiated.

On 13 January 2015, the Agreement between the Government of Georgia and the Government of Estonia on the International Transport of Passengers and Goods by Road was signed by the Prime Ministers of two countries.

Conclusion of the Agreements shall deepen bilateral cooperation between Georgia and the mentioned EU Member States, as well as result in the increase of the cargo turnover.

Civil Aviation

On 1 January 2014, Georgia became the 40th member of European Organisation for the Safety of Air Navigation (EUROCONTROL). Accession to the EUROCONTROL will have a strong positive impact on integration of the Georgian air navigation systems into the European system, as well as on the improvement of flight safety in the Georgian airspace. Civil aviation specialists will also have an opportunity to attend trainings and courses for increasing qualification on the permanent basis that will help meeting obligations taken by the CAA-A.

- Following Georgia's accession to the EUROCONTROL in March 2014 Decree №1-1/67 on the Approval of Principles and Methodology for Calculation of Air Navigation Charges of the Minister of Economy and Sustainable Development of Georgia was adopted;
- On 15 May 2014, the Civil Aviation Authorities of France (DGAC) and Georgia (GCAA) signed Technical Cooperation Program. Under the Technical Cooperation Program, the parties will cooperate in exchanging information and expertise in the field of civil aviation. The programme's objectives include the promotion of assistance for the GCAA in the process of implementation of ICAO standards and recommended practices as well as European regulations. Besides, French Directorate will provide technical assistance and training missions to support GCAA staff;

- For the implementation of the Common Aviation Area Agreement between the European Union and its Member States and Georgia Interagency Council was established on 11 June 2014, under the Governmental Decree No. 389;
- The Government of Georgian approved the Action plan which was elaborated by Interagency Board for implementation of the obligations imposed under the EU-Georgia Common Aviation Area Agreement (26 December 2014; The Government Order No. 2497).

7.2 Communications

With the technical assistance of the European Bank for Reconstruction and Development (EBRD) and the Government of Finland, under the long-term program "Georgia: Information and Communications Policy and Regulation Development", the project "Digital Switchover Policy and its Implementation in Georgia" was elaborated in 2012. According to it and by participation of stakeholders, the "Digital Terrestrial TV Broadcasting Switchover Action Plan and Recommendations" was elaborated and adopted by the Government in 2014.

According to the above mentioned Digital Terrestrial TV Broadcasting Switchover Action Plan, in January 2014, the LEPL "Digital Broadcasting Agency" was established under the Ministry of Economy and Sustainable Development of Georgia, which will coordinate the activities related to the transition on digital broadcasting, namely providing information on key aspects of the reform to the interested parties, as well as providing necessary state aid to the socially vulnerable families.

According to the Digital Terrestrial TV Broadcasting Switchover Action Plan in compliance with the EU standards was elaborated and adopted by the Government appropriate amendments to the Law of Georgia on Electronic Communications and on the Law of Georgia on Broadcasting.

In 2013, technical experts of Finnish company "Digita" were hired by the EBRD and they elaborated technical - economic project for construction of terrestrial digital broadcasting network. In 2014, EBRD extended its current support for Digital Switchover process to Digital Broadcasting Agency, in particular, accommodation assistance with implementation of consumer related and set-top box procurement aspects. The works in the frame of technical assistance of EBRD are still in progress, and the main aim is to support implementation of digital switchover project in Georgia.

In 2014, the construction of digital terrestrial television network on whole territory of Georgia was started, which will be completed by 17 March 2015. Works are on-going to support socially vulnerable families with individual digital TV receivers. For this purposes, the procurement procedures of Set-Top-Boxes started in 2014, which will be finished in 2015. According to above mentioned, the Digital Terrestrial TV Broadcasting Switchover in Georgia will be completed on 17 June 2015.

In February 2014, under the Ministry of Economy and Sustainable Development of Georgia the LEPL "Georgia's Innovation and Technology Agency" (GITA) was established. GITA plays an important role in implementation of the government's innovation policy. It is the (i) Key focal point in the innovation ecosystem; (ii) Coordinator of the innovation ecosystem; (iii) Provider of services, instruments and programmes supporting innovation. GITA's main objective is to implement the Government's Innovation Strategy and provide services and programs aimed at enhancing the innovation process in Georgia. To achieve this goal and help the process of commercialisation of innovation in Georgia, GITA issues grants for R&D and innovation projects and the development and growth of the most promising innovative companies. GITA has received right to issue grants from the Government of Georgia under Decree No. 1554 (10 September 2013).

The Agency encourages innovation and knowledge based approach and technology adoption in the private and public sector, support commercialization of research results and promotes innovative entrepreneurship. It is actively involved in creation and development of technology parks, technology transfer centres, innovation centres, innovation labs, accelerators, business incubators, Fab Labs, etc. Georgia's Innovation and Technology Agency's one of the main objectives are Georgia's high-speed Internet access, e-commerce, distance work, speeding of computerization and development and utilization of other electronic services. GITA has already announced tenders to purchase equipment for 3 fab labs (2 intermediate and 1 advanced fab labs) and for 3 iLABs. This equipment is given to the universities by the grant program. The Agency has already selected a company that will do all construction and renovation activities for the creation of first technology park in Georgia.

The concept "Broadband Internet for every citizen" had been prepared in 2014. According to the concept, an open access infrastructure must be developed all over the country, which will connect all the populated areas to modern electronic communications networks. During the process of creation of the mentioned infrastructure, the government will ensure favourable conditions for interested investors.

Under the Prime Minister's initiative, Centre of High Technology and Innovations (Technology Park) will be created. High technological laboratories, trending centres for local and international companies, show-rooms, incubators, co-working centres, conference rooms, green zone and others will be placed in the Technology Park. Mentioned process started in 2014, which is planned to be finished in the first half of 2015. In the Technology Park GITA will ensure creation of innovation and technological ecosystem, start-ups, it will also offer valuable resources to small companies.

In close cooperation with the World Bank and interested parties the strategy draft "Innovation Georgia 2020" was developed.

In the framework of EaP Platform 2 "Economic integration and convergence with EU policies" Georgian delegation participated in the I and II workshops "Harmonizing the EU's and Eastern Partners' Digital Markets" held in Brussels (29 July and 21-22 October, 2014) and initiated by the Association "INFOPARK" (Belarus).

The Georgian Law on "Electronic Communications" was amended in order to implement liberalization of radio frequencies and support development of the new broadband mobile/wireless technologies in the country. The amendments are in compliance with the EU regulations and obligations of the EU-Georgia Association Agreement on radio frequency management.

For the purposes of utilizations, so called "Digital Dividend", the Georgian National Communication Commission (GNCC) has sold the license to ensure implementation of fourth-generation (4G) broadband services. In accordance with 2014 amendments in the law on "Electronic Communications" based on technological and service neutrality principle, GNCC has completed the modification and 15-year term extension process for the use of radio frequency spectrum licenses (800/900/1800/2100) at MHz harmonised ranges. Accordingly, in the future the mobile operators will have the opportunity to provide 4G broadband services.

The 12th World Telecommunication/ICT Indicators Symposium – WTIS 2014 was held in Georgia on 24-26 November 2014. The Symposium has been attended over 250 delegates from International Telecommunication Union's (ITU) 94 member countries, among guests were high level participants and experts from the ministries, regulatory authorities, national statistics organisations, private companies, etc. The event were attended ITU's newly elected Secretary-General, Houlin Zhao and Director of ITU's Telecommunication Development Bureau, Brahima Sanou. The event reserved high international appreciation, which should support further strengthen of Georgian authority.

The works are in progress to improve some paragraphs of the draft Postal law in accordance with the EU suggestions.

- On 3-6 June 2014 in Tbilisi, the workshop on preparation of Georgian Postal Law was organised and held by the European Commission in the framework of TAIEX. The main purpose of this assistance was to share EU Member States' experience in regulation of postal services market and help in the preparation process of the Postal Law. The workshop was presented in cooperation with HAKOM, Croatian Post and Electronic Communications Agency.
- On 26 September 2014, the Video Conference on draft Postal Law was held between the EC and the Ministry.
- During the first meeting of Association Committee in Trade Configuration, held on 3 December 2014 in Brussels, the following issues were discussed: Georgia's postal services legislation, state of play in the reform process, updates to the EU legislation and the implementation of the Services Chapter.

7.3 Energy

EU integration process

Serving the strengthening of its energy security, GoG continued to take intensive steps towards the upgrading and enhancement of the energy system including designing, rehabilitation, construction and exploratory works in 2014. With the technical advancements the country also paid attention to improving energy legal and regulatory framework for adjusting to regional energy markets and approximation with EU standards. Throughout the year, GoG also put significant efforts in promoting the development of local renewable potential and supporting international energy transit projects within the scope of the Southern Gas Corridor (TANAP, TAP) and other important ones such as AGRI and EAOTC.

Power Sector

Enguri hydro power plant

To take steps to reduce energy network losses certain rehabilitation activities have been carried out in the energy sector. In this regard, the renovation of the large HPP Enguri has been a priority in order to secure sustainable energy supply and reliable energy production in the country. The works on the last unit #5 also successfully completed and commissioned, and Enguri HPP was connected to the national grid at its full capacity starting from 30 May 2014.

Black Sea Transmission Network Project

In 2013, GSE/Energotrans successfully completed the Black Sea Transmission Network (BSTN) Project. In July 2014, GSE started transmission of electricity to Turkey via 400 kV transmission line Meskheta (Akhaltsikhe-Borchkha). Total amount of exported electric power during the months of July and August was 172 mln kWh (162 mln kWh in July, and 10 mln kWh in August). In October and November 2014, export of electricity through 400 kV transmission line Meskheta from Paravani HPP totalled 47 mln kWh (20 mln kWh in October and 27 mln kWh in November). In December, transit of electricity through 400 kV transmission line Meskheta amounted 59 mln kWh.

Georgia's Improved Power Transmission (GIPT) Project

Georgia's Improved Power Transmission (GIPT) Project is one of the key elements of Energy Infrastructure Expansion program implemented under the USAID Assistance Agreement between the

United States of America and Georgia dated 25 February 2010, aimed at rehabilitation of GSE's critical HV power transmission infrastructure, including the reconstruction of 220 kV power transmission lines Senaki 1 and 2 (58km) and associated bays in substations Menji and Tskaltubo, as well as introduction of Smart Grid technologies in GSE's transmission network, with capacity building efforts to ensure that skills are in place to manage technological improvements over the longer term. The final testing, commissioning and energization of the transmission lines and relevant substations were performed in June 2014. Activities regarding official delivery-acceptance of the project have been completed. At present the process of registration of the property (specified under the project) on GSE's assets is underway. At present, activities regarding official delivery-acceptance of the project are underway. The successful implementation of the project is expected to increase electricity reliability throughout the power transmission network, reduce energy insecurity and vulnerability and virtually eliminate the risk of power supply interruptions in Georgia.

Dissolved Gas Analyser

Under the GIPT Project USAID supported the installation of dissolved gas analyzers (DGA) in the Ksani, Gardabani and Zestaphoni substations. The new system provides measurement readings every three hours. These measurements are accessible, via computer, to relevant substation field staff members and in GSE head office. In the long-term, the DGA system improves the efficiency in the Georgian energy sector and significantly reduces the risks of potential transmission line failures. The project related works completed in March. Activities regarding official delivery-acceptance of the project have been completed. At present the process of registration of the property (specified under the project) on GSE's assets is underway.

Emergency Enhanced Control System

The USAID-funded Georgia's Improved Power Transmission Project's Smart Grid component includes the deployment of state-of-art technologies and engineering software. This component is directed towards improved power management, transformer fault monitoring, protection improvement, reliable transmission operation, and trade facilitation. The project related works completed in March. Activities regarding official delivery-acceptance of the project have been completed. At present the process of registration of the property (specified under the project) on GSE's assets is underway.

Three more USAID funded projects include:

- Rehabilitation of GSE's 10 most critical substations (Batumi 220/110 kV, Gldani 220/110 kV, Khashuri 220/110/10 kV, Gori 220/110 kV, Kutaisi 220/110/10 kV, Marneuli 220/110 kV, Menji 220/110/35 kV, Rustavi 220/110 kV, Tskaltubo 220/110 kV and Zugdidi 220/110 kV) through the installation of modern digital control and relay protection systems to achieve full usage of the functions of the existing supervisory control and data acquisition system (SCADA) and Energy Management System (EMS) for efficient power dispatch operation; Five (5) substations, Gldani, Kutaisi, Marneuli, Menji and Rustavi have been finalized and are fully back in operation. For the rest five (5) substations, Gori, Khashuri, Batumi, Tskaltubo and Zugdidi the equipment is supplied but the installation and commissioning will be performed in 2015. The project is expected to be completed in 2015.
- Rehabilitation of GSE's 12 substations (Batumi-220, Khashuri-220, Gori-220, Fero-220, Zestafoni-500, Gardabani-500, Kutaisi-220, Marneuli-220, Menji-220, Rustavi-220, Tskaltubo-220 and Zugdidi-220) through the installation of 35/10/6 kV complete switchgears. Nine (9) switchgears (10 kV or 6 kV) are delivered to the related substations and unloaded; seven (7) switchgears (35 kV and 10 kV) are not yet at the destination substations. They will be delivered in 2015. The project is expected to be completed in 2015.

- Procurement of stringing equipment which can be used for rehabilitation of existing transmission lines as well as for construction of new lines by Georgian State Electrosystem. The project will be completed by September 2014. The equipment was delivered in August 2014.

Implementation of these projects will assist GSE in strengthening the East-West connection of the transmission grid, as well as in transmission network upgrade efforts securing reliable power supply and power exchange operations through improved infrastructure.

Regional Power Transmission Enhancement Project

One more large-scale project for improvement of GSE's transmission facilities and infrastructure is implemented with the financial support of the Asian Development Bank (ADB). The objective of the Project is to enhance regional power trade through rehabilitation/expansion of existing substations and construction of a new substation. The Loan and Project Agreements for the Project have already been signed between the ADB, the Ministry of Finance of Georgia and GSE and became effective in October, 2013. The Project activities include:

- Construction of a new 220/110 kV substation Khorga – On 9 July 2014, the contract was signed with the Contractor – Siemens (Austria). The contract has been effective since 26 August 2014. At present detail design is being elaborated;
- Rehabilitation of 500/220/110 kV substation Ksani – On 31 October 2014, the contract was signed with the Contractor – Siemens (Austria). The contract has been effective since 22 December 2014.
- Extension of 220/110 kV substation Marneuli with 500 kV – On 31 October 2014, the contract was signed with the Contractor – BEST (Turkey). The contract has been effective since 18 December 2014. At present, the project design is being elaborated;
- Power transformer replacement in 220/110 kV substation Menji – On 31 October 2014, the contract was signed with the Contractor – BEST (Turkey). The contract has been effective since 18 December 2014. At present the project design is being prepared.

All the planned construction and rehabilitation works in the involved substations will be completed by the end of 2016.

Jvari-Khorga Interconnection Project

- Construction of 500/220 kV substation Jvari and associated transmission lines, financed by KfW, EBRD will include Construction of new 500/220 kV substation at Jvari;
- About 60km of 220 kV double-circuit line from Jvari to Khorga and about 8 km tie-in of the 500 kV Kavkasioni line.

The Project aims at improving the power transmission network in the region. It should be viewed under the broader context of developing regional energy infrastructure and in whole country and enhancing its power exporting and transit potential, as well as reliability of internal networks. At present, detail designs are being prepared Construction contracts are in place and the project is planned to be completed by the end of the year 2016.

Construction of 500 kV Ksani-Stepantsminda power transmission line

The project is being implemented with the financial assistance of the KfW. The project activities includes the construction of 500 kV “Ksani- Stepantsminda” (“Kazbegi 500”) transmission line that will serve the purpose of evacuation of power from Dariali HPP being under construction in Dariali ravine, Mtskheta-Mtianeti region as well as from other perspective HPPs planned to be constructed in

the area and connect such HPPs to the national grid. The project will improve the uninterrupted and reliable power supply to Mtskheta-Mtianeti region, meeting the increasing demand of the region as a developing recreation and resort area. Preparatory activities, including feasibility study and preparation of technical specification are underway. In 2014 preconstruction activities were carried out.

Transmission Grid Strengthening Project

Georgia is endeavouring to develop a regional power market with serving as a transmission hub and as a seasonal exporter of environmentally clean hydropower. Transmission Grid Strengthening Project is one more significant energy infrastructure project aimed at achieving these objectives. The project will be implemented with the financial support of the World Bank which approved the loan in the amount 60 mln USD for the Project. The Project will finance a transmission line which will connect Adjara region and the new hydropower stations under construction in Adjara region with the national grid. The new line will strengthen transmission grid connection of Adjara region as well as ensure evacuation of generation from the hydropower stations. The Loan and Project Agreements for the project were signed on 3 September 2014 between the WB, Ministry of Finance of Georgia, Ministry of Energy of Georgia and GSE and became effective on 29 December 2014, after all the preconditions for loan effectiveness had been fully met and complied with. The Project are scheduled to be completed in 2019 and its activities will include:

Transmission System Strengthening: Construction of a high voltage double-circuit, 220 kV transmission line from the back-to-back converter station and 500/400/220 kV substation Akhaltsikhe to Batumi 220 kV substation. On 30 October 2014, Invitation for Bids was announced. The bids were opened on 26 January 2015. The bidding documents are being evaluated at present.

Wholesale Power Exchange Platform: design, supply and installation of a power exchange platform and the provision of hardware and software for metering, balancing, and trading systems. The Project will update existing metering system to meet requirements of an hourly balancing system and will feed information to the balancing trading platforms.

Electricity Sector Strategic Environmental and Social Assessment (ESIA): The strategic ESIA will consider important components of the natural environment (air, water, land, biodiversity and ecosystems), social aspects (human health and safety, access to natural resources and to public services, vulnerability, gender, equity, etc.) and cultural values, as well as trans-boundary and global environmental aspects.

Current renewable projects

At this moment, 79 projects are ongoing. Their total planned installed capacity is 3827.8 MW and annual generation up to 16.0 TWH. The approximated investment amounts to USD 4.164 bln. Construction works are scheduled to be finished in 2014-2025. In this respect Georgian, Turkish, Indian and Norwegian and other firms from different countries are active and do preparatory and construction works at selected sites. At this stage 27 new HPPs are in the construction and licensing phase while the six HPPs with the total installed capacity of 57MW have already been put into commissioning and the three are expected to be launched till the end of the year: Paravani (85 MW), Kazbegi (5 MW); and Nabeglavi (1.9 MW). By now 80 potential HPP projects ranging from 1 to 670 MW are offered to potential investors with the pre-feasibility information out of which 16 have gone through the Expression of Interest process.

The Ministry of Energy of Georgia, together with the Georgian Energy Development Fund (GEDF), embarked on the implementation of wind power projects. The first pilot project is “Kartli” with the installed capacity of 20 MW. The MoU on its development was signed in April 2014. GEDF also

plans to open the expression of interest for all interested parties which has the capability to invest in wind power projects. Also, the selection of turbine manufacturers is in progress.

As of now, GEDF has prepared pre-feasibility study, wind resource assessment and layout optimisation based on 1 year data from 80 m. measurement mast installed in August 2013. The company has received reports from the foreign consulting company of civil works, grid connection and electrical works. Pre-ESIA report and access road design were prepared by the Georgian consulting companies. The project's feasibility study was prepared and was completed by the end of September 2014.

Geographic Information System (GIS)

With the support of the Norwegian Water Resources and Energy Directorate the following activities are underway:

- 1.1 Digitizing of all available hydrological data, including procurement of necessary computer hardware and software;
- 1.2 Make sure that a hyd./met. data information system is operational at NEA;
- 1.3 Establish a digital terrain model and collect all available information on land use;
- 1.4 Prepare a digital run-off map for Georgia;
- 1.5 Prepare and operationalize a GIS-based tool/model for estimation of the hydro power potential of Georgia, including construction costs.

In a couple of months the first two components will be fully completed and working on the following aspects will be continued. The project will be completed in 2016.

Gas and Oil Sector

In 2014, Georgia continued supporting the implementation of Southern Gas Corridor projects at the political level through active participation in the international events (conferences, bilateral consultations with other stakeholders etc.)

Georgia is a crucial transit country for the Caspian oil and gas resources to reach EU market and is very much interested in larger transit volumes for strategic and security purposes as well as for a long-term economic development especially when it comes to natural gas. Therefore, Georgia welcomes the launch of the SCPX expansion project which is a part of Southern Corridor concept together with its continuation TANAP and TAP pipelines to European markets.

The Government of Georgia supports the development of Euro-Asian Oil Transportation Corridor (EAOTC) project. Throughout the year, Georgia was actively engaged in the preparation of Brody-Plotsk Oil pipeline design activities in the framework of the EAOTC project. Also, in mid-summer, at the last meeting of the Joint Polish-Georgian Intergovernmental Commission on Economic Cooperation the commission noted the importance of continuing work together with Ukrainian, Azerbaijani and Lithuanian partners within the frames of the Euro-Asian Oil Transportation Corridor (EAOTC) project in order to re-evaluate the feasibility of the project considering new political and economic realities of the region, including recent Russia-Ukrainian crisis.

The Government of Georgia continues its efforts for the realization of Azerbaijan-Georgia-Romania Interconnector (AGRI) project. Georgia participated in estimation procedures of AGRI project feasibility study prepared by UK based "Penspen LTD" as well as continued other promotion activities in the scope of the project.

GOGC continues the rehabilitation activities for the increasing of the security of the gas supply through the rehabilitation of Georgian gas pipelines connecting local gas transmission system with neighboring countries and implement designing and construction works on various sections of Georgian gas main pipeline system. Particularly:

- construction of a “Rustavi-Sagarejo” (L=25km) section of Kakheti Gas Main Pipeline System has been completed;
- reconstruction of a “overhead crossing on the river Natanebi” of a Kobuleti branch of Kutaisi-Senaki Main Gas Pipeline System has been completed;
- construction of a “Gori-Kareli” (L=20km) section of East-West Main Gas Pipeline System has been completed;
- construction of “Zestafoni-Kutaisi” (L=23km) section of East-West Main Gas Pipeline System has been completed;
- construction of “Red Bridge-Marneuli” (L=23, DN=500mm) section of Main Gas Pipeline System is underway.

The Georgian Oil and Gas Corporation in cooperation with the JSC Partnership Fund launched the construction of the Combined Cycle Power Plant (CCPP) with the total installed capacity of 230 MW in Gardabani the commissioning of which is planned in the end of 2015. The plant will be constructed by the Turkish company ÇALIK ENERJİ. The estimated cost of the project is 220 mln USD. The 100% of its shares will be managed by the Georgian side. The Gardabani combined cycle power plant project will be implemented by Ltd Gardabani Powerplant. JSC GOGC has controlling interest with 51% shareholding. Gardabani CCPP construction works will be fully funded by JSC GOGC’s Eurobond proceeds.

In addition, the Ministry of Energy of Georgia, together with the JSC Georgian Energy Development Fund, is working on the development of another combined cycle power plant with the capacity of 500 MW. In 2014, the tender process has already been revealed the winner for design works of the project.

In June 2014, an agreement on the construction of the coal-fired power plant with the installed capacity of 100-150 MW was signed in Tkibuli Municipality between the Ministry of Economy and Sustainable Development, Ministry of Energy and Georgian International Energy Corporation. The plant is intended to operate on local resource. The construction will start by the end of 2016 and the completion date is 2019.

Upstream Exploration and Production Prospects

In terms of the local oil and gas exploration and production, geological exploration has been intensified by the existing licensees in potential areas. The following works have been carried out this year:

- Seismic works or preparatory works for seismic survey are underway on the ground license blocks. It is planned to carry out 620 line km 2D seismic works.
- The data of 2D seismic works (278 line km) carried out in the previous period are processed and interpreted, as well as data of 3D seismic works (390 km²) carried out in the previous period are interpreted again.
- New exploration and appraisal wells were drilled.
- New agreements were signed on 3 license blocks and the agreements became effective in the first half of the year.
- During the 6 months: 23.8 thousand tons of oil and 4.74 mln m³ of free and associated gas has been produced in the country.

Georgia is also interested to attract investments in E&D in the offshore of Black Sea. All Black sea countries have already granted E&D rights but Georgia. The Government of Georgia has been working on the terms of licensing and tendering. We hope that EU oil and gas companies will be interested in participating in these tenders.

In this regard, in the beginning of September a memorandum of understanding was signed between Austrian OMV, Spanish REPSOL and the Ministry of Energy with the goal to study and assess the existing data on the potential hydrocarbons in shelf zone of the Black Sea.

Metering, gasification and electrification

The process of individual metering and gasification of regions is also underway throughout the country which aims at improving the bill collection rate and improving quality of service and living condition.. By the end of this year 45 724 customers have been gasified by Socar Georgia Gas, Georgian Gas Transportation Company and Wissol Gas Distribution Company. As for the metering process it should be mentioned that **67,817** customers have been re-metered by the end of the year. The process will be finalized by 2016.

With the initiative of the Ministry of Energy of Georgia, the project for the Electrification of off-grid Villages was launched in 2013. Throughout the year of 2014, 13 tenders have been conducted for the design and electrification services of the 18 villages.

Integration process with the EU

The country negotiated with the EU over the “Association Agreement” (AA) in 2013 but in the sphere of Energy we continue to negotiate relevant pieces of the EU *acquis* in the context of the accession process to **The Energy Community** established between the EU and a number of third countries to extend the EU internal energy market to Southeast Europe and beyond. Throughout the year two rounds of negotiations have been organised and some progress achieved. This process has not been completed yet and analysing of commitments and impact assessment of relevant EU *acquis* is in progress.

In order to fulfil the tasks under the AA/DCFTA, throughout the year the ministry elaborated:

- 2014 National Action Plan for the implementation of Association Agreement and the Association Agenda and its report by the end of the year;
- The Action Plan 2014-2017 for the implementation of DCFTA and its report by the end of the year;
- 2015 National Action Plan for the implementation of Association Agreement and the Association Agenda.

Georgia Electricity Market Model and Electricity Trading mechanism

The Ministry is working on the Georgian Electricity Market Model (GEMM 2015) and Electricity Trade Mechanism (ETM) which will be introduced step by step from 2015. The GEMM and ETM are designed and intended to advance Georgia’s electricity sector policies and one of its key objectives is to increase approximation with EU standards. Achievements to Date are as follows:

- Law on Electricity and Natural Gas modified;
- Grid Code drafted and approved by the Regulator;
- Interconnection Auctioning Rules Adopted.

Energy policy and strategy documents

This year, a draft energy policy of Georgia has been prepared based on the intensive public consultation and it is expected to be considered by the parliament in the near future. The document sets out a strategic policy framework that addresses the priorities and development opportunities in the energy sector of Georgia. The policy's intent is to develop a long comprehensive state vision which will later become the basis for the development of short, medium and long-term strategies in the energy sector; and the basis for creation of energy sector programs based on these strategies and the foundation for the development of the regulatory legal basis of the sector.

Also, a special working group within the ministry started working on the elaboration of the energy strategy paper for 2015-2030.

Energy Sector Regulation

In order to approximate Georgia's energy regulatory framework with that of the EU, the Georgian National Energy and Water Supply Regulatory Commission (GNERC) has undertaken several steps by approving number of documents.

Grid Code

Grid Code is a document approved by GNERC, which comprises transmission grid code and distribution grid code. The Grid Code was approved by the GNERC Resolution No.10 of 17 April 2014. It only comprises provisions regulating transmission grid operation. As per the distribution grid code, it is planned to adopt it. At this stage, the document is being drafted.

GNERC is authorised to approve **the Application Form for Transmission Network Connection** in accordance with the GNERC Resolution No.10 of 17 April 2014. The Application Form was drafted by the dispatch licensee, reviewed and approved by GNERC Decision No.33/2 of 27 August 2014.

Standard Conditions

GNERC has approved Standard Conditions for several agreements, namely:

- Standard Conditions for Transmission Service Agreement were approved by GNERC Decision No.31/5 of 22 August 2014;
- Standard Conditions for Dispatch Service Agreement were approved by GNERC Decision No. 33/1 of 27 August 2014;
- Standard Conditions for Balance Electricity Sale Agreement were approved by GNERC Decision No. 30/5 of 14 August 2014;
- Standard Conditions for Balance Electricity Purchase Agreement were approved by GNERC Decision No. 30/3 of 14 August 2014;
- Standard Conditions for Reserve Capacity Sale Agreement were approved by GNERC Decision No. 30/2 of 14 August 2014;
- Standard Conditions for Reserve Capacity Purchase Agreement No. 30/4 of 14 August 2014.

Electricity Tariff Methodology

Within the EU Twinning Project for Georgia, GNERC has drafted electricity tariff setting methodologies. Tariff setting based on these Methodologies is in accordance with the international practice of incentive regulation, which stimulates increase of the efficiency of the utilities and

attracting investments. The GNERC Resolution No. 14 on “Electricity Tariff Setting Methodologies” of 30 July 2014 comprises 3 annexes:

Annex 1. Tariff Setting Methodology for Electricity Distribution, Pass Through and Consumption Tariffs;

Annex 2. Tariff Setting Methodology for Electricity Generation, Transmission, Dispatch and Electricity Market Operator Service;

Annex 3. Regulated Assets’ Depreciation/Amortization Norm for Utilities under Tariff Regulation.

Natural Gas Tariff Methodology

Natural Gas Tariff Setting Methodology was approved by GNERC Resolution No. 33 of 25 December 2014. This Methodology is based on the best international practice and principles. The aim of this new methodology is to calculate tariffs for supply, transportation, distribution, pass through and consumption of Natural Gas in accordance with the Law of Georgia on Electricity and Natural Gas. Resolution No. 33 on “Natural Gas Tariff Setting Methodology” includes 2 annexes:

Annex 1: Natural Gas Tariff Setting Methodology;

Annex 2: Regulated Assets’ Depreciation/Amortization Norm for Utilities under Tariff Regulation.

In addition, GNERC has drafted the “Rule of Calculation of the Electricity Normative Losses” which has been approved by GNERC Resolution No.15.

Energy Efficiency

The Ministry of Energy is actively involved in the promotion of **Covenant of Mayors**, which is concentrated on the sustainable development, including reduction of emissions, utilization of renewable energy sources and promotion of energy efficiency measures. In this regard, 8 major cities of Georgia signed the agreement among which the four cities have already elaborated the sustainable energy action plans (SEAP) and another four are drafting them. In addition, on 30 January 2014, the partnership agreement was signed between the Ministry of Energy of Georgia and Directorate General for Energy of the European Commission regarding the strengthening of the competence of the ministry in the promotion of the Covenant of Mayors among municipalities and to reinforce its support to the municipalities who decide to formalize their commitment to the Covenant. Besides, it is planned to sign the Memorandum of Understanding between the Ministry of Energy and the Ministry of Environment and Natural Resources Protection of Georgia. The Memorandum of Understanding envisages to support municipalities in preparation of the SEAPs and in facilitation of relations with donor organisations to develop projects which will be outlined in the SEAPs. Through the implementation of Sustainable Energy Action Plans and utilization of renewable energy sources Georgia will contribute to the global process of the development of clean environment.

It is also worthwhile to mention that Winrock International/Georgia with the support of the Ministry of Energy and the Ministry of Environment and Natural Resources Protection is currently implementing USAID's **Enhancing Capacity for Low Emissions Development Strategies (EC-LEDS) Clean Energy Program**. The program helps Georgia to reduce Greenhouse Gas (GHG) Emissions, supports Georgian municipalities in institutionalizing and implementing climate change mitigation measures, promotes and facilitates private-sector investments in energy efficiency and green buildings and builds the capacity of the Government of Georgia to develop and implement a National Low Emissions Development Strategy in support of the USG EC-LEDS initiative.

The EC-LEDS Clean Energy Program is comprised of three main components:

1. Georgian Municipal Energy Efficiency, which will support at least 10 municipalities in quantifying and reducing GHG emissions, and institutionalizing climate change mitigation
2. Green Building Rating and Certifying System, which will introduce a voluntary system for rating and certifying green buildings in Georgia and build market demand for certified buildings; and
3. National EC-LEDS Working Group and Advisory Assistance, which would provide advisory assistance to the Government of Georgia to articulate concrete actions, policies, programs and implementation plans under the bilateral EC-LEDS initiative.

Also, at the current stage, the Ministry of Energy with technical support of EBRD developed the terms of reference of the first draft of Georgia's National Energy Efficiency Action Plan.

7.4 Environment

1. The Association Agreement and related actions

The Ministry of Environment and Natural Resources Protection of Georgia (MENRP) was actively involved in the negotiations on the Association Agenda with the EU. In 2014, the Ministry prepared:

- A draft document analysing current status of the implementation of the AA environmental obligations, identifying existing gaps and required actions;
- One year Action Plan for the implementation of the Association Agreement environmental chapters as part of the National Action Plan;
- Three-year Action Plan for the implementation of the DCFTA environmental section as part of the National Action Plan;
- Report on the 2014 National Action Plan for the Implementation of the Association Agreement environmental chapters;
- Report on the 2014 National Action Plan for the Implementation of the DCFTA environmental section.

For better planning of the implementation process, in October 2014, the MENRP, with the assistance of the EU, launched a new project “Development of an Action Plan for the Implementation of the EU-Georgia Association Agreement - Environmental Chapters”. The specific objective of this contract is to support the Ministry of Environment and Natural Resources Protection of Georgia for developing a realistic and action-oriented Roadmap establishing key priorities and benchmarks to ensure compliance with the AA, strengthen the approximation process towards the EU and enhance cooperation between Georgia and the EU on issues related to environment and climate action. The document will define concrete steps and reforms needed in environmental sphere in order to meet EU obligations imposed by the AA.

Official working group on EU integration issues has been created at the MENRP. The group consists of heads of all sectorial units of the Ministry and is responsible for the coordination of the implementation of the Association Agreement, legal harmonisation and approximation process.

2. Air Quality

Approximation in the field of Air Quality is enhanced by the EU project “Air Quality Governance in European Neighbourhood and Partnership Instrument (ENPI) countries”. The main purposes of the project are to improve convergence to the European legislation (air quality related regulations) that will contribute to the improved air quality, facilitate compliance with the Multilateral Environmental Agreements, strengthen implementation capacity and raise environmental awareness through cooperation at national, regional and sub-regional levels among decision-makers, industry sector and

civil societies. The following activities have been implemented within the frameworks of the pilot projects:

- National Pilot Project on “Feasibility study on the introduction of an Air Quality Monitoring system in Georgia in compliance with EU requirements, including development of the Programme of the National Ambient Air Monitoring System and elaboration of relevant guidelines” is going to be finalised in autumn of this year; Till now Report on Comparison of the Air Quality Monitoring Systems of EU Members States and Georgia was prepared. Air quality models for 4 cities (Tbilisi, Rustavi, Kutaisi and Zestaponi) were developed. First Regional Pilot Project “Assessment and enhancement of national capacities for joining CLRTAP protocols and meeting corresponding commitments” to enhance the capacity of the country of joining the Convention on Long-range Transboundary Air Pollution (CLRTAP) protocols was completed in January 2014. National Action Plan for joining CLRTAP protocols and meeting correspondent commitments for Georgia has been prepared;
- Second Regional Pilot Project “Development of National Action Plan for Implementation of the EU Harmonisation plan in the field of air quality governance and meeting corresponding international obligations” is finalised. “Georgian National Action Plan for Fulfilment of Commitments of EU-Georgia Association Agreement in the Field of Air Quality Management” was developed;
- Third Regional Pilot Project “Development and implementation of air pollution assessment system to estimate effects of different urban planning and transportation schemes in the partner countries” has been completed. Air quality model for the city of Batumi was prepared. As a result, in Georgia modern European air quality modelling system (THOR) started operating. To ensure sustainability of the project results, local staff has been trained.

3. Transport Sector (Environment)

Based on the Governmental Decrees No. 444 and No. 449, from 1 January 2014, new quality standards were established for petrol and diesel. According to these decrees, the sulphur content in petrol and diesel reduced approximately 1.5 times and became correspondingly no more than 150 mg/kg and 200 mg/kg.

4. Water quality and resource management

The new draft law on Water Resources Management drafted in 2013 is still under consultation with relevant ministries before submitting it to the Parliament of Georgia. Two meetings with stakeholders took place during last months. Also, the Ministry provided translation of the draft law into English language and distributed it between international and other donor organisations for comments. Currently, the Ministry is in the process of working on the final text of the law taking into account comments and notes, which are coming from these organisations. The next step will be public consultations and individual meetings with NGOs.

The Government of Georgia is working on improvement of transboundary water management with neighbouring countries according to the requirements of the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention). The MENRP initiated the process of ratification of the London Protocol on Water and Health to the 1992 Water Convention. In this regard negotiations with all relevant ministries and other stakeholders are in progress.

In addition, Georgia participates in the UNECE and EnvSec Initiative Technical Assistance Project which aims at facilitation development of the draft bilateral agreement on the shared water resources between Azerbaijan and Georgia. In the frameworks of the project, the sixth bilateral consultation meeting between Azerbaijan and Georgia took place on 16 January 2014 in Baku, Azerbaijan with the aim to finalise the text of the bilateral agreement on the Kura River water resources management. The Meeting was organised by the OSCE and the UNECE. During the consultations, consensus was reached on almost all articles of the Agreement, except some positions that require political decision (e.g. regarding water share and environmental flow). Despite the Agreement is not signed, Georgia and Azerbaijan authorities collaborate in the field of the water resources management within the frames of different regional projects supported by international organisations.

5. Waste Management

In order to fill the gaps in the existing waste management legislation the MENRP with support of the EU Twinning Project “Strengthening the Capacities of the Ministry of Environment Protection in Development and Improvement of the Waste Management System in Georgia” has developed the Waste Management Code, which was adopted by the Parliament of Georgia and will enter into force in January 2015. The Code is in compliance with the obligations of the Association Agreement and EU directives as well as the requirements of international conventions. The National Waste Management Strategy (15 years) and the Waste Management Action plan (5 years) are being developed. Moreover, three by-laws were drafted:

- by-law “on the List of Waste and Classification of Waste, according to its types and properties”;
- by-law “on the construction, operation, closure and after-care of landfills”;
- by-law “on form and content of records to be kept and reports to be made”.

In addition following documents are being elaborated:

- Decree of the Government on “Import And Export of Certain Hazardous Chemicals and Pesticides”;
- Law on “Import, export and transit of wastes”.

6. Nature Protection

The National Biodiversity Strategy and Action Plan 2014-2020 (NBSAP) was adopted on 8 May 2014 by the Government of Georgia. New NBSAP will support implementation of the Convention on Biological Diversity (CBD) Strategic Plan 2010-2020 to reach Aichi Biodiversity Targets.

In 2013, the Ministry initiated new law on Species and Habitats. The law covers requirements of two EU directives (Directive 2009/147/EC on the conservation of wild birds; Directive 92/43/EC on the conservation of natural habitats and of wild fauna and flora). The draft of the law has been prepared, however some issues covered by the law still require further discussions/negotiations with all stakeholders and technical experts.

The Georgian Law on Living Modified Organisms (LMOs) is approved by the Parliament of Georgia on 18 September 2014. The Law has been elaborated taking into account the legislations of the European countries having a rich experience in the area of legal regulation of the living modified organisms, also on the basis of the relevant EU legislation (Directive 2001/18/EC on the Deliberate Release into the Environment of Genetically Modified Organisms and Repealing Council Directive 90/2000/EEC – Commission Declaration; Regulation (EC) No. 1829/2003 on Genetically Modified Food and Feed; Regulation (EC) No. 1830/2003 concerning the Traceability and Labelling of

Genetically Modified Organisms and the Traceability of Food and Feed Products Produced from Genetically Modified Organisms and Amending Directive 2001/18/EC, etc.).

Subsidiary laws to the Georgian law on Living Modified Organisms will enter into force since 1 January 2015, regulating conditions of safety, packaging and identification of LMOs upon transportation; boundary control of LMO; determination of safety/risk classes of LMOs; examination of the potential adverse effects of LMOs on the environment, biodiversity and human health; special requirements for the handling of LMOs; registration and licensing of LMOs.

Georgia is participating in the Joint Programme “Emerald Network for Nature Protection Sites”. At present Phase II of this process is taking place in 7 countries from Eastern and Central Europe and the South Caucasus, through a joint pilot programme implemented by the Council of Europe. Designation of the Emerald sites will contribute to the implementation of the Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (The Habitats Directive). In 2014, one additional site was selected in addition to the already existing 20 sites. During the meeting of the project Steering Committee decision was made to organise the first Biogeographical seminar for Georgia, Armenia and Azerbaijan will be held in May 2015.

7. Forest Management

From 2014, the sustainable forest management in Georgia and political support to the process is based on the “National Forest Concept of Georgia” elaborated by the MENRP and adopted by the Parliament of Georgia in December 2013.

The MENRP decided to use the National Forest Programme (NFP) as a feasible approach to support the forestry sector reform process, strengthening donor coordination initiatives and ensuring stakeholder involvement. Since September 2013, 50 working group meetings were organised in the framework of the NFP. As a result, action plans for forest fire management, management of windbreaks and elaboration of National Sustainable Forest Management standards were developed, as well as a draft of forest zoning directive was prepared.

In order to promote the consumption of timber and non-timber products from sustainable managed forests, analysis of Georgian forestry in the context of voluntary certification potential has been conducted and recommendations for applying key principles of FSC (Forest Stewardship Council) standards have been prepared. Workshop involving different stakeholders for the discussion of the prepared document on certification potential has been organised in May 2014.

The International Conference on Forest Sector Institutional Reform was organised in 5-6 June 2014. Over 90 participants, including official representatives of 11 Central and Eastern European countries elaborated conclusions and recommendations to improve the reform process.

UNEP-GEF-WRI project development mission visited Georgia to commence the project aiming to develop and utilise innovative Global Forest Watch technology for Georgia, which will ensure reduction of deforestation and degradation, abolition of illegal activities and conservation of biodiversity.

The Ministry regularly checks the terms and conditions of the license holder’s status. In 2014, 12 special licenses for wood processing, 1 area of long-term forest use contract owner and 1 community forest area were examined. Examination materials of 2 cases were transferred to investigative bodies for further actions. Damage to the environment amounted to 153 615 GEL.

Data on the actual condition of forest resources is insufficient due to the cessation of inventory works in the last 20 years. The LEPL National Forestry Agency is conducting an inventory of Borjomi-Bakuriani (45 000 ha) and Kharagauli (48 000 ha) forest districts together with the Austrian and German specialists. Terms of reference (ToR) for the inventory of Akhaltsikhe (33 500 ha) and Aspindza-Akhalqalaqi forest districts (20 500 ha) have been elaborated.

The activities against the pests are being carried out since April in Samtske-Javakheti region where up to 5000 pheromone traps were allocated. Monitoring is taking place in every 10 days. Currently, 2.5 mln of European spruce bark beetles (*Ips typographus* L.) were trapped and killed. 2000 ha of forest in Mtskheta-Mtianeti (750 ha) and Kvemo Kartli (1250 ha) regions were treated by helicopter with a biological preparation against leaf pests. ToR for providing pathologic study of buxus stands spread in Georgian forests was elaborated.

The reforestation activities were conducted in Samtskhe-Javakheti Region. About 950 ha of forest burnt down during the war in 2008. More than 17.5 thousand trees, including the pine trees and mixed forest have been planted and 60 kg seeds sowed so far in the area since 2013. More than 16 ha of land has been fenced and cleared from bushes and burnt trees. The soil has been recovered and prepared for planting. Cleaning, fencing and soil recovery works are now on-going on 40 has. To ensure continuation of the restoration activities following plans were made for the spring 2015:

- To continue planting on the remaining section of project territory and maintenance activities on the reforested areas under the project finance by Austrian side;
- Maintenance activities on the territories reforested by UNDP and National Forestry Agency;
- Studying the territory in need of additional restoration and planning future activities by the National Forestry Agency.

The database for the areas of state forest fund to be restored has been created. The forest restoration projects for 60 ha area in Borjom-Bakuriani were elaborated to ensure restoration activities for forests, degraded as a result of forest fire during the war in 2008.

The MENRP has drafted the Twinning Concept Note for “Strengthening the forest administration under the Ministry of Environment and Natural Resources Protection of Georgia to ensure sustainable forest management and the control of illegal activities in the forest sector” which is presented to the Delegation of the European Union to Georgia.

Working on a new Forest Code of Georgia has been started in August to ensure the compliance of the law with modern international standards and challenges. The draft version is to be expected next year proposed by international and national experts provided by the World Bank. Amendments were made into the Regulation of the Government of Georgia on “Adopting Forest Use Rules”, giving definitions of round wood and fire wood, providing terms and rules of auctions on timber resources. As per this document, households were given permission to obtain up to 7 m³ of second category wood annually. The database for the actual number of families in each region, provided to agency by local government, was analysed and uploaded into the electronic system for management of timber resources. Also, in the settlements set out in the law on “Social-Economical and Cultural Development in the Highland Regions”, households were given permission to obtain up to 15 m³ second category wood. The amendments in different legal acts on forest use and licenses are being scrutinised.

Deforestation, forest and soil degradation, also illegal logging issues are major concern in the forestry sector. To address the above-mentioned issues, the GEF 2.0 project has been affirmed in December 2014. The project implementation will start in April 2015.

Meetings were held by the Forest Policy Service in cooperation with the National Forestry Agency and Caucasus Environmental NGOs Network (CENN) in different regions of Georgia to provide information about the current and upcoming reforms and innovations in the forestry sector, also raise awareness towards forest use rules.

8. Strengthening Management of Protected Areas (PAs) of Georgia

The project “Strengthening Management of Protected Areas of Georgia” financed by the EU was agreed and signed in May 2013 which aims to elaborate management plans for four PAs using new guidelines; to familiarize with the EU legislation related to the management of PAs; to implement effective mechanism for involvement of local stakeholders in preparation and implementation of management plans. Under the project the following actions were implemented:

- ✓ General information was gathered about Lagodekhi protected areas, Imereti caves protected areas, Adjameti managed reserve and Mtirala national park;
- ✓ Field trips were organised with invited experts;
- ✓ Draft version of management plan was developed for Lagodekhi, Imereti caves protected areas and Mtirala National Park;
- ✓ Tourism development concept for Imereti Caves Protected Areas was drafted by international expert; two study tours for the staff of Agency of Protected Areas (APA) were organised in Austrian National parks of Kalkalpen and Neusiedler See and in transboundary national parks of Karkonosze and Krkonoše between Czech Republic and Poland;
- ✓ Two workshops had been held regarding the familiarization of various stakeholders and state agencies with the EU legislation;
- ✓ On 23 September, final conference was organised with an aim to increase awareness regarding the environmental responsibilities determined by the Association Agreement (AA) and identification of ways of effective implementation of AA obligations.

9. Industrial accidents prevention

The MENRP initiated establishment of interagency commission with participation of the stakeholder bodies: Ministry of Environment and Natural Resources Protection, Ministry of Economy and Sustainable Development and Emergency Management Department of the Ministry of Internal Affairs. The interagency commission is chaired by the First Deputy Minister of Environment and Natural Resources Protection. The objective of the commission is to support the ratification process of the Convention on Transboundary Effects of Industrial Accidents.

The Memorandum of Understanding was signed between the Czech Development Agency and the Ministry of Environment and Natural Resources Protection of Georgia concerning the implementation of the project “Capacity Building in the Major Accident Prevention in Georgia” (2014-2016) in the framework of development cooperation between the Czech Republic and Georgia. The project aims to strengthen the legislative and technical capacity of Georgia with regard to the “Major Accident Prevention” (MAP). The preparation of the legislative framework and the strengthening of the implementation capacity of Georgia’s institutions in regard to MAP will create the preconditions for the future systemic addressing of the MAP issue at the appropriate international level in accordance with the EU regulations particularly Directive No. 96/82/EC of 9 December 1996 on the control of major accident hazards involving dangerous substances as amended by Directive no 2003/105/EC and Regulation (EC) No. 1882/2003, and also with the UNECE TEIA Convention (Transboundary Effects of Industrial Accidents). The project started with the assessment of the legislation and based on its results in accordance with the EU Regulations a new draft legislative act will be developed.

10. Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA)

The MENRP initiated to develop a new Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) legislation with the support of UNECE secretariat under the framework of multi-partner initiative “Greening economies in the European Union’s Eastern Partnership Countries (EaP Green)” Programme.

The Ministry requested assistance from the Espoo Convention Secretariat in reviewing and evaluating Law of Georgia on Environmental Impact Permits in order to effectively implement EIA procedures. A legislative and institutional review on application of EIA to projects was carried out by consultants of the secretariat (completed by the end of January 2014). The review indicated several gaps in the legislation and suggested to address them through amending the current legislation or drafting a new law on EIA. Technical assistance provided by the secretariat will comprise:

- A mapping exercise: Scoping for the draft law on SEA to identify gaps in the current law, as well as components for the new law;
- The development of a new law on EIA and SEA;
- Development of related by-laws.

The Ministry has established a drafting group for the development of the new EIA/SEA legislation. The group consists of national consultants to the secretariat and experts of the Ministry. The international experts will support the drafting group and will regularly communicate with the national consultants.

At this stage, international consultants with assistance of a national consultant are conducting the mapping exercise in order to detect elements of SEA, according to the Protocol and relevant EU legislation, already included in existing Georgian legislation and identify gaps that should be addressed to ensure proper implementation of SEA process (under the Protocol and the EU legislation). The mapping exercise will complement the legislative review on transboundary EIA conducted in 2013, and provide the basis for the drafting of a new law on EIA and SEA.

On 25-26 August 2014, two-day conference was held on the development of new EIA and SEA legislation. It was organised by the MENRP with the support of UNECE secretariat, under the framework of “Greening Economies in the European Union’s Eastern Partnership Countries (EaP Green)” Programme. The conference was attended by the national and international experts, relevant governmental and non-governmental organisations, as well as representatives of Espoo Convention. International experts presented good practical examples in developing EIA and SEA legislation and gap analysis of the legislation related to implementation of the Espoo Convention and the Protocol on Strategic Environmental Assessment and relevant EU Directives. The participants of the conference discussed findings of the UNECE guidance on enhancing consistency between the Convention and the environmental impact assessment within the framework of state ecological expertise in countries of Eastern Europe, the Caucasus and Central Asia. The main purpose of this meeting was to get input for the preparation of the draft outline of the law.

Sub-regional Seminar on Capacity Building for the Espoo Convention and its Protocol was held in Minsk on 15-16 April 2014. It was organised by the Ministry of Environmental Protection of Belarus in collaboration with UNECE secretariat, UNEP regional office for Europe and UNDP office in Belarus. It was attended by the representatives of EaP countries. The aim of the Sub-regional Seminar was to review the progress by the countries of Eastern Europe and the Caucasus in the planning and implementation of technical assistance offered by the UNECE secretariat to foster ratification and implementation of the protocol on SEA as well as to share the experiences of Belarus and Ukraine in the application of post-project analysis in accordance with the Espoo Convention.

11. Climate Change

In frames of the Third National Communication (TNC) of Georgia to the United Nations Framework Convention on Climate Change (UNFCCC), the following activities have been carried out in 2014:

1. Climate change adaptation strategy for agriculture sector in eight municipalities of Kakheti region is finalised. The strategy is published (in Georgian). English translation is in progress. Ten project proposals are prepared. Vulnerability of health sector is also assessed for the region and recommendations are prepared.
2. Climate change adaptation strategy for Mestia municipality (Zemo Svaneti) is finalised. English translation is in progress. Six project proposals from different sectors (extreme geological events, historic monuments, rehabilitation of degraded pastures, afforestation, health sector infrastructure and biogas) are prepared.
3. The first version of Greenhouse gases (GHGs) inventory for 2000-2010 was finalised and published in Georgian. The document was distributed among different stakeholders for further comments; Georgian version of GHGs national inventory for 2000-2010 is being revised according to new data received. In parallel translation process has started;
4. Preparation of final document of the TNC has been launched;
5. The first drafts of TNC chapters on extreme geological processes, agriculture, tourism and health are finalised.

12. Environmental Supervision

Different measures in regard to Environmental Supervision have been implemented:

- The MENRP has initiated several information campaigns for businessmen and companies operating in Georgia in order to prepare business sector for environmental inspection and raise their awareness on the existing environmental obligations (the working meetings were held with the representatives of the mining industry; the meetings are also planned with the environmental managers of oil terminals). Inspection guidelines for businessman have also been prepared;
- The MENRP created the mobile teams patrolling 24 hours in the hot-spot areas in order to prevent, reveal and avoid the environmental pollution or the cases of illegal use of the natural resources;
- A 24-hour hot line was launched to get timely information about the violations of the environmental laws and react adequately. The citizens as well as businessmen may get all necessary information or the consultations on the environmental issues via hot line;
- The Supervision Plan-2014 has been developed according to which regular or additional inspections are carried out;
- The employees of the Department of Supervision of the MENRP are periodically trained in inspection procedures and practice. Different study modules and guidelines for the staff have been developed.

13. Shared Environment Information System (SEIS)

ENPI-SEIS project “Towards a Shared Environment Information System in the European Neighbourhood countries” is designed to improve capacities on indicator-based monitoring, assessment and reporting of environmental data in the relevant environmental authorities and in close cooperation with the national statistics institutes to set up a shared environmental information system. In the framework of the project, the following activities have been carried out:

- The national workshop “ENPI-SEIS implementation of priority data flows” (2-3 December 2013, Tbilisi, Georgia) reinforced the political commitment and took steps towards establishing actual data sharing;
- The Country Background Report has been prepared to assess the current state of environmental data and selected environmental indicators/datasets to advance the implementation of SEIS project in Georgia. The Country Report describes the priority datasets for the thematic areas: air, climate, water, waste and biodiversity, assesses current state of national environmental data flow in consideration of their compatibility to SEIS structure, and identification of actions need to improve and advance situation for taking SEIS implementation forward;
- In January 2014, the MENRP and the National Statistics Office of Georgia signed a MoU for better inter-institutional cooperation within the country. The document aims to improve the statistical information in the field of environmental protection, improve the quality and accessibility of environmental data that will facilitate information exchange and dissemination of environmental statistics at the national and international level;
- In March 2014, the MENRP signed the Letter of Intent with European Environmental Agency (EEA), which includes the obligations of all parties in the framework of the ENPI-SEIS project implementation;
- In November 2014, the first study tour was organised by the EEA in the framework of the ENPI-SEIS project, aiming at sharing the best practices for strengthening the capacities of the LEPL Environmental Information and Education Centre (EIEC). The programme of this visit was structured around the communication activities, reporting chain and data flow management. At the end of the study tour, a follow-up meeting in the beginning of 2015 was agreed to organise to assess the progress made and hold a specific training in the selected areas of interest.

14. E-Governance (Environment)

The LELP Environmental Information and Education Centre (EIEC) started facilitation of the development of Unified Environmental Electronic System, which will ensure sharing of environmental information and data between the Ministry experts as well as other stakeholders and public. The Unified Environmental Electronic System will facilitate access to environmental information and data through web portal relevant to E-Governance principles. At the first stage the EIEC organised the development of electronic registry of environmental permits and licenses.

15. Nuclear and Radiation Safety

New national basic safety standards – “Safety Norms and Requirements for Handling with Ionizing Radiation Sources” is drafted based on the support of the International Atomic Energy Agency (IAEA). Physical protection and infrastructure upgrade of Saakadze radioactive waste disposal site is fulfilled. The Parliament approved amendments to the Law on “Nuclear and Radiation Safety” defining and improving the basis for inspection procedures. Several regulations enforced such as rules on “monitoring of radioactive contamination in metal scrap”, rules on “response to illicit trafficking of nuclear and radioactive material”, rules on “registry of authorisation and sources, categorisation of the sources of ionizing radiation”.

7.5 Education and Science

General Education

In 2014, the Ministry of Education and Science started development of Pre-primary Curriculum for 5-6 year old children. The Curriculum aims to facilitate child's holistic development and school readiness by group of national and international experts. In addition, a number of documents were prepared, such as the "Performance Standards Guide for Public Preschools" to be able to plan and implement activities designed to improve preschool education services. The Pre-primary curriculum will be piloted in 2015.

In 2014, the MoES started revision of the National Curriculum – subject standards according to grades. The revision aims to consider international experience and prepare educational programmes corresponding to the modern requirements and adjusted to the local needs. The revision process was preceded by the comparative analysis of the Georgian National Curriculum and National Curriculums of seven developed countries (United Kingdom of Great Britain and Northern Ireland, Czech Republic, United States of America (Commonwealth of Massachusetts), Australia, Republic of Singapore, Republic of Estonia) aiming to reveal the best practice with due regard to the gained experience and develop recommendations for successful development and implementation of the National Curriculum of the third generation.

The National Curriculum Department holds permanent meetings and discussions with teachers of different subjects and schools' administrations.

The subject groups were formed according to the subject areas in which the teachers and representatives from various social fields were also involved. The MoES actively collaborates with the foundation INNOVE under the Ministry of Education and Research of the Republic of Estonia within the Curriculum revision framework. The Estonian experts were taking part in the process of the National Curriculum revision. During their visit to Georgia they held fruitful and supportive meetings with the specialists of the National Curriculum Department of MoES with a view to get familiar with the current situation of the National Curriculum implementation in Georgia and shared their experience in this regard. The Estonian experts also visited the schools in Georgia (regional school and Tbilisi school) in order to assess the situation locally and discuss the challenges of the Curriculum Implementation with the school representatives.

By the end of 2014, the revision of primary level was completed. The experts elaborated subject programmes of the National Curriculum for I-VI grades. Drafting of subject programmes for basic and secondary levels is planned for 2015.

Along with the National Curriculum revision process, the framework for its implementation will be worked out, which will set out all resources and activities necessary for the National Curriculum implementation, it will also determine the engagement degree of structural units at the MoES and their functions in the process. The concept, structure and content list of implementation framework is already elaborated.

In 2014, the monitoring of the National Curriculum implementation on primary level was completed. Besides, monitoring was carried out on basic level in Tbilisi schools. The aim of monitoring is to study the conformity between teaching and learning process carried out in classroom and the process

determined by the National Curriculum, to reveal supporting and hindering factors for the National Curriculum implementation and develop future action strategy based on obtained data. The monitoring process will continue on the basic level in the regions and at the next stage it will cover the secondary level as well.

In 2014, the MoES has started to design the web portal for the National Curriculum. The main target group of the portal are all those who are the consumers of the National Curriculum. The portal aims to increase accessibility on methodological, teaching/learning and other resources, to popularise modern approaches in teaching/learning, visualise interdisciplinary ties, support demonstration of effective and efficient usage of the Information and Communication Technology (ICT) in educational process and its implementation.

The portal collects documents accompanying the National Curriculum and educational materials created in Georgian educational field (all subject programmes accompanied with various materials – dynamic electronic resources, different kind of animations, graphic and video data), that should make it easier for any stakeholder to search for necessary resources and enhance a consumer prompt access to the required information and organise it according to preferred criteria (e.g. according to grades, subjects and competences).

The portal web-page (www.ncp.ge) and content management system has been already developed and the process of uploading educational materials is underway.

As far as Inclusive Education is one of the priorities for the Ministry of Education and Science, the following steps have been recently taken in this regard:

- The Government of Georgia has developed the Strategy and Action Plan for Special Education Needs 2014-2016 with the aim to implement the principles of the Convention on the Rights of Persons with Disabilities;
- For the first time during past two decades, the Boarding School for Blind Pupils was provided with the text books with Brail and integrated classes for autistic and hearing impaired children were created;
- Amendments have been made to the School funding system. In particular, additionally, funds were allocated to finance special teachers working with pupils with special education needs. From September 2014, through the programme “Support Inclusive Education”, the Ministry of Education and Science opened three integrated classes for Autistic pupils.

In 2014, the LEPL National Center for Teacher Professional Development (TPDC) under the Ministry of Education and Science was appointed as eTwinning Plus Partner Support Agency (PSA) by the Ministry of Education and Science. eTwinning Plus, which was launched in January 2013, provides teachers with opportunities to identify ideas, approaches, techniques and methods, which can serve as inspiration for new initiatives. The Georgian Partner Support Agency (PSA) created an online page for participants (<http://etwinningplus.ge>) in 2013. In addition, various trainings, information sessions, workshops, seminars and annual conferences were held.

Within the framework of eTwinning Plus, 2 trainers/ambassadors were selected to attend the 10th annual eTwinning conference that took place in Rome on 27-29 November 2014. Over 500 teachers and education experts from 39 countries participated in the conference.

In 19-21 December 2014, the TPDC organised a conference for Georgian teachers involved in eTwinning Plus in Bakuriani, Georgia. eTwinning Plus was summarised for 2014, as well as the seminars and training were held during the conference.

In 2014, the European Commission and the LEPL National Centre for Teacher Professional Development signed a contract. Currently, the Center is waiting future directives due to the contract related legislative procedures.

Since 2013-2014 academic year, the Ministry of Education and Science has started implementing the programme “Provision of School Children with free textbooks”. Within the scopes of the programme, the Ministry of Education and Science distributes free school textbooks, supplementary school materials and subject exercise books to all pupils in all public schools nationwide. The Ministry of Education and Science also distributes free school textbooks to private school pupils from socially disadvantaged families, from the families whose members perished in the war and pupils whose school buildings have been alienated as well as pupils of the schools situated in the occupied territories where the language of instruction is Georgian. In addition to this, socially disadvantaged children are financed through a voucher system. The implementation of the programme continued in 2014.

Since January 2013, the Ministry of Education and Science has started to implement “Access to Schools” programme. The given programme envisages provision of school transportation service (Free school Bus) to all public school children equally. The implementation of the programme continued in 2014.

The Ministry of Education and Science has started to implement the pilot sub-programme on functioning of the medical units and activities of school physician on the premises of general educational institutions (public schools) since September 2014. The pilot sub-programme aims to provide healthy and safe environment to pupils and persons employed in schools as well as equip pupils with ability to make timely and effective response in case there is a threat to their health.

In 2014, the General Education Management and Development Department of the Ministry of Education and Science of Georgia implemented the following sub-programmes:

- “International Summer School of Georgian language in Georgia”, the sub-programme aiming to integrate and involve the national minorities in political, economic and social life of the country as well as teach them state language;
- “Sub-programme of School Competitions”, the sub-programme dealing with anti-violence topics; within the scopes of the given sub-programme a number of activities ranging from a video and blog competition to a conference entitled “No Violence” were organised for school students and teachers of various regions of the country;
- “English Language Summer School” was also arranged. The given summer school intended to improve the knowledge and skills of English language among students and teachers; furthermore, 32 students were funded to go to English language summer school in Great Britain. One of the goals of this given programme is to support European integration process and assist school children to adapt themselves in the globalised world;
- “Future Leaders Summer School” was also organised, within the framework of which the school students enhanced their civil consciousness and personal skills.

In 2014, the Ministry of Education and Science, in collaboration with the Ministry of Internal Affairs, ran anti-violence campaign in various schools and held meetings with school students on this issue.

The LEPL National Center for Teacher Professional Development carries out a series of trainings for the Trusteeship Council Members of Public Schools in Georgia with the module “Functions of the Supervisory Board in School Development and Assessment of Strategic Development Vision of Public Schools”. The General Education Development Department of the Ministry of Education and

Science provides coordination for implementation of the project and selection of the venues for the above-mentioned trainings.

In 2014, the series of one-year training courses for the Trustee Council Members were conducted at all public schools in Georgia.

In October 2014, the National Centre for Teacher Professional Development, together with Information Centre on NATO and EU and Friedrich Ebert Foundation Georgia, announced the competition for projects promoting teaching about the European Union and European values. All public and private school teachers and students were eligible to take part in the competition. 60 projects were received from all over Georgia. Already, the projects have been assessed and analysed. The winners will be selected and awarding ceremony will take place in 2015.

In 2014, LEPL Educational and Scientific Infrastructure Development Agency under the Ministry of Education and Science of Georgia carried out a number of activities aimed at providing rehabilitation of schools as well as distribution of portable computers and school textbooks to pupils across Georgia. In particular, within the programme, “Rehabilitation of Infrastructure of the Educational Institutions” 479 public schools were rehabilitated, 6 new schools were built in 2014. Besides, in 2014, the construction projects of 8 public schools were created, which are planned to be built in 2015. Within the programme “My first computer”, 46000 portable computers were purchased by the state. In the framework of the programme, “Provision for Pupils with Textbooks” 4 112 645 textbooks were distributed in all schools throughout Georgia.

The LEPL Educational Management Information System (EMIS) under the Ministry of Education and Science has carried out a number of activities during a reporting period. In particular, the EMIS developed:

eFlow – Electronic Document Flow Software System, which ensures electronic flow of work documents and correspondences. The given system provides maximum simplification of business processes, accessibility and automation. The system functions are based on the following principles: single registration of a document; possibility for parallel execution of operations; uninterrupted flow of documents; single database (correspondences and others); efficiently organised document search system; flexible accountability and reporting system; separation of users’ rights. By January 2015, the system will cover all divisions of the Ministry of Education and Science, legal entities under the Ministry, all public schools and vocational colleges;

eSchool – School Management Information System. Its main goal is to ensure effective management of ongoing processes in the educational system, namely in schools. This implies collection of precise data, their processing, online updating and reporting. The major tasks of the system are to secure and manage general education system and its institutional entities and facilitate administration. General education system study and planning, monitoring and assessment of general education system and its structural units and provision of all levels of decision making with relevant information is also of utmost importance. In 2014, main tasks of the system development were finished, testing of the system was conducted, training of the system users (administration of general schools) was organised. The implementation of new system is planned in the beginning of 2015;

eVET – it is a new information system for management of vocational educational institutions. It provides the following online services: electronic registration in appropriate programmes at vocational education colleges in Georgia; keeping record of students with qualification awarding; management of mobility processes based on educational levels as well as among colleges; maintenance of personnel registry of teachers/administrative-technical staff; logistical database management of vocational colleges;

Connecting schools in unified intranet (internetisation)

During the reporting period, the EMIS developed the system ensuring that all public and private schools in Georgia are connected to the unified intranet. Therefore, 569 public schools and educational resource centers are provided by high-speed broadband fiber optic internet service with the transmission speed of 100 Mbit/s, whereas, 1591 public schools and educational resource centers are provided by the internet access via the radio transmission speed of 256kb/s-2mb/s;

CAT – School-Leaving Examinations

The National Assessment and Examinations Center (NAEC) has been administering the school leaving examinations since 2011. The NAEC is responsible for development of test instruments and relevant software for computer-adaptive testing, and administration of the examinations in school of Georgia. Notably, computer-adaptive testing software is one of the advanced mechanisms in the field of assessment that has been successfully introduced in Georgia by Georgian professionals working at NAEC;

The EMIS successfully provides the technical maintenance for school leaving examinations that imply the sound functioning of computer techniques and local network, installation of video surveillance cameras and their flawless functioning, sound and effective functioning of network infrastructures and respective technical devices as well as operative response to incidents and subsequent monitoring;

E-Testing – Electronic Testing

The EMIS has provided the successful arrangement of the Electronic Testing, technical maintenance and monitoring of the process for applicants participating in the contests and examinations organised by the Ministry of Education and Science, in particular: the EMIS provided online certification examinations for public school principals; external examinations for pupils wishing to take up XII Grade academic programme in an external form; testing of persons applied for various opening positions throughout the education system in Georgia; testing for selection of interns for the Ministry of Education and Science; selection testing for Resource and Prof-orientation Officers for educational institutions; testing of the audit department staff of the Ministry of Education and Science;

E-Registration – electronic registration system

The EMIS has provided the development of electronic registration system. The technical maintenance and monitoring process is run in the Ministry of Education and Science in the format of competitions and examinations. The online registration of applicants to the post of public school principal and online registration of the first graders is on-going;

Participation in international studies of student achievement

Georgia is participating in the following international studies administered by the National Assessment and Examinations Center:

1. Studies organised by the International Association for the Evaluation of Educational Achievement (IEA)

- **Trends in International Mathematics and Science Study (TIMSS).** The purpose of this study is to assess achievement of 9-10 and 13-14 year-old students in mathematics and science as well as those factors effecting teaching and learning of these subjects. TIMSS is administered in every four years. Georgia has been participating in the study since 2007. In 2014, NAEC administered field trial (which tests the study instruments) and plans to conduct main study in 2015;

- **Progress in International Reading Literacy Study (PIRLS).** This study aims to assess reading literacy of 9-10 year olds along with the factors influencing reading literacy. PIRLS is administered every five years. Georgia joined the study in 2006. In 2016, NAEC will be administering the next cycle of PIRLS;
- **E-PIRLS** – NAEC will also be administering the e-PIRLS component of the study. This component has a particular importance for Georgia considering the investment the country has made in disseminating free netbooks (Booki) among the first graders.

2. Studies sponsored by the Organisation for Economic Cooperation and Development (OECD):

- **Programme of International Student Assessment (PISA).** The purpose of the study is to assess knowledge and skills acquired by 15-year olds in schools in three main domains: reading, mathematics and science. This is the age when students are at the final stage of their compulsory education. Therefore, PISA evaluates readiness of students for engaging in everyday life using the knowledge and skills gained at schools. PISA is a cyclical study and is administered every three years. Georgia joined the study in 2010 in the framework of PISA 2009+ project. In 2014, participating countries have been administering the field trial to pilot study instruments and in 2015 main study will be conducted;
- **Teaching and Learning International Survey (TALIS).** This is the international study, which offers teachers and principals an opportunity to contribute to the analysis and policy-making of the field of education. Analysis of the findings of the study allows participating countries to identify other countries with similar challenges and learn from the successful approaches applied elsewhere. Georgia joined the study in 2014. TALIS was piloted in 2013 and main study administered in 2014.

One of the most important activities conducted by the NAEC is the unified entrance examination to higher education institutions. The center completed selection and admission process for the applicants in 2014 and continues its work to prepare test instruments and make relevant logistical arrangements for the examinations in 2015.

The National Assessment and Examinations Center is also responsible for administering national assessments. The National Assessments provide decision-makers research-based evidence about successes and challenges of education system and more specifically regarding those areas, which are covered by the national curriculum. In 2014, the NAEC administered a pilot study of national assessment in science for 7th graders. In 2015, the center plans to administer national assessment in mathematics for 9th graders.

Moreover, one of the significant activities implemented by the center is the teacher certification examinations, launched in 2010. The center works closely with the Ministry of Education and Science of Georgia and the Teacher Professional Development Center to incorporate changes in teacher professional development scheme into its respective activities.

In addition, with the support of the World Bank National Assessment and Examinations Center works on the projects, one of which aims to develop a new model for principal selection and assessment, and another incorporates a development and implementation of a new model for classroom observation with a view to contribute to improvement of teacher evaluation system have been started.

In 2013, the Office of Resource Officers of Educational Institutions under the Ministry of Education and Science started implementation of the initiative of the Ministry of Education and Science, the programme of “Professional Orientation and Career Planning”, particularly, the selection of consultants involved in the programme, their trainings, coordination and monitoring of their activities.

The goal of programme is to assist pupil of 9th-11th grade in adequate evaluation and development of their opportunities in career choice and prepare them for future employment and self-employment.

Selected prof-orientation specialists and coordinators had been trained in the following modules:

- Age peculiarities of teenager;
- Effective communication;
- Skills of management;
- Professional orientation.

All specialist of professional orientation would have an obligation to research the market to create database of vocational/higher institutions and of employment/sightseeing opportunities of their region. The programme itself started from January 2014. The Methodology of Professional orientation and Career Guidance has been elaborated, however, the work to improve the methodology of the programme is still underway.

Vocational Education and Training in Georgia

Strengthen the adaptation of vocational education to the future demand of the labour market by increasing the involvement of social partners and stakeholders from the civil society.

With a view to strengthening the adaptation of vocational education to future demands of the labour market, a number of activities were carried out by the Ministry of Education and Science, in particular:

Sector Reform Contract (SRC) - “Employment and Vocational Education and Training (EVET)”: In accordance with the Financing Agreement for the programme - “Employment and Vocational Education and Training” signed between the Government of Georgia and the EU and total cost of the programme is estimated at 27,000,000 EUR, with the following components: budget support 20,000,000 EUR and complementary support 7,000,000 EUR.

The general objective of the Employment and Vocational Education and Training is to stimulate sustainable and inclusive socio-economic development through improved transition from training to employment.

Specific objectives (SO) of the programme are to (SO.1) strengthen the institutional and human resource capacities of the national authorities to design, coordinate and implement and monitor the labour market and needs in close partnership with the private sector; (SO.2) enhance the quality and relevance of the VET system in life-long learning perspective in order to ensure better synergy between the skills and qualifications offered and needs of the labour market; (SO.3) increase the attractiveness of the VET system of the potential students and employers and stimulate the engagement of employers in the design and the delivery of the vocational education and training and continuing education.

In 2014, “Sectoral Coordination Council of Employment and Vocational Education and Training” has been established by the Order N261 (17 March 2014) of the Minister of Education and Science on Creating and Approving of the Statute/Provision for the “Sectoral Coordination Council of Employment and Vocational Education and Training”. On the 17 March 2014, the Sectoral Coordination Council of Employment and Vocational Education and Training has convened at the Ministry of Education and Science to discuss the modus operandi, establishment of secretariat and thematic working groups. On 30 June 2014, the second Sectoral Coordination Council of Employment and Vocational Education and Training has also convened at the Ministry of Education and Science to discuss the implementation plan defined by EU Policy Matrix, implementation of the vocational

education and reform strategy, implementation of the Georgian labour market formation strategy and ongoing tender specifications in the framework of technical assistance.

Collaboration with Private Sector

In order to strengthen the adaptation of vocational education to the future demand of the labour market, the Ministry of Education and Science established the partnership with the private sector representatives, such as BOCSH, Energo-Pro Georgia, Sakcable, Gino Park, Liberty Bank to increase their engagement and participation in the VET.

In order to increase the vocational students motivation and increase graduates employability in the field of engineering, joint project has been implemented by the Ministry of Education and Science and Energo-Pro Georgia. Within the first stage of above-mentioned project, up to 10 vocational students are granted with scholarships. On the second stage, Energo-Pro Georgia will grant up to 10 vocational students with scholarship.

In order to increase an awareness of the Vocational Education, the Ministry of Education and Science in partnership with the Liberty Bank organised the Vocational Education Festival. The festival served as an excellent opportunity for various stakeholders to provide information on the vocational education institutions, the VET programmes, private sector organisations/employment agencies, private college association and etc. During the festival applicants were also registered for the VET programmes and they were informed about the VET testing process.

Supporting Social Partnership in the VET in Georgia

The National VET Council (National Vocational and Training Council) continues to operate, but in order to strengthen their involvement and contribution to the VET system, in 2014, by the support of European Training Foundation (ETF) concept paper has been developed within the project “Supporting Social Partnership in VET in Georgia”. The objective of this paper is to provide guidance to the social partnership in Georgia, i.e. the government and the employers’ and workers’ organisations, stakeholders on the ways and measures to substantially improve social dialogue in the VET in Georgia at wider national level. The concept paper outlines main principles and benefits from effective social partnership in the VET with special attention to issues of effective management of social dialogue, representation of stakeholders, social partners, and diversity of approaches. Within the above-mentioned project, working workshops have been conducted to develop the capacity building among social partners in the VET.

The Ministry of Education and Science signed the memorandum of understanding with the Czech Republic development cooperation “People in Need” to Support Vulnerable Youth in the Western Georgia. The joint project is funded by the government of the Czech Republic and aims to provide assistance to vulnerable youth and their families via support to the vocational training, small business development and life skills trainings. Within the scope of this multi-faceted project, in 2014 People in Need (PIN) will pilot a project to support vulnerable youth graduating from the Ministry of Education and Sciences’ vocational institutions.

Within the framework of this project, PIN will organise a small business grant competition open to vulnerable youth, VET student/graduate (registered as vulnerable in the government system) at the government vocational institution in Kutaisi and Tkibuli. In total, there will be an estimated 5 winners of the grant competition that will receive up to 5000 GEL in technical support (equipment, supplies, etc) on the condition that they officially register as an independent entrepreneur.

Financing of Vocational Education

The Ministry of Education and Science allocated sufficient funds for 10000 applicants (including applicants with special needs) to study in public vocational education institutions all around Georgia. Approximately, 100 applicants with special needs were also financed in various vocational institutions.

Since 2014, the budget of vocational education has significantly increased in compliance with the new VET reform strategy. Specifically, the amount of financing has been tripled. The increasing tendency has been maintained and allotments foreseen for Vocational Education Development account for 43.6 mln GEL according to the Georgian Law on “2015 year budget of Georgia”.

Occupational Standards Revision

In 2013, the process of occupational standards revision (by using DACUM methodology that requires active participation of employers) was launched based on the recommendations prepared within the scopes of the EU Technical Assistance project. According to the DACUM methodology, 70 occupational standards projects were prepared in 2013, while in 2014 - 100 occupational standards were drafted. Those revised standards will be approved in 2015 and both - Public and Private vocational educational institutions will offer labour market oriented educational programmes based on the approved standards.

Educational Programme Reform

The educational programmes reform have started in order to harmonise the vocational education with the Labour Market needs and share the best European practice in this process. According to the strategy 2014-2017, subject based programme system will be shifted to modular educational programmes. The above-mentioned approach is implemented in EU Member States, it will assist Georgia to implement flexible, labour market oriented, and competence based educational programmes that will support the employability of VET graduates. The mentioned approach will also help both - public and private vocational education institutions to enhance educational quality and implement European standards.

Legislative improvement

According to the Order No. 389 (31.03.2014) of the Minister of Education and Science, a working group has been established with a view to develop the legislation and draft the Georgian law on Vocational Education of Georgia. The Georgian law on “Vocational Education” was analysed by the working group and a new draft Law was prepared. The new Law will be a main pillar for implementation of the VET strategy and the documents annexed to the EU-Georgia Association Agreement.

Implementation of Researches in the process of vocational education policy development

In 2014, for the first time in VET sphere, tracer study was implemented according to the methodology prepared with the support from EU. Survey of 2012-2013 graduates has been completed with the draft analysis available at the official webpage of the Ministry. Comprehensive report will be available in the beginning of 2015.

By the end of 2014, two surveys were conducted by the independent organisation aiming to assess the rate of satisfaction of employers and students with vocational education system. The surveys were supported by the international organisations.

VET Teachers Professional Development

In 2014, the Ministry of Education and Science with the participation of UNDP (SDC financial support), stakeholders and GIZ prepared the VET teachers training and professional development concept. Besides, the special programme for the VET teachers' professional development concept was prepared by the National Center for Teachers Professional Development (TPDC).

Trainings were conducted for the VET teachers on the following topics: programmes development, modern approaches to teaching-evaluation and provision of inclusive education.

For the first time in 2014, VET teachers (10% of the whole amount of VET teachers) attended work-based trainings in private companies. In 2015, at least 30% teachers of the public VET educational institutions will have the opportunity to attend professional trainings in high technological enterprises and companies.

Quality enhancement of VET institutions management

In 2014, the preparation for applying to the EFQM (European Fund of Quality Management) certificate has started with the support from the GIZ. This model will be piloted in 6 colleges (3-public, 3-private). The first round of preparation included the training sessions for managers of the VET colleges in order to start the self-evaluation process.

Initiative of establishment and development of new colleges

In 2013-2014, according to the strategy action plan, two new colleges were established – Tbilisi Art College and Tsinamdzgvishvili Community College in Mtskheta - village TsinamdzgvriantKari.

The Ministry actively communicates with the private sector in order to establish the public-private partnership model giving an opportunity for private businesses to participate in establishment, management and development of the VET institutions. In December 2014, the parties signed the Memorandums of Cooperation with the companies: “Borjomi” and “Georgian Railway” with a view to efficiently start the process. The cooperation anticipates the establishment of two new colleges, one in the region and one in Tbilisi. The negotiations are underway with the British Petroleum (BP).

Implementation of Inclusive Vocational Education

In 2013, implementation of inclusive vocational education started with the support of the Ministry of Education and Research of the Kingdom of Norway.

At the first stage, 6 VET institutions were selected, where 51 students with special needs were enrolled. The institutions were equipped with all needed material-technical basis important for mastering the programme. The specialists of inclusive education were involved in the process of teaching, the Ministry of Education and Science provided financial assistance/relevant staff in VET colleges. The infrastructure projects were implemented in order to adapt and equip the VET institutions with appropriate equipment. The trainings were conducted for the VET teachers on inclusive education issues.

As a result, in 2014, more than 150 students with special needs and students with limited abilities were registered in VET system. In the current year, studying materials were adopted in order to improve teaching-studying process for those students. Additionally, preparation of universal design projects for 5 VET institutions is in progress. The construction/rehabilitation will start in 2015.

In 2013, in order to train inmates, the memorandum of understanding was signed between the Ministry of Education and Science and the Ministry of Corrections. Also in 2014, in order to support re-socialisation of former inmates, the memorandum of understanding was signed with Ministry of Justice. As a result, about 100 beneficiaries in prisons undertook vocational trainings as well as about 50 beneficiaries of the freedom restrictive facilities under the Ministry of Corrections undertook vocational trainings. For the first time in 2014, the state started to deliver vocational trainings for former inmates in order to support their re-socialisation and employment-self-employment. At the beginning, about 40 inmates are involved in the programme. The similar programmes will continue in the upcoming year. At this stage, the survey is carried out to reveal the barriers and challenges for vulnerable groups that impact their involvement in vocational education. From 2015, an applicable state policy will be planned and implemented.

Infrastructure development of colleges

In 2014, rehabilitation projects of 10 public vocational education institutions were financed, including full rehabilitation of 4 VET institutions, teaching-office inventor and computer technique were renewed in all public VET institutions according to the needs. As a result, public colleges successfully passed the obligatory authorization procedures. Furthermore, rehabilitation of the campus of the community college “Iberia” located in Kutaisi was financed in 2014.

Construction of modern farms is underway for the educational institutions dealing with vocational education located in the regions (Akhalsikhe, Bagdati, Senaki) in order to support implementation of agrarian educational programmes. Development projects for workshops is prepared and set in action plan for 2015.

Within the second compact signed in 2013 between the Millennium Challenge Corporation and the Government of Georgia, grant aid with 16 mln dollars’ worth contribution is planned in VET direction for public and private VET providers. The compact is focused on the STEM programmes. Also, the main accent will be on the partnership between the VET providers and private sector that will provide employment of demanded work force in business.

Development of a system of high quality vocational education and training (VET) and extension services in agriculture

In 2013, the Swiss Agency for Development and Cooperation (SDC), the United Nations Development Programme (UNDP), the Ministry of Agriculture and the Ministry of Education and Science jointly launched a 6-year project to contribute to the development of a system of the high quality vocational education and training (VET) and extension (EXT) services in agriculture that will result in improved livelihoods of the rural population. The project will contribute to:

- Delivery of innovative, relevant and effective training programmes and advisory services;
- Development of systems to produce qualified human resources;
- Establishment of a public private cooperation and partnership model for coordination and provision of the VET and the extension services.

The National Stakeholder Conference held in Tbilisi on 9-10 June 2014 was a part of this project and constitutes an important element in:

- Developing a joint stakeholder vision for a system of high quality VET and extension services;
- Securing a commitment from key stakeholders to set up a Public Private Partnership (PPP) Platform to ensure high quality delivery of these services;

- Promoting closer linkages between the VET and the extension services.

The recently concluded conference followed a workshop held on 28 January 2014 gathering approximately 30 participants to familiarise stakeholders with the scope, objectives and approach of the project, identify and discuss key factors critical to the setting up of an effective national PPP platform. Between the workshop and the conference, a study tour to the Swiss Confederation was organised for two Deputy Ministers of the MoA and MoES, the Chairman of the Agrarian Issues Committee of the Parliament of Georgia, the Director of the LEPL Scientific Research Center of Agriculture under the Ministry of Education and Science and the Head of the Sheep Breeders Association of Georgia. The purpose of the tour was to learn more about the institutional structure of the VET and agricultural advisory systems related to agriculture in the Swiss Confederation. At the end of the tour the delegation unanimously agreed that the conference would be an ideal forum to pave the way for closer collaboration and cooperation of all key stakeholders of the system.

Sharing the Estonian Experience

In order to implement the best practice and experience, the Ministry of Education and Science implements project with the Foundation INNOVE to transfer Estonian best practices to support the competitiveness of the Georgian VET Sector. The aim of the project is to enhance the competitiveness of the Georgian VET colleges in developing the VET provision to meet the needs of employers and students. The project focuses on cooperation of 8 Georgian pilot colleges with their 8 Estonian counterparts and the Ministry of Education and Science.

The project activities mostly include development and training provided by trainers, experts and mentors. Trainings, seminars/workshops and consulting will take place either in Georgia or in the Republic of Estonia. The project includes two types of training cycles “**Manager as a leader in the development activities**” and “**Curriculum Development**”.

Within the training cycle “**Manager as a leader in the development activities**” following activities were undertaken:

- In 17-19 February 2014, 3-days seminar was organised in Georgia (the introductory module, Self-assessment of managers, analysis of the school's self-evaluation reports);
- In September 2014, 4-day study tour was organised in the Republic of Estonia;
- In March 2014, 2-day seminar in Georgia (image of vocational education, arrangement of youth skills competitions, international cooperation: project management).

Within the training cycle “**Curriculum development**” the following activities were undertaken:

- In 19-20 February 2014, 2-day seminar was organised in Georgia on the following topics: principles and development of modular curriculum; curriculum counseling process and evaluation;
- In May 2014, 2-day seminar was organised in Georgia which included following issues: support for learners, development of students’ general competencies within professional learning and development of new modular curriculum.

Teaching of the state language to ethnic minorities

In 2014, the Ministry of Education and Science, through the Zurab Zhvania Georgian School of Public Administration launched **the State Language Teaching Programme for the public servants, representing the ethnic minorities** in two regions of Georgia – Kvemo Kartli and Samtskhe-Javakheti.

The programme aims to assist the public servants, representing the ethnic minorities to be integrated into the public administration of Georgia and have easier access to legislation and other legal documents, affecting their performance.

Implementation of the State Language programme was launched on 14 April 2014 in 8 Regional Training Centers of the Zurab Zhvania Georgian School of Public Administration located in Dmanisi, Bolnisi, Gardabani, Marneuli, Sagarejo, Tsalka, Akhalkalaki and Ninotsminda municipalities. In 2014 the Zurab Zhvania Georgian School of Public Administration plans to train up to 2000 public servants for free in Samtskhe-Javakheti and Kvemo Kartli regions.

The National Center for Teacher Professional Development (TPDC) has been implementing important activities to promote the integration of national minorities. Despite carrying out numerous activities targeting at teaching the state language to the representatives of the national minorities, this still remains a problem, which impedes the participation of national minorities in the social, cultural, economic and political life of the country. National Center for Teacher Professional Development is providing 2 state programmes aiming at improving the state language teaching in the general schools located in the regions settled by ethnic minorities. Geographical scope of programme “Teach Georgian as a Second Language” covers Samtskhe-Javakheti, Kvemo Kartli, and Kakheti schools where there is an urgent need for the Georgian language knowledge. There are 102 trainers/teachers involved in the programme, they are well prepared (they attended 100 hours trainings in specific fields), and their duty is not only to conduct lessons, but also to develop learning environment for peers, so they are creating Georgian language clubs to support students and other teachers in learning Georgian. The programme aims to support integration process of ethnic minorities.

In particular:

- To support state language development in non-Georgian society;
- To strengthen ethnic, intercultural and social connections;
- Professional development of Georgian language teachers in the regions densely populated by ethnic minorities;
- To support and encourage integration process between ethnic minorities, motivate them to learn language;
- To improve learning of a state language in non-Georgian schools;
- To integrate local community in extracurricular activities.

In 2014, 4137 students were the beneficiaries of the programme.

Another programme that aims to improve Georgian language teaching is “Georgian Language for Future Success”. In the scope of the programme Georgian language for Future Success 229 school teachers with B.A. degree were sent to Samtskhe-Javakheti, Kvemo Kartli and Kakheti region non-Georgian schools in 2014. The participants of the programme assist local teachers during lessons of Georgian language. They live in local families, thus improving their proficiency in Georgian. There are 268 participants of the programme. The participants are assisting Georgian language, history and geography teachers. They are all trained with special intensive course, to familiarize them with the basic principles of pedagogy, as well as pair-work and technique of conducting bilingual lesson, in methodology, in professional skills, in inclusion, also in providing integrated learning.

The annual reports were prepared for the programmes “Teach Georgian as a Second Language” and “Georgian Language for Future Success”. Both programmes were evaluated and changes are planned to be implemented in 2015-2016.

Access to Quality Higher Education

Providing quality education constitutes is one of the state policy priorities. It is therefore essential to create learning environment of modern standards and provide funding of students with state education grants, including merit-based and needs-based grants.

In 2013, programme for funding bachelor degree studies in priority fields was launched and in 2013 10,200,000 GEL was allocated from the state budget, additionally in 2014, 11,295,000 GEL was allocated with the same purpose. 10% of state education grants are annually allocated for the social grants programme. In 2013, funding was increased to 20%.

Tempus and Erasmus Mundus programmes

“Promoting Internationalization and Comparability of Quality Assurance in Higher Education” (PICQA)

The project “Promoting Internationalization and Comparability of Quality Assurance in Higher Education” (PICQA) funded under the Tempus programme (European Union cooperation scheme for Higher Education) was implemented from July 2010 to April 2014. The aim of the project was to support enhancement of quality assurance models in Georgia and the Republic of Armenia and bring closer to the EU standards. Georgia, Republic of Armenia, French Republic, Kingdom of Spain, Kingdom of the Netherlands and the Federal Republic of Germany were participants of the project. Regional Coordinators of the project were: LEPL National Center for Educational Quality Enhancement (NCEQE) in Georgia, National Center for Professional Education Quality Assurance (ANQA) in the Republic of Armenia, International Center for Pedagogical Studies (CIEP) in the French Republic, University of Alicante – UA, Quality Assurance Netherlands Universities (QANU) – Kingdom of the Netherlands, and Accreditation Agency ASIIN in the Federal Republic of Germany. Within the frames of the project Georgian accreditation criteria and procedures were reviewed and analysed. Trainings and seminars were provided to partner HEIs (Higher Education Institutions) on internal quality assurance issues. The project activities included trainings to partner universities, staff of the LEPL National Center for Educational Quality Enhancement and accreditation peers. On 10-11 October 2013, a final conference to review the project outputs and support the practice of networking was held in Yerevan, Republic of Armenia. The conference was a platform to disseminate the project outcomes, its main achievements and defined goals of networking. The International Educational Forum on Quality Assurance and Internationalisation in Education – Defining strategies for implementing the project results was organised in Tbilisi at Tbilisi State University on 2-3 April 2014. The case studies on Internationalisation of European Higher Education as well as the concept of the Universities as Hubs for Regional Development were presented on the forum. The importance of the Promoting Internationalization and Comparability of Quality Assurance in Higher Education (PICQA) Project and Sustainability of its results was actively discussed on the event. The Project was named as the most successful project on quality assurance under the Tempus programme and it was presented as a case study in Zagreb, Republic of Croatia in June by the National Tempus Office.

“Master in Higher Education Management: Developing Leaders for Managing Educational Transformation”

The 3-year project “Master in Higher Education Management: Developing Leaders for Managing Educational Transformation” was launched in 2012. The project objective is to develop a Master’s programme/professional development courses in the Higher Education Management and introduce the learning outcome approach to teaching, learning and student assessment methods. The project participant countries are: Georgia, Republic of Armenia, Kingdom of the Netherlands, United Kingdom of Great Britain and Ireland, Federal Republic of Germany and French Republic. As a result

of the project partner universities have refined their educational programmes or designed a new programme.

MathGeAr: Modernisation of Mathematics Curricula for Engineering and Natural Sciences in South Caucasian Universities by Introducing Modern Educational Technologies:

“MathGeAr: Modernisation of Mathematics Curricula for Engineering and Natural Sciences in South Caucasian Universities by Introducing Modern Educational Technologies” project is implemented by the financial support of Tempus programme. The overall objective of this project is to improve the quality of science, technology, engineering, and mathematics (STEM) education in South Caucasian region by modernising and improving the curricula in the field of Mathematics. The process of modernisation will start from the fundamental revision of the way math studies are organised in all Georgian and Armenian universities offering degrees in STEM. After ensuring the consistency of the math curricula with the Bologna principles and best European standards, further steps will be taken to modernise the content and teaching methods by introducing principles of blended learning and new educational technologies. Above all, the project will target the teaching staff of those departments providing math-related modules (e.g. Higher Math, special chapters of Math) within regular STEM curricula. Additionally, the university personnel supporting the introduction of TEL methods will be addressed. The involvement of national accreditation bodies will create an important precedent of accreditation of academic courses with a significant e-Learning component.

Saarland University is the Coordinator of the above-mentioned project. Higher Education Institutions (HEIs) from Georgia, Republic of Armenia, French Republic, Federal Republic of Germany and Republic of Finland are participating in the project. From the Georgian side partners are: LEPL National Center for Educational Quality Enhancement, Georgian Research and Educational Networking Association, Akaki Tsereteli State University, Shota Rustaveli State University, Georgian Technical University and University of Georgia.

On 2-3 June 2014, a seminar on Modernisation of Math Curricula took place at NCEQE in the frames of the MathGeAr project activities. The first day was dedicated to the project introduction and presentation to the invited audience consisting of state and private Higher Education Institutions (HEIs), donor organisations and other stakeholders. On the second day the partners from the Republic of Finland and the French Republic shared their experience regarding the methodology of Math curricula development.

On 3-4 December 2014, MathGeAr Project Case Studies Evaluation Workshop was conducted at the Georgian Technical University. During the three-day workshop, international experience of universities, case study analysis and curricular reform issues were discussed.

Erasmus Mundus

In order to increase the participation of the EaP countries in Erasmus Mundus and improve the quality of applications, promote cooperation and mobility between the EU and EaP, 17 Georgian Higher Educational Institutions (HEIs; 11 public and 6 private from six cities) are currently involved in 15 Erasmus Mundus Action 2 projects enabling mobility of over 500 students and staff members. Under Erasmus Mundus Action 1 one Georgian HEI – Ilia State University – is a partner in joint master’s programme - International Masters in Russian, Central and East European Studies.

49% of Georgian Higher Education Institutions (HEIs) have been involved in the Tempus projects, thus, Georgia is showing one of the highest percentages of HEIs involvement in the programme among 27 partner countries.

Since 1995, 30 HEIs (both public and private) from nine cities were participating in different Tempus projects. Currently, 34 running Tempus projects involve 26 Higher Educational Institutions. Up to 80% of the Tempus projects have been implemented in the field of curricular reform, however, there is growing tendency of projects focusing on enhancement of university administration.

Georgia is a participant country of Erasmus+ project since January 2014. Erasmus+ National Office (NEO) is providing local coordination and is responsible for information, consultancy and advisement for Georgian and foreign partners. New website has been designed: www.erasmusplus.org.ge. Information about Erasmus+ has been provided to Georgian partner HEIs in Tbilisi, Kutaisi, Batumi and Telavi during the Spring Information Campaign held in March-April 2014. After call announcement (the fall 2014) series of information events, seminars and face-to-face consultations has been provided to all interested parties in Tbilisi, Kutaisi, Batumi and Telavi.

BFUG (Bologna Follow Up Group) Activities

Georgia as a member of Bologna Follow Up Group (BFUG) and is actively involved in numerous events and processes organised by the BFUG. LEPL National Center for Educational Quality Enhancement (NCEQE) represents Georgia at the Structural Reform Working Group (SRWG), which is a substructure of the BFUG. Georgia has been regularly represented at the BFUG meetings. On 27-28 November 2014, representative of NCEQE attended the BFUG meeting in Rome. The meeting was dedicated to the reports of BFUG working groups, draft revised ECTS Users' Guide, draft final report of the Pathfinder group on automatic recognition, preparation of the Yerevan Ministerial Communiqué and Fourth Bologna Policy Forum Statement as well as updates on the Ministerial Conference and Fourth Bologna Policy Forum.

In 2014 three other BFUG meetings and board meeting in Astana on 14 February 2014 were held, which focused on revision of the European Standards and Guidelines (ESG), ECTS Users' Guide, Recognition, Quality Assurance etc. BFUG structural working group meeting was held on 10-11 March in Vatican City. Throughout a year, the LEPL National Center for Educational Quality Enhancement (NCEQE) participated in the surveys administered by the BFUG and its sub-working groups. The data collection and drafting of the Georgian National Report regarding the Bologna Process implementation 2012-2015 for integrated report 2015 was successfully implemented. The report covered the following fields: Degrees and Qualifications, Quality Assurance, Employability, LLL, Internationalization and Mobility, Fees Support Portability, and Social Dimension. In 2013 Georgia acted as a co-chair of the BFUG together with the Republic of Lithuania. Within the frames of co-chairmanship Georgia hosted the BFUG board meeting in Tbilisi in September. Later that year a national conference on European Approach of Educational Quality Assurance was held.

European Association for Quality Assurance in Higher Education (ENQA)

In October 2013, the LEPL National Center for Educational Quality Enhancement (NCEQE) became an affiliate of the European Association for Quality Assurance in Higher Education (ENQA). The affiliate status was the first step in approaching towards a full membership of the European Association for Quality Assurance in Higher Education. Aiming at strengthening partnership with international associations and networks and promoting the quality assurance system of Georgia NCEQE as an affiliate organisation is actively participating in activities and surveys organised by ENQA. The NCEQE is planning to become a full member of ENQA in nearest future and undertakes relevant activities towards the goal. NCEQE hosted two visits of external evaluators from ENQA and the Council of Europe during the preparation and after acceptance of an affiliate membership in order to assess the Center's overall performance, its readiness for ENQA full membership and perspectives for internationalisation of the quality assurance system.

National Qualifications Framework

Aiming at enhancing the National Qualification Framework (NQF), the process of its revision and analysis (with local resources) was initiated. Several working groups were established, which consisted of secondary, vocational and higher educational system representatives. As a result of the working group sessions the draft analysis on the NQF was elaborated. In June, a new project on the NQF development and its alignment with the European Qualifications Framework was launched. The representatives of the Ministry of Education and Science, public and private educational institutions, Erasmus+ National Office and LEPL National Center for Educational Quality Enhancement (NCEQE) were officially nominated as working group members. The project aimed at elaborating a draft National Qualifications Framework (NQF) for LLL and/or development of NQF for Higher Education (HE), which would promote curriculum design and quality assurance processes in Georgia as well as strengthen transparency and recognition of Georgian qualifications abroad.

On the basis of descriptors of existing three sectoral qualifications frameworks and European meta-frameworks a draft of 8 level qualifications framework was elaborated. An introductory meeting was organised for Higher Education Institution (HEIs) representatives with the aim of presenting the project and its planned activities. The project was completed in December 2014.

Capacity Building of Accreditation Peers

In the framework of “Promoting Internationalization and Comparability of Quality Assurance in Higher Education” project the NCEQE staff took part in the seminar on development of a concept for peer trainings taking into account specific areas in which training needs were identified, the seminar was conducted by ASIIN (German Accreditation Agency). Based on the draft outline of the training developed at the seminar, NCEQE designed a peer training module. The trainings were envisaged for candidate accreditation peers aiming at selecting and providing professional guidance. Since December 2013, the LEPL National Center for Educational Quality Enhancement organised a number of trainings for accreditation peers. In 2014, NCEQE recruited 34 accreditation peers based on the successful performance at interviews and peer trainings. Peer training has become a regular part of the recruitment as well as the professional development procedure of the peer reviewers.

TAIEX Study Visit

In 2014, the LEPL National Center for Educational Quality Enhancement (NCEQE) supported the project on the revision of external quality assurance mechanisms (accreditation and authorization) and standards to assure their comparability with the ESG (Standards and Guidelines for Quality Assurance in the European Higher Education Area). In this regard, NCEQE applied to the TAIEX for assistance to organise the study visit in one of the European education quality assurance agency. The objective of the study visit is to become aware of the quality assurance procedures at the Centre for Quality Assessment in Higher Education of the Republic of Lithuania. The visit aims to transfer and adjust best practices to the Georgian quality assurance system. In the framework of the project the NCEQE representatives, Lithuanian and other international experts will participate in work of the Higher Education Institutions (HEIs) including programme evaluation and evaluation report writing processes. The study visit will take place on 20-24 October 2014.

Vocational Education and Training

In 2014, seven occupational standards and 8 modular vocational educational programmes of Agricultural field were elaborated in the frames of the project “Modernisation of Vocational Education & Training and Consultant Services in Agricultural Field.” The employees of agricultural field,

representatives of the Agrarian University and vocational college were involved in the process. The training on modular programme teaching methods for college teachers was organised in Kachreti on 19-24 May 2014. The training was attended by representatives of vocational colleges where the piloting of modular programmes took place.

Vocational Qualifications Development Support Programme

The project was launched in July 2014 and its goal is to support the quality and relevance of vocational educational system by providing methodology of the labour market oriented vocational educational programmes and facilitating the development and introduction of Occupational Standards, modular curricula and improved assessment systems.

In 2014, within the framework of the project, trainings on development of modular vocational programmes were provided to up to 342 teachers. By the end of 2014, 62 modular vocational educational programmes were developed by the project. The Seminars of Development of A Curriculum (DACUM) were conducted in 101 occupational areas. The labour market research on enhancement of the list of qualifications was completed. The project also carried out needs assessment and analysis for textbooks and teaching materials.

European Training Foundation (ETF)

In the framework of the ENP AP, with the support of the European Training Foundation (ETF), following meetings took place:

1. The meeting conducted in the framework of the ETF project “Supporting Social Partnership in VET in Georgia” aimed at elaborating a concept paper, which will provide guidance to the tripartite social partnership in Georgia, i.e. the government and employers’ and workers’ organisations, on ways and measures to substantially improve a social dialogue in the Vocational Education and Training (VET);
2. The meeting conducted in the framework of the ETF project “Validation of Non-formal and informal learning” aimed at elaborating the policy and methodology package for the recognition of non-formal and informal education.

Torino Process 2014

The LEPL National Center for Educational Quality Enhancement (NCEQE) was involved in the Torino Process 2014, which was a participatory process leading to an evidence-based analysis of the VET policies in the country.

On 3-4 December 2014, with the support of the Office of the State Minister of Georgia on European and Euro-Atlantic Integration, the Ministry of Education and Science of Georgia and LEPL National Center for Educational Quality Enhancement (NCEQE) organised and hosted the Regional Torino Process meeting with a view to assess progress in VET reforms 2012-2014. The conference brought together representatives of the Eastern Partnership countries to discuss system analysis of vocational education. Representatives of the Eastern Partnership countries also discussed key challenges, priorities and potential cooperation trends.

Approximately 60 delegates attended the conference from Eastern Partnership countries, European Union, European Training Fund (ETF) and European Center for the Development of Vocational Training (CEDEFOP).

On 17 July, with the participation of various stakeholders, validation of the report was conducted. A Country Manager of the European Training Foundation (ETF), Timo Kuusela also attended the validation meeting.

Research and Science

In April 2014, the Ministry of Education and Science of Georgia established the system of National Contact Points (NCPs) for EU framework programme for Research and Innovation Horizon2020. The Ministry of Education and Science coordinates the Georgian NCP's System. The National Contact Points are tasked to assist and advise the Georgian researchers, organisations and all interested persons how to participate in the calls announced under Horizon2020 and other related issues. Besides, in October 2014, the Ministry of Education and Science filed a formal request to accede the Horizon 2020 programme as an Associated Member Country.

TAIEX Workshop

On 27-28 November 2014, 2 day Workshop for the Georgian National Contact Points on the various topics around Horizon2020 programme was organised with the support of TAIEX instrument. The event took place in Tbilisi. The topics of the given workshop ranged from the general legal and financial rules of participation in Horizon2020 programme from establishing mechanisms of networking with member state NCPs to finding partner and writing project proposals.

For the purpose of raising awareness of the wide public and respective interested parties in Georgia on the issues related to the Horizon2020, the Ministry of Education and Science of Georgia has acquired and plans to develop a Georgian webpage dedicated to Horizon2020 (www.horizon2020.ge). The webpage will contain the information about forthcoming and ongoing activities within the Horizon2020, tips for successful participating in the calls announced under the Horizon2020 as well as general rules of participation and other key issues related to Horizon2020.

In order to facilitate integration of Georgia's RTI in European Research Area and promote the studies oriented towards new knowledge development and practical application of research outcomes, the LEPL Shota Rustaveli National Science Foundation (SRNSF), under the Ministry of Education and Science of Georgia, has implemented two programmes: "State Grants for Fundamental Sciences" and "State Grants for Applied Research". In 2014, respectively 86 and 27 projects were granted. Under these programmes, submission of project proposals for the new calls was finished in the beginning of the year.

With a view to promote research in Georgia, the SRNSF has announced the call for project proposals under the programme "The State Grants for Joint Research Activities with Foreign Scientists Originated from Georgia". As a whole, 12 projects have been granted and half of them will be implemented in collaboration with colleagues from the EU Member States and Associated Countries.

Within the framework of "Targeted Research & Development Initiatives Programme" implemented jointly by SRNSF and Science and Technology Center in Ukraine – STCU, the first-stage evaluation of project proposals submitted to the Joint Call of 2013-2014 was completed and 26 projects were selected for second-stage evaluation. Finally, 11 projects have been granted in three priority areas.

In the framework of the programme "Short-term Individual Travel Grants", the SRNSF has provided to 117 Georgian researchers the opportunity to participate in international conferences abroad. Some 73 grantees out of them have taken part in the events held in the EU Member States and Associated Countries.

Under the programme “Grants for Outgoing Internship of Young Scholars”, the SRNSF has provided individual grants to 28 young Georgian scientists (out of 43 granted in total) to implement part of their studies at the universities and research institutes of the EU Member States and Associated Countries.

In 2014, five Georgian Master and PhD students are given an opportunity to conduct essential part of their studies at the leading research institutions in Germany under the “Joint Research and Education Programme” funded and administrated by the SRNSF and Forschungszentrum Jülich. Also, young Georgian scientists are taking part in the 3 projects implemented together with French researchers within the framework of “International exchange programme”. The programme is funded and administrated by the SRNSF and National Center of Scientific Research (CNRS).

Within the framework of the programme “Summer Schools”, focusing on cooperation of young scientists and active involvement of eminent foreign researchers, the SRNSF has provided grants for 8 projects. 7 projects out of them were implemented with participation of professors from the EU Member States and Associated Countries.

In order to promote the policy dialogue, networking and coordination between the EU and the Eastern Partnership countries in science and technology, the SRNSF participates in the 3-year project entitled “International Cooperation Network for Eastern Partnership Countries in the field of Science and Technology Development” - IncoNet EaP, funded under EU 7th Framework Programme for Research and Technological Development (FP7).

7.6 Culture

The group of experts, established in 2013 by the Ministry of Culture and Monument Protection, has finalised its work on the Concept of Culture Policy of Georgia. Presentation of the Concept was held in January 2014. Based on the Concept of Culture Policy of Georgia, the Ministry of Culture and Monument Protection has announced elaboration of Culture Policy Document as a priority for 2014-2015 and has started process of creating different working groups. Ragnar Siil, Senior Short Term Expert of the European Commission paid a visit to Georgia on 1-2 September 2014. The aim of his visit was to conduct a strategic plan of the elaboration of the Culture Policy Document of Georgia. During the visit, Ragnar Siil held several introductory meetings with officials, experts, cultural institutions, NGOs, etc. A working meeting with the Latvian delegation headed by Minister of Culture, Dace Melbarde was held on 26 September, where parties discussed the process of elaboration of the Culture Policy Document. The Latvian side expressed its readiness for sharing the experience related to creation of the document.

The legal internal procedures with a view to sign up and participate in the Creative Europe programme are in the process of being finalised.

The National Agency for Cultural Heritage Preservation of Georgia has started working on elaboration of the Law on World Heritage in April 2014. Based on the consultations, an expert from the Ministry for Heritage and Cultural Activities of Italy and the Agency of Protected Areas (APA) under the Ministry of Environment and Natural Resources Protection of Georgia have elaborated a draft law. The discussion of the draft law among the professional circles is planned in the beginning of 2015.

Since April 2014, the Twinning Project “Support to the Institutional Development of the National Agency for Cultural Heritage Preservation of Georgia” has entered the practical phase. Number of seminars, workshops, study visits, etc. have been held.

The Literature Forum and Dialogue took place in Tbilisi for Georgian and overseas publishers on 28 May – 1 June 2014. Group of publishers from the United Kingdom of Great Britain and Northern

Ireland visited the annual international event Literary Forum and Dialogue in Tbilisi. The visit aimed to encourage interest in Georgian literature and start a dialogue among publishers, authors and translators. The Forum delegates also attended the Tbilisi International Book Fair held in the same week.

Since January 2014, the programme “Supporting translation and publishing of the Georgian literature” is in the process of implementation. On 9-14 September 2014, a workshop of literary translation led by Georgian and British authors took place in Tbilisi. As a result of the project, literal translation of six Georgian poets will be published as an anthology by "Arc Publishing" in 2015. The project participants were: Steven Watts (poet / translator), Adam Smart (poet / translator), Alexandra Bueler (Director of LAF, editor of the anthology series, translator), Angela Jarman (Editor, Arc Publications), Nia Davis (poet/Communication Manager at LAF), Maya Sarishvili, Lela Samniashvili, Shota Iatashvili, Gaga Nakhutsrishvili and Rati Amaghlobeli.

Georgia participated in International Book Fairs: London Book Fair on 8-10 April 2014 and Leipzig Book Fair on 13-16 March 2014. During these events the Georgian stand invoked great interest of publishers as well as literature agents and guests. The events organised in the framework of the fair included public reading of works by several Georgian authors; presentation of projects and books and meetings with publishers, writers and literature agents from different countries.

On 15 May 2014, the Georgian National Museum has launched an exhibition of contemporary arts – “Re-Museum: Contemporary Art and Museum”. The exhibition was devoted to the twentieth anniversary of the Goethe Institute in Georgia and it was carried out in the framework of the Georgian National Museum's special week dedicated to the International Museum's Day. “RE: Museum” - is the title of the exhibition where modern artists from the Federal Republic of Germany, Georgia, Republic of Azerbaijan and Republic of Armenia describe the museum as an establishment, collection, architectural structure or exposition, executed by a designer.

14 July - 31 August 2014, at the Netherlands Photo Museum an exhibition of Georgian National Museum's archive material of Dimitri Ermakov (Photographer 1846-1916) was held. Over 100 Dimitri Ermakov's photos demonstrating lifestyle scenarios, portraits of different people, architecture and infrastructure of the different countries captured while travelling were displayed on the exhibition.

On 31 July - 30 August 2014, the Georgian Culture Days took place in Berlin, Federal Republic of Germany. The Museum of European Cultures in Berlin hosted various cultural events planned by the Georgian side including theatrical performances, exhibition and degustation of Georgian wine and cuisine.

On 29 May - 2 June 2014, Georgia was participating as a host country in Dublin Port River Festival where traditional customs, contemporary art and achievements in contemporary cinematography were presented. Georgian cultural programme consisted of the performances by ensembles “Sukhishvilebi”, “Shavparosnebi” and “Rustavi” and the exhibitions of the collection of the Art Palace and folk crafts such as ceramics, museum replicas, traditional Georgian Blue Tablecloth and items of embroider and forge.

From 16 September 2014 to 15 February 2015, Musée Maillol (Paris, French Republic) hosts the exhibition of Davit Kakabadze's works. 40 paintings by Davit Kakabadze, including the decorative collages, graphical works of various periods and paintings in oil and watercolour are presented.

On 24-27 September 2014, Georgia hosted the Latvian Culture Days. The event consisted of opening of the exhibition and library of famous Latvian artists Julius Straume, which was dedicated to 140th

anniversary of the artist and took place at the Georgian State Museum of Folk and Applied Art. The Latvian State Choir participated in the VII International Symposium on Traditional Polyphony.

The presentation of the project “Comprehensive Study and Development Strategy of the Sector” was organised at the Ministry of Culture and Monument Protection on 15 December 2014. The project was implemented in cooperation with the Eastern Partnership Culture Programme and “Investing in People” programme. The Georgian Arts and Culture Center carried out a comprehensive study of the crafts sector. After the presentation a discussion on the development of the possible strategy of the sector took place. The winners of small grants, designed to aid economic development of the traditional crafts sector, were announced during the event.

7.7 Sport and Youth Affairs

The adoption of the “State’s Sports Policy 2014-2020”

The Article 34 of the Constitution of Georgia establishes the following items:

“In cooperation with educational institutions, sports associations, state supports the physical development of adolescents and youth and their involvement in sport”.

On 28 March 2014, with the initiative of the Ministry of Sport and Youth Affairs the government adopted the **“State’s Sports Policy 2014-2020”** document (4 April 2014; Decree No. 601, Tbilisi, Georgia). This document creates framework for long-term sport development in Georgia and sets the following priorities: establishment of the unified national system of sport, as the most significant socio-economic phenomena; physical education and development in pre-school institutions; support of the mass sport development; support of the high achievement sport development; keeping and development of the national sport styles; identification of the priority sport styles and establish the conditions for their development.

The document is based on the core principles and values recognised by the international community. Implementation of the sport related conventions, charters and resolutions is considered in the document. For example, European Sports Charter and Code of Ethics, Anti-Doping Convention, Convention on Manipulations of Sport Competitions, Convention on Spectators Violence and Misbehaviour at Sport Events and in particular at Football Matches, Council of Europe’s and European Union’s recommendation and resolutions on sport related issues.

Establishment of system for bringing up a healthy generation, promoting healthy life style and overcoming bad habits is the most important task according to the document.

Currently, an Action Plan for development of sport infrastructure 2015-2020 has been drafted. In 2015, an Experts group will deliver an Action Plan for development of physical education and sport science 2015-2020.

Adoption of the revised “National Youth Policy”

The Government of Georgia adopted the revised version of the **“National Youth Policy”** document (Decree No. 553, 2 April 2014).

The following stakeholders were involved in the revision of the state's youth policy, such as: governmental agencies (ministries), respective committees of Georgia, United Nations Population Fund (UNFPA) and the United Nations Children’s Fund (UNICEF).

The Government of Georgia acknowledges that gender equality and human rights are core values underlying young people's sustainable development, therefore, is committed to mainstream equality principles in each governmental action carried out in regard to the young people.

Taking into account the best practices existing at the European and international level, the Georgian national youth policy regulates a wide range of issues related to the development of persons of 14-29 years of age with the joint efforts of state agencies, youth, civil society, private sector and international and local organisations.

The main aim of the youth policy is to promote the creation of the proper environment for the comprehensive development of the young persons, where they will be able to fully realize their potential and get actively involved in the society.

There are four strategic directions of the state's youth policy: 1) participation; 2) education, employment and mobility; 3) health; 4) special support and protection.

In January 2015, the Government of Georgia approved the Action Plan for Implementation of the Youth Policy 2015-2020.

The Conference - "State's Sports Policy of Georgia: challenges and perspective"

In the process of the development of the "State's Sports Policy 2014-2020", it is very important to listen, review and take into consideration ideas and concerns of the stakeholders working in the field, as well as to integrate EU's best practices and international experience into Georgian reality. On 15 April 2014, with a view to support the development of State's Sports Policy, the Ministry of Sport and Youth Affairs in partnership with the Georgian National Olympic Committee and the State Academy of Physical Education and Sport organised the conference "State's Sports Policy: challenges and perspectives". Two days conference gathered around 250 decision-makers, stakeholders, experts and representatives from relevant organisations operating in the field of sport. The conference was attended by the Prime Minister of Georgia, as well as the honourable guests from the Government of Georgia.

The participants of the conference received important information about the development of state's sports policy and legal framework of sport and sports arbitration, as well as fundraising in sports, the involvement of media and many other significant issues related to sport. In the framework of the Conference, the Declaration on supporting implementation of the State's Sport Policy was signed by the participants and honourable guests of the event. After the conference, the Ministry published the report and presentations of the conference, which will serve as the basis for a more rational policies and approaches in the field of sport.

The meeting of the Ministers in Charge of Youth and Sports of the BSEC Member States

On 25 April 2014, the **meeting of the Ministers in Charge of Youth and Sports of the BSEC Member States (Organization of the Black Sea Economic Cooperation)** took place in Varna, Republic of Bulgaria.

It was the first time in the BSEC history, when the topics of youth and sport were discussed at the ministerial level. Deputy Minister of Sport and Youth Affairs Rati Bregadze attended the meeting from the Georgian side. The ministers and officials in charge of youth and sports of the BSEC Member States exchanged views on the current situation and prospects of cooperation in this field in the BSEC Region, in particular, on the promotion of youth cooperation in the region and contribution

of sports to economic growth and employment. The parties exchanged information on the policies and experiences of their respective countries with regard to youth and sports and advanced a number of ideas, initiatives and proposals for cooperation in those areas.

The meeting was concluded by the adoption of the “Joint Declaration of the Ministers in Charge of Youth and Sports of the BSEC Member States on the Promotion of Youth Cooperation in the Region and the Contribution of Sports to Economic Growth and Employment”.

In the framework of the declaration the parties agreed to support the effective development in the main directions of the youth policy, to promote and strengthen the cross-sectorial ties and institutional cooperation among the relevant entities in order to establish a common platform on the basis of exchange of experiences, good practices and good-neighbourly relations, which will contribute to the progress of the young people in the region. In the field of sports, they will promote sustainable and efficient sports cooperation based on sports policies of mutual interest and benefit and work for effective internal cross-sectorial cooperation among public authorities dealing with social affairs, youth, sports, employment and economic issues in order to ensure greater awareness of the social and economic role of sports.

The visit of the delegation of the Committee on Science, Education, Culture, Youth and Sport of the Chamber of Deputies of the Parliament of the Czech Republic

On 13 May, the Ministry of Sport and Youth Affairs hosted the delegation of the Committee on Science, Education, Culture, Youth and Sport of the Chamber of Deputies of the Parliament of the Czech Republic. The main aim of their visit to Georgia was to gain the information about the development strategies in the field of Science, Education, Culture, Youth and Sport of our country.

In the framework of the meeting at the Ministry the main topics for talks were state's sport and youth policies, the implemented projects and the current situation. The parties also discussed the possibilities of deepening partnership between the two countries in the field of sport and youth.

The Delegation of the Czech Republic expressed its willingness and interest to promote cooperation in the mentioned fields and encourage local organisations to be involved in the EU's new programme “Erasmus+”.

Sport Integrity Forum 2014

On 15 May, Minister of Sport and Youth Affairs participated in the “Sport Integrity Forum 2014” that took place in Paris. The forum was organised by the Paris-Sorbonne University and the International Centre for Sport Security (ICSS), with the support of UNESCO. The event hosted around 400 leading figures from the ministries in the field of sport, international organisations and the sporting industry.

In the framework of the forum, presentation of results of a two-year research programme took place. It included startling figures on the scale and scope of the sport-betting market, which was identified as the primary purpose for match fixing. The report also provided detailed analysis of current efforts to combat corruption and presented guiding principles including practical steps, which can be undertaken by the government. The Report identified that the clear responsibility is with countries and governments to disrupt and correct the vulnerability of sport betting to transnational organised crime.

It was clear from the Report that combating manipulation requires cooperation between the sports movement, public authorities and betting operators. The main limitations of current measures to combat manipulations are as follows: a lack of cooperation between stakeholders on a national level,

insufficient cooperation on an international level, relatively young and informal stakeholder relationships and the disparate response of sports federations.

As a result, the Sorbonne-ICSS Report provided guiding principles for governments, sports organisations, betting regulators and operators for practical solutions of the mentioned problems. These recommendations include: creating a sports betting tax to finance investigations into match-fixing and illegal-betting, determination of an integrity risk assessment and management system for sports organisations and prohibiting players, coaches and administrators from betting on competitions and matches within their sport categories.

During the meeting, the Minister established important contacts with various organisations, which are actively involved in the mentioned fields. The Ministry of Sport and Youth Affairs plans to share the received experience in the process of fighting against the current challenges in sport in Georgia.

Joint Consultative visit of Council of Europe's T-RV Standing Committee and UEFA to Georgia

On 20 May, Joint Consultative team of the Council of Europe's European Convention on Spectator Violence and Misbehavior at Sport Events and in particular at Football Matches (T-RV) Standing Committee and UEFA (The Union of European Football Associations) paid 3-days official visit to Georgia. The European Convention on Spectator Violence and Misbehavior at Sport Events and, in particular, at Football Matches aims to prevent and control spectator violence and misbehavior as well as to ensure the safety of spectators at sport events. The Convention entered into force on 1 November 1985 and concerns all sports in general, but in particular football. The contents of the convention concentrate on three main themes: prevention, cooperation and repression.

In the framework of the visit, consultative team met numerous stakeholders who are involved in organising mass sport events and ensuring safety, security and service at the sport events. The visit was initiated and hosted by the Ministry of Sport and Youth Affairs.

The T-RV consultative visit aimed to study the situation in Georgia on the ground and based on this information to prepare relevant recommendations and suggestions for the local stakeholders. The recommendations of the team will incorporate the following topics: coordination and communication policy, legislation, corporation with supporters etc. In the next couple of years, Georgia will host several important international sport events and in order to organise these events according to the international standards, it is very important to take into consideration the recommendations of the stakeholders who are involved in safety, security and services at sport events.

On 10 December 2014, T-RV Standing Committee in the scope of 39th session adopted the final report and recommendations for the Georgian side. On 15 December 2014, the Ministry of Sport and Youth Affairs organised a presentation and discussion of the report for the stakeholders. The key speaker and the presenter was Jo Vanhecke, Chairman of the T-RV Standing Committee.

Eastern Partnership Conference (EaP) – “Promoting Collaboration in the Field of Youth”

The Eastern Partnership Conference – “Promoting Collaboration in the Field of Youth” took place on 1-3 July 2014. The Ministry of Sport and Youth Affairs organised the event in partnership with European Commission, Eastern Europe and Caucasus Resource Center (SALTO), Eastern Partnership Youth Regional Unit (EPYRU) and the Delegation of the European Union to Georgia.

More than 200 representatives from numerous organisations participated in the events. The participants presented: ministries from all six Eastern Partnership countries responsible for youth; governmental agencies and local authorities; international and local NGOs; experts, international

institutions and delegations such as: Youth of European Commission, Visegrád Group, European Youth Information and Counselling Agency (ERYICA); SALTO; EPYRU, Council of Europe Office in Georgia, Delegation of the European Union to Georgia.

The main aims of the Conference were to promote the strengthening of cooperation in the field of youth policy between the European Commission and Eastern Partnership countries; to share information and the best practices on planning and implementation of youth policy, raise awareness on EU's new programmes and initiatives and facilitate new contacts, develop existing partnership between stakeholders.

The Conference included several events, such as: "Erasmus+" informational day, workshop on capacity analysis in the field of cross-sectorial cooperation for youth related government institutions, round table with the participation of youth policy and youth work stakeholders in Georgia, as well as bilateral and multilateral meetings at the Ministry.

In the framework of the conference, the representatives of public and non-governmental agencies made presentations about their current programmes/projects in the field of youth and shared best practices to the audience. During the event, panel discussions took place on the main topics of the conference. The working groups prepared recommendations on the following topics: "the realities of cross-sectorial collaboration" and "cross-sectorial collaboration between ministries".

13th Council of Europe Conference of Ministers responsible for sport held on 18 September 2014

The Council of Europe's Enlarged Partial Agreement on Sport (EPAS) in conjunction with the Swiss Federal Department of Defence and Civil Protection and Sports (DDPS) organised its biennial conference of Ministers responsible for Sport. The conference was held on 18 September in Macolin/Magglingen, Swiss Confederation. The main topics were "Corruption in the Governance of Sport", as well as "Current Political Issues of Pan-European Sports Co-operation". The Ministers of Sport, representing states parties to the European Cultural Convention, EPAS Members and Non-Member States having observer status, were invited to the conference.

The Council of Europe Convention on the Manipulation of Sports Competitions (CETS No. 215) was opened for signature at a ceremony held during the Conference of European Ministers of Sport.

The aims of the convention are to prevent, detect and punish the manipulation of sports competitions under both criminal law and disciplinary provisions and increase information exchange, as well as national and international co-operation both between the public authorities concerned and with sports organisations and sports betting operators, who, moreover, contributed to its drafting.

The treaty was signed by fifteen states: Republic of Armenia, Republic of Azerbaijan, Republic of Bulgaria, Kingdom of Denmark, Republic of Finland, Georgia, Federal Republic of Germany, Hellenic Republic, Republic of Lithuania, Republic of Montenegro, Kingdom of the Netherlands, Kingdom of Norway, Russian Federation, Republic of Serbia and Swiss Confederation.

On behalf of the Government of Georgia, Minister of Sport and Youth Affairs signed the Convention.

EPAS Consultative Team visits Georgia

On 16 October 2014, the Enlarged Partial Agreement on Sport (EPAS) Consultative Team paid 3 days official visit to Georgia. The visit was initiated and hosted by the Ministry of Sport and Youth Affairs.

EPAS Consultative team's visit aimed to study the situation in Georgia in the field of sport, State's Sports Policy and sports law, sports state funding and provisions of implementation of European Sports Charter. In the scope of the consultative visit, the team's experts will draft report and recommendations for the Georgian side. Implementation of recommendations by executive authorities, sports federations and other stakeholders involved in the field will promote effective implementation of the objectives of the State's Sports Policy, as well as sports development as a whole.

In the framework of the visit, the EPAS experts met representatives of the central and local authorities (ministries, parliament committees, National Olympic and Paralympic Committees, sports federations and clubs), as well as acting athletes, physical education teachers and coaches.

EPAS Governing Board will discuss and adopt final report and recommendations for the Georgian side in May 2015.

7.8 Visibility of the EU Integration

7.8.1 EU-Integration Visibility and Communication Strategy

The Government of Georgia adopted the “**EU Integration Communication and Information Strategy of the Government of Georgia for the period of 2014-2017**” on 6 September 2013. It was elaborated in close cooperation with civil society representatives (non-governmental organisations, media, business circles, representatives of higher educational institutions) and relevant international organisations.

The Strategy is based on three main components:

- *Education*
- *Information*
- *Public promotion*

The Strategy aims to raise public awareness of Georgian citizens on the EU in general, and the EU-Georgia cooperation, in particular as well as expose opportunities and challenges of the European integration process; provide objective information on the EU integration related reforms. At the same time, the Strategy aims at increasing Georgia's visibility in the EU and promotes the European image of the country.

In the framework of the **Governmental Commission on Georgia's EU Integration**, a **working group** has been established tasked with implementation of the Strategy. This working group is composed of representatives from relevant ministries and other government agencies.

The Office of the State Minister on European and Euro-Atlantic Integration (OSMEEAI) in cooperation with other relevant state entities, the Public Broadcaster of Georgia, representatives of the National Platform of the Eastern Partnership Civil Society Forum and other partner organisations, has elaborated the Annual Action Plan for the implementation of the Communication Strategy. **The Action Plan for 2014** was approved on 24 December 2013, at the Governmental Commission on Georgia's EU Integration.

The Action Plan outlined the activities relevant to the implementation of the Strategy, focus on forms and channels of communication identify target groups, activities and indicators to measure the implementation of the Strategy, implementing agencies, potential partners and sources of funding.

The activities of the Action Plan are mainly focused on youth, private sector, governmental and non-governmental organisations, public servants and vulnerable elements of the population.

Within the framework of the Communication Strategy, the relevant ministries have already implemented various activities. Some of the important ones include:

The Office of the State Minister on European and Euro-Atlantic Integration, together with the Ministry of Economy and Sustainable Development, organised the **“International Conference and Business Forum: Economic Integration with the European Union: Prospects and Opportunities”** in Tbilisi on 27-28 March 2014. The aim of the event was to raise awareness among governments and private sectors of the EU and the Eastern Partnership countries about Georgia's economic policy, business environment and investment opportunities, increase visibility of successfully implemented reforms in the framework of the Deep and Comprehensive Free Trade Area Agreement (DCFTA) and share experience with partner countries regarding economic reforms and the economic integration with the EU.

Traditionally, **the European Week** in Georgia was held on 5-14 May 2014. In this regard, various activities, including lectures, festivals, cultural, artistic presentations and entertainment were organised in the capital as well as in various regions of Georgia.

The annual festival **“Students' Day 2014”** held on 8 May - 6 June 2014. The festival was organised by the Ministry of Sport and Youth Affairs, under the auspices of the European future for the young people. About 47 universities participated in the event.

Together with the EU, the Ministry of Foreign Affairs organised the **“Georgia-EU International Investors”** Conference on 13 June 2014. Apart from political context, the Conference focused on new DCFTA related reforms, as well as business and investment opportunities in Georgia.

Since 2007, the Office of the State Minister on European and Euro-Atlantic Integration organises an annual International Conference **“Georgia's European Way”**. The 11th International Conference was held in Batumi on 12-11 July 2014, bringing together high level government officials, civil society representatives from the European Union and Eastern Partnership countries to discuss issues related to the implementation of the Association Agreement. The following, 12th International Conference **“Georgia's European Way”** will take place in Batumi on 18-19 June 2015.

The Office of the State Minister on European and Euro-Atlantic Integration publishes quarterly Journal: **“Georgia's European Way”**. The Journal provides information on the Government's planned and implemented reforms in the context of EU integration as well as information on the assistance provided by the EU, also contains analytical articles about European integration and current processes ongoing in the EU, and Georgia's prospects in this regard.

Frequently asked questions about the Association Agreement became the basis of different types of informative documents, such as the Myths about the EU-Georgia Association Agreement (AA) and Deep and Comprehensive Free Trade Area (DCFTA), EU-Georgia Association Agreement guide prepared, by the Office of the State Minister on European and Euro-Atlantic Integration, Ministry of the Foreign Affairs, and the Delegation of the European Union to Georgia. Also, brochures concerning the most important topics of the Association Agreement and DCFTA in a Q&A's format written in a plain language in Georgian, Azeri, Armenian, Ossetian and Abkhazian languages were published by the **Information Centre on EU and NATO** together with the support of the **Embassy of Estonia**, which are being disseminated in relevant regions of Georgia.

The Information Centre on NATO and EU within the framework of the Communication Strategy permanently holds meetings in Tbilisi, as well as in the regions, with public officials, private sector representatives, Governmental and non-governmental organisations, ethnic minorities, teachers, public school pupils and students in Universities.

A regular cooperation with the media is therefore necessary for the purpose of ensuring the effective dissemination of information regarding Georgia's integration process with the European Union. Special attention is paid for the purpose of allowing representatives of the media to increase their knowledge of the topic and assist in providing objective and comprehensive information to the population on issues related to the EU integration process. Based on above, several thematic seminars were organised for journalists. The last one was held on 14-16 July 2014, by the Embassy of Estonia with the support of the Office of the State Minister on European and Euro-Atlantic Integration.

The LEPL Training Center of the Ministry of Foreign Affairs permanently holds the trainings - capacity building in International relations for diplomats and other public servants.

Throughout the year, the Ministry of Economy and Sustainable Development holds the meetings with local authorities, private and business sector about the DCFTA related reforms and etc.

The Action Plan is a renewable document, which could be enriched with events throughout the year.

The Office of the State Minister on European and Euro-Atlantic Integration together with line ministries has elaborated **the Action Plan for 2015**. The Action Plan was approved on 19 December 2014, at the 51st session of the Governmental Commission on Georgia's EU Integration.

7.8.2 European Week in Georgia

On 5-14 May 2014, the European Week was launched in Georgia with the Conference "**Our European Choice**" which was the final stage of the essay competition and competition in the Tbilisi State Academy of Arts, announced in advance on the EU related topics. The European Week is one of the important events envisaged by the Action Plan of the EU Integration Communication and Information Strategy and was organised by the Information Centre on NATO and EU with the support of the Office of the State Minister on European and Euro-Atlantic Integration. The conference was aimed at raising public awareness of Georgian citizens on the EU-Georgia cooperation. In the framework of the event the winners of the essay competition were awarded, as well as offered an internship from the Office of the State Minister on European and Euro-Atlantic Integration, the Ministry of Foreign Affairs and the EU-Georgia Business Council.

During the European Week, meetings with students, representatives of academia, farmers, probationers, as well as the tournaments, exhibitions were held in Tbilisi and various regions of Georgia.

7.8.3 Conference "Georgia's European Way"

The 11th International Conference "**Georgia's European Way**" was traditionally held in Batumi on 10-11 July 2014, bringing together high level government officials, civil society representatives from Georgia and European partners.

The Conference paid particular attention to the issues related to the implementation of the Association Agreement, including the Deep and Comprehensive Free Trade Area, and the EU-Georgia cooperation agenda ahead of the Riga Eastern Partnership Summit in 2015. The agenda also included the EU integration process and security and stability challenges in Eastern Europe, the future prospects of

cooperation within the Eastern Partnership format, and the implementation of the Georgia's EU Integration Communication and Information Strategy.

This year, four thematic sessions were focused on: *Towards the Riga Eastern Partnership Summit – Implementation of the Association Agreement, Public Diplomacy and the EaP, Security and Stability in Eastern Europe, and Europe whole and free: is the mission completed.*

8. Overview of the EU Assistance Programmes

Planning of the Single Support Framework Programme Annual Action Plans (SSF AAPs):

In reporting period, the Office of the State Minister through the EU Assistance Coordination Department under its responsibility acted in three main directions:

1. Preparation of the relevant international agreements and documents regarding the reception of the EU assistance, including the preparation of the project proposals;
2. Preparation of the EU Assistance SSF AAPs, including more for more allocations and assisting Georgian governmental institutions in preparation of the relevant project documents;
3. Overall coordination of preparation and implementation of the EU assistance projects, including monitoring and evaluation;
4. Information and advisory activities for Georgian governmental organisations.

The Department, among other activities mainly concentrated on assistance for the capacity development of the Governmental institutions responsible for implementation of the EU-Georgia agreements (AA, DCFTA, Visa Facilitation and Readmission) and insure the effective implementation of the EU Programmes and Projects transferring the EU best practice.

8.1 Preparation of the relevant international agreements and documents regarding the reception of the EU Assistance, including the preparation of the project proposals

EU-Georgia cooperation for 2014-2020

Under the coordination of the Office of the State Minister, consultations with the Georgian line ministries and the EU regarding the identification of the EU-Georgia cooperation priority directions for 2014-2017, was finalised in December 2012. On 18 July 2014, the State Minister Alex Petriashvili and the EU Commissioner for Enlargement and European Neighbourhood Policy Stefan Füle signed the Memorandum of Understanding of the SSF that envisages up to 410 mln EUR assistance to Georgia in 2014-2017.

The main priority directions of the SSF are as follows:

- Rural and Agricultural Development;
- Justice Sector Reform;
- Public Administration Reform;
- Support to EU-Georgia International Agreements.

Inter-Governmental procedures regarding the signature of the protocol of Georgia's participation in the EU Community Programmes, under the EU-Georgia Partnership and Cooperation Agreement (PCA), is finalised and signed.

8.1.1 Planning of the Single Support Framework Programme Annual Action Plans (SSF AAPs)

AAP 2014

The Office of the State Minister has been coordinating a process of consolidation of the GoG's position regarding the AAP 2014, which also includes more for more allocations. The Office of the State Minister, in cooperation with the Delegation of the European Union to Georgia, prepared and signed 1 Financing Agreements foreseen under the AAP 2014:

AAP 2014 – 94.53 mln EUR including 30 mln EUR in the framework of more for more		
Priority	Mln EUR	Financing Agreement Signature
Sector Policy Support Programme (SPSP) Justice Reform	50	January – May 2015
SPSP SME and DCFTA Support	44.53	15 January, 2015
Top up to ENPARD I – more for more initiative	12	18 July 2014
Support to the EU-Georgia agreements implementation (Twinning and other Technical Assistance instruments) – more for more initiative	8	January – May 2015
Human Rights for All – Georgia	10	January – May 2015

AAP 2015

The Office of the State Minister has been coordinating a process of consolidation of the GoG's position regarding the 2015 AAP. Following priorities identified and agreed with the EU:

AAP 2015 – 106 mln EUR		
Priority	mln EUR	Financing Agreement Signature (tentative)
SPSP ENPARD II	50	January – May 2016
SPSP Public Administration Reform	30	January – May 2016
Support to the EU-Georgia agreements implementation (Twinning and other Technical Assistance instruments)	20	January – May 2016
Support to Development of the Civil Society Organisations	6	January – May 2016
More for more allocations for 2015, will be probably identified in Q1 of 2015		

More for more

For 2014, under the more for more initiative, the Government of Georgia and the EU agreed to sign three Financing Agreements totalling 30 mln EUR: (i) Support of the human rights enhancement; (ii) implementation of the EU-Georgia Agreements; (iii) Rural and Agricultural Development (the addendum to the ENPARD I financing agreement under the AAP 2012, envisaging 12 million euro additional allocations was signed on 12 July 2014).

8.2 Overall coordination of preparation and implementation of the EU assistance projects

The Government of Georgia is successfully utilising the EU assistance Institution Building Instruments, regional/multilateral and thematic programmes.

Twinning

In 2014, 4 Twinning projects have been finalised:

1. The Georgian National Agency for Standardization and Metrology - Strengthening of the metrology and standardization infrastructure according to the best practice in the EU Member States (Partner: Germany, Lithuania);
2. The Ministry of Environment and Natural Resources Protection - Strengthening the Capacities of the Ministry of Environment and Natural Resources Protection in Development and Improvement of Waste Management System in Georgia (Partner: Austria, Bulgaria);
3. The Ministry of Energy - Regulatory and Legal Capacity Strengthening of Energy Regulation in GNEWRC (Partner: Austria);
4. The Data Exchange Agency of the Ministry of Justice - Strengthening the E-governance system in Georgia; (Partner: Austria, Germany).

5 projects are on-going:

1. The National Agency for Cultural Heritage Preservation of Georgia - Support to the institutional development of the National Agency for Cultural Heritage Preservation of Georgia (Partner: Italy, Denmark);
2. Ministry of Environment Protection - Strengthening Management of Protected Areas of Georgia (Partner: Austria, Czech Republic);
3. Ministry of Finance - Capacity Building of the Academy of the Ministry of Finance of Georgia (Partner: Finland, Estonia);
4. State Audit Office of Georgia - Institutional Strengthening of the State Audit Office of Georgia (former Chamber of Control of Georgia). Project is at the stage of contract negotiation (Partner: Germany, Poland);
5. Ministry of Finance - Strengthening Administrative Capacity of the Georgia Revenue Service in Taxation. Project is at the stage of contract negotiation (Partner: Austria).

5 Twinning projects are in different stages of preparation:

1. The Ministry of Economy and Sustainable Development – Approximation of the Georgian Legislation with the EU norms and standards in the field of Civil Aviation. The deadline for the call for proposal expired on 15 September 2014;
2. The Ministry of Finance – Capacity building of the Investigation Service of the Ministry of Finance of Georgia. Project Fiche approved by the Brussels. The deadline for the call for proposal expired on 18 September 2014;
3. The Ministry of Labour, Health and Social Affairs – Capacity Building of the Employment Support Services (ESS). The deadline for the call for proposal expired on 30 September 2014;
4. The Data Exchange Agency of the Ministry – Capacity Building of DEA for developing into an E-Government Centre of Excellence. Project Fiche under preparation;
5. Ministry of Labour, Health and Social Affairs of Georgia – Strengthening Environmental Health System in Georgia. Project Fiche under preparation.

In addition, 5 Twinning projects are in the pipeline.

TAIEX

Since the launch of the TAIEX instrument, the Office of the State Minister has received around 220 applications covering following areas: border and migration issues, visa facilitation, trade issues, agriculture, education, and environment. More than 175 requests out of 220 have already received a

positive response from TAIEX services. Additionally, Georgian public servants have participated in 76 seminars and workshops organised by the EU. In reporting period, the Office of the State Minister evaluated approximately 60 applications, out of which at this stage 25 applications received positive response.

SIGMA

The Office of the State Minister in cooperation with the Georgian line Ministries and the SIGMA headquarters elaborated strategic cooperation directions for 2014-2015. Six priority directions have been agreed with the SIGMA experts to be addressed in 2014-2015.

1. To support the Government of Georgia in developing the Public Administration Reform Roadmap/Strategy;
2. To support the Government of Georgia in developing the civil service legislation in line with the Civil Service Reform Concept of Georgia and its Action Plan, and in line with the European principles and good practices of public administration;
3. To support the Government of Georgia in implementing the recommendations of the “Review of the functions of the Chancellery of the Government”;
4. To support the Government of Georgia in analysing the draft Public Finance Management (PFM) Strategy and providing recommendations for improving the PFM Strategy and its Action Plan;
5. To support the Ministry of Finance in analysing the public internal financial control (PIFC) situation, developing the outline of the PIFC policy paper, commenting on drafts of a revised PIFC policy paper drafted by the Central Harmonisation Unit of the Ministry of Finance, providing recommendations for improving the PIFC system of Georgia;
6. Policy advice to CSPA; workshops with CSPA and other key stakeholders in the area of public procurement.

ENPI Black Sea Cross Border Cooperation (BSCBC)

Georgia has been actively involved in the implementation of the ENPI 2007-2013 Black Sea Cross Border Cooperation Programme (BSCBC) and significantly progressed in terms of number of applicants and partners in the awarded CBC projects. In total, Georgian beneficiaries are presented in 33th BSCBC ongoing projects in the sectors of Tourism, Environment, Education and Cultural Cooperation including 3 projects with Georgian Lead Applicants.

Apart from that, Georgia has been actively participating in the preparation of the future 2014 – 2020 Black Sea CBC Programme to be implemented in the framework of the European neighbourhood Instrument (ENI). The Office of the State Minister on European and Euro-Atlantic Integration, representing the National Authority in the BSCBC regional managing structure, has actively participated in the 8 BSCBC Joint Monitoring and programming committee meetings for the programme operational and management issues and 4 working group meetings for the programme audit and control issues. As a result, Draft Joint Operational programme for 2014-2020 identifying future priorities of cooperation was drafted and the national consultations for the programme Audit and Control were carried out. In addition, on 17-18 November 2014, Georgia hosted the BSCBC Programme 7th Joint Programming Committee meeting in Tbilisi, which was attended by the National Delegations of 8 programme participating countries (Georgia, Romania, Bulgaria, Greece, Armenia, Azerbaijan, Ukraine, and Turkey), the European Commission and the representatives of respective foreign missions.

Eastern Partnership Territorial Cooperation Programme (EaPTCP)

Georgia has been actively involved in the multilateral and bilateral consultations in the framework of the EaPTCP. Namely, Office of the State Minister on European and euro-Atlantic Integration together with the Ministry of Regional Development and Infrastructure and other members of the EaPTCP Joint Decision Making Committee (JMDC) successfully finalised consultations on launching EaPTCP bilateral programmes with Armenia (Georgia-Armenia Programme) and Azerbaijan (Georgia-Azerbaijan Programme) as well as successfully carried out regional consultation with other Eastern Partnership countries on the joint EaPTCP Strategy and the Joint Operational Programming document. As a result, first call for proposals in the framework of Georgia-Armenia programme was launched and first project applications received.

TRACECA

In accordance with new challenges and international requirements, the TRACECA has renewed its role. On the one hand, it has been decided to join Trans European Network (TEN), and on the other hand, to use Public Private Partnership (PPP) for the implementation of infrastructure projects. During the 2014, 6 TA project was underway and 2 investment projects was in the pipeline under the TRACECA programme:

On-going TA projects:

- TRACECA Road Safety II;
- Transport Dialogue and Networks Interoperability II (IDEA 2);
- Maritime Safety and Security II (MSS);
- TRACECA Civil Aviation II;
- TRACECA Civil Aviation Safety / EASA;
- Construction of the Samtredia-Grigoleti New High Speed Highway (The project started in 2013 with the financial support of EIB and NIF, in 2014 spent 47.7 mln GEL. Total budget – 190 mln EUR).

Projects in pipeline:

- Poti-Baku Container Block Train (Search of potential investors is underway)

INOGATE

The INOGATE Programme represents an important instrument for the energy cooperation in the region. Currently, 3 projects which are in line with policies and strategies of the European Neighbourhood Policy are implemented in the framework of the INOGATE programme:

- Sustainable Energy Programme for Central Asia: Renewable Energy Sources - Energy Efficiency (CASEP);
- Pre-investment Project for the Trans-Caspian-Black Sea Gas Corridor;
- Supporting Participation of Eastern European and Central Asian Cities in the “Covenant of Mayors” (INOGATE-related project);
- INOGATE Technical Secretariat and integrated programme in support of the Baku Initiative and the Eastern Partnership energy objectives.

ENVIRONMENT

Georgia has been actively participating in the EU regional environmental projects in the sectors of Climate Change and protection of ecosystem management, biodiversity conservation, transition to a green economy, sustainable land management and fostering forest policy and practices.

On-going projects:

- Increasing the resilience of forest ecosystems against climate change in the South Caucasus Countries through forest transformation;
- Enhancing local capacity and regional cooperation for climate change adaptation and biodiversity conservation in Georgia and South Caucasus;
- Green Economies in the Eastern Neighbourhood (EaP-GREEN) aiming to mainstream sustainable consumption and production into national development plans, legislation and regulatory framework; to achieve a shift to green economy through the adaptation and adoption of sustainable consumption and production practices and techniques in selected economic sectors & promote the use of the SEA and EIA as planning tools for environmentally sustainable development;
- Climate east - technical assistance project to foster improved climate change policies, strategies and market mechanisms in the partner countries that are more in line with the EU *acquis*, by supporting regional cooperation and improved access to information on EU climate change policies and *acquis*.

Tempus programme

The Tempus programme is focused on modernisation of higher education system in Georgia according to the Lisbon Agenda and the Bologna Process. Since 1995, ca. 17 mln EUR has been allocated to Georgia through the Tempus projects. Currently 17 Georgian universities, as well as Ministry of Education and Science (MoES) and LEPL National Centre for Education Quality Enhancement (NCEQE) are involved in 28 on-going Tempus projects. Georgian higher education institutions are actively participating in the Tempus programme both as partners and as coordinators. Currently, Georgia is one of the leading Tempus country in terms of number of projects on and also takes a leading position among the post-soviet countries in terms of participation as an applicant. Tempus geography covers eight cities of Georgia, involving both public and private HEIs.

Erasmus Mundus

Starting from 2009, the new phase of the Erasmus Mundus Programme (2009-2013) provides support to:

- higher education institutions that wish to implement joint programmes at postgraduate level (Action 1) or to set-up inter-institutional cooperation partnerships between universities from Europe and targeted Third-Countries (Action 2);
- individual students, researchers and university staff who wish to spend a study/research/teaching period in the context of one of the above-mentioned joint programmes or cooperation partnerships;
- any organisation active in the field of higher education that wishes to develop projects aiming at enhancing the attractiveness, profile, visibility and image of European higher education worldwide (Action 3).

Currently, there are 9 Erasmus Mundus consortia involving 10 Georgian Universities (both public and private) from different cities and a total mobility of up to 300 persons is planned for the period of 2014-2015. Two Georgian universities (Tbilisi State and Ilia State University) co-coordinate three out of ten Erasmus Mundus consortia.

Horizon 2020

In the future perspective, the majority of EU assistance instruments in education sector including Erasmus and Tempus programmes will be integrated under the one umbrella instrument – the Horizon 2020 which is the biggest EU Research and Innovation programme ever with nearly 80 billion EUR of funding available over 7 years (2014 to 2020). Georgia has been actively involved in the consultation process in the framework of future Horizon 2020 perspective. In this regard, the Government of Georgia expressed its interests to participate in the programme as an Association Member giving the opportunity to participate in the wide range of programmes and projects not only as a partner but also as a lead beneficiary. The signing of the Agreement on Association Membership into the Horizon 2020 is intended to take place in the first half of 2015.

Support Programmes under the Eastern Partnership Multilateral Dimension

The Government of Georgia continues active cooperation with the EU regarding the modalities related to special procedures of accessibility to the EaP supporting measures. Good example of this cooperation are TAM/BAS instrument as well as The EAST-invest and SME facility supporting business-to-business cooperation and providing SME consultancy services on DCFTA related aspects as well as EaP Culture programme, which gives opportunities for regional cooperation on non-governmental level.

Investment projects - NIF/EIB/EBRD

Infrastructure development is one of the main priorities of the Government of Georgia and in this regard role of the Neighbourhood Investment Facility (NIF) in mobilizing funding from the EU, the EU Member States and the European Public Finance Institutions is of outmost importance.

The NIF focuses on the key sectors of energy, environment and transport while also providing support to SMEs development and social sector infrastructures. Georgia is a recipient of the following investment projects with the financial support of Neighbourhood Investment facility (NIF), European Investment Bank (EIB) and the European Bank of Reconstruction and Development (EBRD).

On-going projects:

- Black Sea Energy Transmission Network Project: total cost – 268 mln EUR
NIF contribution – 8 mln EUR
EIB and EBRD loan – 160 mln EUR
KfW contribution– loan 75 mln EUR and grant 25 mln EUR
- Water Infrastructure Modernisation in Georgia
NIF contribution – 4 mln EUR
EIB loan – 40 mln EUR
- Construction of the East-West Highway in Georgia: total estimated budget – 190 mln EUR
NIF contribution – 20 mln EUR
EIB loan – 170 mln. EUR
Note: Project considers construction of the 68 km. High speed highway: Samtredia – Grigoleti (52 km); Grigoleti – Choloki (16 km).
- Rehabilitation of Municipal Infrastructure Facilities in Batumi – Phase III (Water supply and sewerage of Batumi and surrounding villages)
NIF contribution – 4 mln EUR
KfW contribution-loan 20 mln EUR and Grant 15,7 mln. EUR
National co-financing – 5 mln EUR
- Enguri/Vardnili Hydro Rehabilitation Project: total cost – 45 mln EUR

NIF contribution – 5 mln EUR

EIB and EBRD loan – 40 mln EUR

- Water Infrastructure Modernisation Project II

NIF contribution – 8 mln EUR

EIB loan – 40 mln EUR

Planned projects:

- Integrated Solid Waste Management Project Kutaisi

NIF contribution – 2 mln EUR

Covenant of Mayors initiative and cooperation with EU at a city level

Georgia actively cooperates with the EU in the framework of the EU Covenant of Mayors initiative that brings together the mayors of the Europe's most pioneering cities in a permanent network to exchange and apply good practices for increasing energy efficiency and use of renewable energy sources on their territories. Tbilisi, Rustavi, Kutaisi, Batumi, Poti, Telavi and Gori City Municipalities have already signed the Covenant of Mayors and become Covenant signatories. Currently, with support of the EU INOGATE support activities, Covenant signatory city municipalities are actively involved in the consultations with the EU regarding the commitments undertaken in the covenant. In parallel, consultations are underway with the other city municipalities regarding the joining to the covenant.

8.3 Information and advisory activities for Georgian governmental organisations

During the reporting period, the EU Assistance Coordination Department has prepared four Newsletters regarding the Institutional Building Instruments and Black Sea CBC programme. At the same time, the Department started elaboration of the next 15th Newsletter.

The EU Assistance Coordination Department has organised approximately 20 events (seminars, workshops, trainings, working group meetings) for the EU Assistance beneficiary Governmental Institutions and EU Member State representatives. The Office of the State Minister organised donor coordination meeting involving EU Member States development cooperation representatives and the Delegation of European Union to Georgia as well as 2 seminars for Journalists regarding the EU Georgia agreements (AA, DCFTA, VLAP).

The Office of the State Minister in cooperation with the Donor Coordination Unit of the Administration of the Government of Georgia and the Ministry of Finance is actively involved in improvement of the Aid Information Management System (electronic database). After completion of this process (as expected by the end of 2014) all projects within the framework of the EU and external assistance will be uploaded in an electronic format enabling stakeholders to collect analytical data and contribute to effective planning of future assistance as well as monitoring and evaluation process.

Monitoring and evaluation activities

With the aim to identify the key lessons and produce recommendations for future preparation of the EU programmes in Georgia under the new programming period 2014-2017, the EU has launched several independent evaluation missions:

- **EU Support to the Reforms in the Georgian education sector 2007-2013** – ongoing field mission;

- **Evaluation of the European Union support to the integration of the minorities in Georgia** 2007-2013 – ongoing field mission;
- **Country-Level Evaluation of the European Union's co-operation with Georgia** 2007-2013 – ongoing field mission.

In order to develop joint monitoring and evaluation mechanism, which benefits from ownership, sustainability and effectiveness of the cooperation, the EU Assistance Coordination Department, as a counterpart of the EU interventions and the main coordinator between the line ministries and the Delegation of the European Union to Georgia, is tasked to supervise above-mentioned evaluation missions, represent the Office of the State Minister on European and Euro-Atlantic Integration in Reference Groups and assist the independent experts in conducting meetings with the relevant stakeholders.

8.4 Participation in the work of the EU Agencies and Programmes

Georgia is willing to participate in the EU Agencies and Programmes, which offers additional opportunities for intensifying country's European integration process in different sectors. In this context, the "Protocol to the PCA between Georgia, of the one part, and the EU and its Member States, of the other part, on a Framework Agreement between the EU and Georgia on the General Principles for the Participation of Georgia in Union Programmes" was signed between Georgia and the EU in Brussels on 12 December 2013, in the margins of the EU-Georgia Cooperation Council. As a result Georgia became available to participate in the list of additional programmes and start cooperation with EU thematic Agencies. In this context, Ministry of Culture and Monument Protection carries out the legal internal procedures with a view to sign up and participate in the Creative Europe programme. Apart from that, Georgian line ministries have been successfully cooperating with the following EU Agencies: FRONTEX, EUROJUST, CEOPOL and CIVIPOL.