



Brussels, July 2016

FACT SHEET

EU-Georgia relations

The EU plays a significant role in Georgia: it is Georgia's largest trading partner and also provides a model for Georgia to follow in its reform efforts, as reflected in Georgia's signature of the Association Agreement. The EU provides over €100 million to Georgia annually in technical and financial assistance, benefits such as a Deep and Comprehensive Free Trade Area (DCFTA) and visa facilitation, and supports Georgia in dealing with its breakaway regions through the EU Monitoring Mission and EU Special Representative, while being fully committed to Georgia's territorial integrity within its internationally recognised borders.

Relations with Georgia are contractually based on the Association Agreement that strives for political association and economic integration between the EU and Georgia. Georgia is part of the European Neighbourhood Policy (ENP) and its Eastern dimension under the Eastern Partnership (EaP). The 2015 ENP review reconfirms a long-term engagement with partner countries – in particular with partners, such as Georgia, wishing to pursue deeper relations with the EU. Differentiation and joint ownership being the hallmarks of the new ENP, the policy will continue to build ties and encourage Georgia's objective of further approximation with European structures.

Relations taken to a new level

By signing the [Association Agreement \(AA\)](#) in June 2014, relations between the EU and Georgia were brought to a new level. The AA with its DCFTA foresees far reaching political and economic integration with the EU by significantly deepening mutual ties and bringing Georgia closer to Europe.

The provisional application of the DCFTA part of the Agreement began on 1 September 2014, with the Agreement (as a whole) entering into full force on 1 July 2016. Based on Eurostat figures, the first 12 months of the DCFTA implementation indicate an increase of

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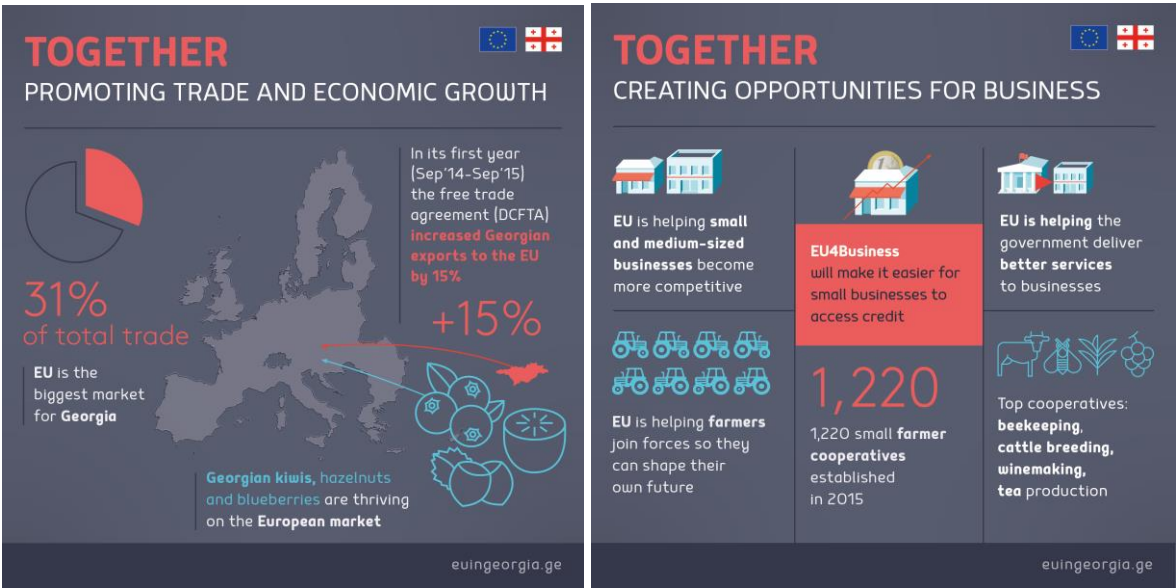
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EU imports from Georgia by 15%. Looking at year-on-year data, compared to the year 2014, in 2015 EU imports from GE increased by 12%, and amounted to €741 million. The EU's share in Georgia's total trade (import and export) is today 31% compared to 27% before the entry into force of the DCFTA.

The DCFTA does not apply in the Georgian breakaway regions of South Ossetia and Abkhazia, which do not fulfil the basic conditions to apply the DCFTA. The territorial clause in the Agreement permits, however, that the DCFTA starts applying in these two regions once the conditions for its implementation are put in place.

The EU and Georgia have also agreed an EU-Georgia Association Agenda, which defines a set of cooperation priorities for the period of 2014-2016. The Agenda helps Georgia fully enjoy the benefits of the Agreement and will be updated by the end of 2016.



As a direct result of DCFTA, new Georgian exports to the EU are already materialising. Georgian kiwis, blueberries, nuts, garlic and wine are exported to the EU and copper and petroleum oils have seen sizable increases of exports. Exports of honey should commence in the near future while there is also good potential for lamb's wool. The EU also supports the development of new business in Georgia, most recently through the introduction of credit lines.

To date, Georgia has adopted over 7,000 European standards in areas like health, safety and environmental protection with EU support, 1,700 of which have been adopted in 2015 alone. Georgia is planning to continue introducing 2,000 standards per year from 2016. This means safer products for Georgian citizens and increased export opportunities for Georgian businesses.

Moving towards visa freedom

The EU-Georgia Visa Facilitation and Readmission Agreements have been in force since March 2011 and are being well implemented. The EU launched the visa liberalisation

dialogue with Georgia in June 2012. Since then, the Commission has issued four progress reports on Georgia's implementation of the Visa Liberalisation Action Plan. In the last one, published on 18 December 2015, the Commission concluded that Georgia meets all the benchmarks set in the Plan.

The Commission presented in March 2016 a legislative proposal to lift visa requirements for Georgian citizens holding a biometric passport - amending Regulation (EC) No 539/2001. The decision on whether to include Georgia on the list of the countries whose nationals are exempted from the short stay visa requirement lies now in the hands of the Council and the European Parliament.

The Mobility Partnership launched in 2010 is the political framework for cooperation on migration and mobility issues between the EU and Georgia. About 15 projects are currently being carried out in this field.

EU assistance to Georgia is increasing

The EU supports Georgia's reform agenda through financial and technical cooperation. More than 100 projects are currently being carried out in Georgia. On 18 July 2014, Georgia signed a Memorandum of Understanding fixing the priorities for EU cooperation for the period of 2014-2017 with an indicative financial allocation in the range of €335–410 million.

This represents a significant increase in comparison to the previous programming period. Furthermore, additional “more for more” funds could be – and have been - made available under the incentive-based approach. The cooperation is focused on reforming public administration and justice sectors, as well as on agriculture and rural development, thus contributing to economic resilience and diversification, with complementary support being planned for capacity development in support of EU-Georgia agreements as well as for civil society.

Real benefits of closer cooperation already showing

- EU support to agriculture is about **raising the income of Georgian farmers**. To this end, over 1,000 farmer cooperatives have been created with EU support enabling farmers to substantially lower the production costs. Initial findings are showing that farmers in cooperatives can potentially lower their production costs by 30%. See a short video [here](#).
- In addition, **52 Information and Communication Centres** have been established in the regions, allowing farmers easy access to training and education materials to improve their farming skills and enjoy more plentiful harvests.
- The EU is working hard to help Georgians have proper **access to justice**. It has helped establish the Government's Legal Aid Service, which has provided over 175,000 Georgians (many who cannot afford a lawyer) with free legal counselling and aid. In addition, various EU-funded training programmes for judges, prosecutors, public

defenders and lawyers means they are more professional and efficient, further ensuring that Georgians' rights are effectively protected.

- EU support has helped to fundamentally reform **juvenile justice** in Georgia. Since 2014, a Diversion Programme redirects all juvenile offenders to reintegration activities rather than criminal prosecution. In January 2016 the Juvenile Justice Code entered into force, which prioritises the interest of the child in legal proceedings. So far over 1150 juveniles have benefitted from these measures.
- With EU support, the Government has established **34 Community Centres in smaller towns and villages** across the county. These centres make life easier for the 500,000 Georgians living there by bringing 200 public and banking services, as well as free internet and libraries, directly to them. See a short video [here](#).
- The EU is supporting the Government in **making its finances more transparent and accountable** to its citizens. Since 2014, the Government publishes a citizen's guide to the state budget, clearly explaining how and where money is spent. EU support has also helped the Government establish a dedicated mechanism to follow up on all State Audit Office findings, and government procurement has been improved with clear criteria for awarding a contract through simplified procurement procedures.
- The EU is **helping local communities have more of a say in Government investments** in their regions. EU support in establishing the Government's Regional Development Programme in 2015 permits municipalities to set the priorities for Government investment in their region under the Regional Development Fund. This means that local government can decide, for example, whether they want to build a new school or refurbish local roads, giving more power to local communities.

Other forms of EU assistance to Georgia

The European Commission, jointly with the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) has recently put in place the DCFTA Facility for small and medium-sized enterprises to respond to their needs. The main objectives of the 'EU4Business' initiative are to help enterprises seize new trade opportunities with the EU as well as improve their access to finance.

Additionally, the Neighbourhood Investment Facility (NIF) is a financial mechanism where EU grants support investments from European Financial Institutions. The instrument is used in Georgia for infrastructure financing in different fields (such as water and sanitation, energy efficiency, and the environment) and for funding small enterprises and agriculture holdings.

Georgia is also benefiting from the EU macro-financial assistance (MFA) of EUR 46 million, half of which is in grants. The first tranche of EUR 23 million was disbursed in 2015 while the disbursement of the second tranche is on hold due to the delay of the IMF programme

review.

Georgia participates actively in the regional programmes, which are addressed to all Eastern Partner countries. This includes substantial regional programmes on transport safety and transport connectivity, on environment climate change and green economy, on energy security, renewable energy and energy efficiency, as well as Cross-Border Cooperation, where Georgia is part of the sea-crossing Black Sea Programme. Under thematic cooperation, more than 50 projects amounting to more than €14 million have been funded in Georgia over the past four years, mainly benefitting the local civil society.

EU support for conflict resolution

The EU continues to support Georgia's efforts to overcome the consequences of internal conflicts in Georgia's breakaway regions of Abkhazia and South Ossetia dating back to the early 1990s, as well as to stabilise the situation following the outbreak of hostilities in August 2008. The EU remains firmly committed to its policy of supporting Georgia's territorial integrity within its internationally-recognised borders, as well as engagement with the breakaway regions of Abkhazia and South Ossetia in support of longer-term conflict resolution. The EU appointed in July 2003 an EU Special Representative for the South Caucasus (EUSR) (since 2011 - EU Special Representative for the South Caucasus and the crisis in Georgia). This underpins the EU's commitment to actively contribute to the peaceful resolution of conflicts and to confidence-building efforts in the South Caucasus, while reaffirming Georgia's territorial integrity and sovereignty. The EUSR co-chairs together with the UN and OSCE the Geneva International Discussions, launched following the outbreak of hostilities in August 2008.

The EU also deployed a civilian mission in the immediate wake of the August 2008 hostilities, the EU Monitoring Mission (EUMM) in Georgia, with a mandate to monitor parties' compliance with the ceasefire agreement. The most visible component of EUMM's work is patrolling the areas adjacent to the Administrative Boundary Lines with the breakaway regions.

Georgia's contribution to peacekeeping

A Framework Agreement on Georgia's participation in the EU's Common Security and Defence Policy operations entered into force in March 2014 and since then, Georgia has already made remarkable contributions to several operations. Their biggest contribution so far, a company of around 156 staff, was to the EUFOR RCA operation in the Central African Republic. Currently Georgia is involved in the EU Military Advisory Mission RCA, the EU Training Mission in Mali, and the EU Advisory Mission Ukraine operations. Since 2014 the EU and Georgia hold staff to staff talks on Common Security and Defence Policy.

Young Georgians involved in EU programmes

EU Tempus programmes have been available in Georgia since 1995 and Erasmus Mundus opened in 2007. Around 1,000 Georgian students and staff have already participated in the Erasmus programme since 2007.

WILL YOU BE ONE OF THEM?

More than **700** Georgian students and staff will receive grants from the European Union to study and train in Europe until the end of 2017

*EU countries with the most opportunities available

Erasmus+

Contact the national Erasmus+ office in Georgia: erasmusplus.org.ge

ASK YOUR UNIVERSITY

In 2016-2017, grants will be awarded to students and staff from the following Georgian institutions

Erasmus+

More than 40 Georgian higher education institutions have participated in Tempus projects so far. Nearly 1,650 young people and youth workers from Georgia have taken part of EU's Youth in Action projects.

From April 2016, researchers and innovators from Georgia are able to participate in Horizon 2020, the EU's framework programme for research and innovation, under the same conditions as their counterparts from EU Member States and other associated countries.