

The background of the cover features a stylized, artistic representation of the Georgian flag (white with a large red cross) and the European Union flag (blue with twelve yellow stars). The flags are depicted as if they are waving and overlapping, with the EU flag in the foreground and the Georgian flag behind it. The overall color palette is dominated by dark blue, red, white, and yellow.

# COOPERATION REPORT

GEORGIA  
2007





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## Foreword

This is the third bi-annual Cooperation Report which the Delegation of the European Commission to Georgia has produced since 2000. The Report provides the context in which cooperation between the European Union and Georgia takes place. It also contains information on the main cooperation instruments financed by the European Commission on behalf of the European Union as well as on the bilateral cooperation between the EU Member States and Georgia.

2006-2007 have been significant years for developing EU-Georgian cooperation. On 14 November 2006, the European Neighbourhood Policy Action Plan, endorsed by the EU-Georgia Cooperation Council, brought about an increasingly close bilateral relationship going beyond the cooperation under the 1999 Partnership and Cooperation Agreement. By agreeing an ENP Action Plan, Georgia stressed its European choice and aspirations. Since, Georgia and the EU have committed themselves to developing deeper economic integration and to strengthening bilateral political cooperation, including on foreign and security policy.

Since 1 January 2006 Georgia has been benefiting from the EU GSP+ trade scheme aiming to help Georgia increase and diversify its exports to the EU and to the rest of the world.

2007 was marked by the introduction of new assistance tool – the European Neighbourhood Policy Instrument (ENPI) a flexible, policy-driven instrument. Under the New Country Strategy Paper 2007-2013 and the National Indicative Programme for Georgia covering 2007-2010, priority areas of cooperation were identified. These areas are: democratic development, rule of law and governance, support for economic development and ENP Action Plan implementation, support for poverty reduction and social reforms and support for peaceful settlement of Georgia's internal conflicts. Assistance under ENPI includes new forms of technical assistance such as TAIEX and Twinning, Governance Facility and Investment Facility.

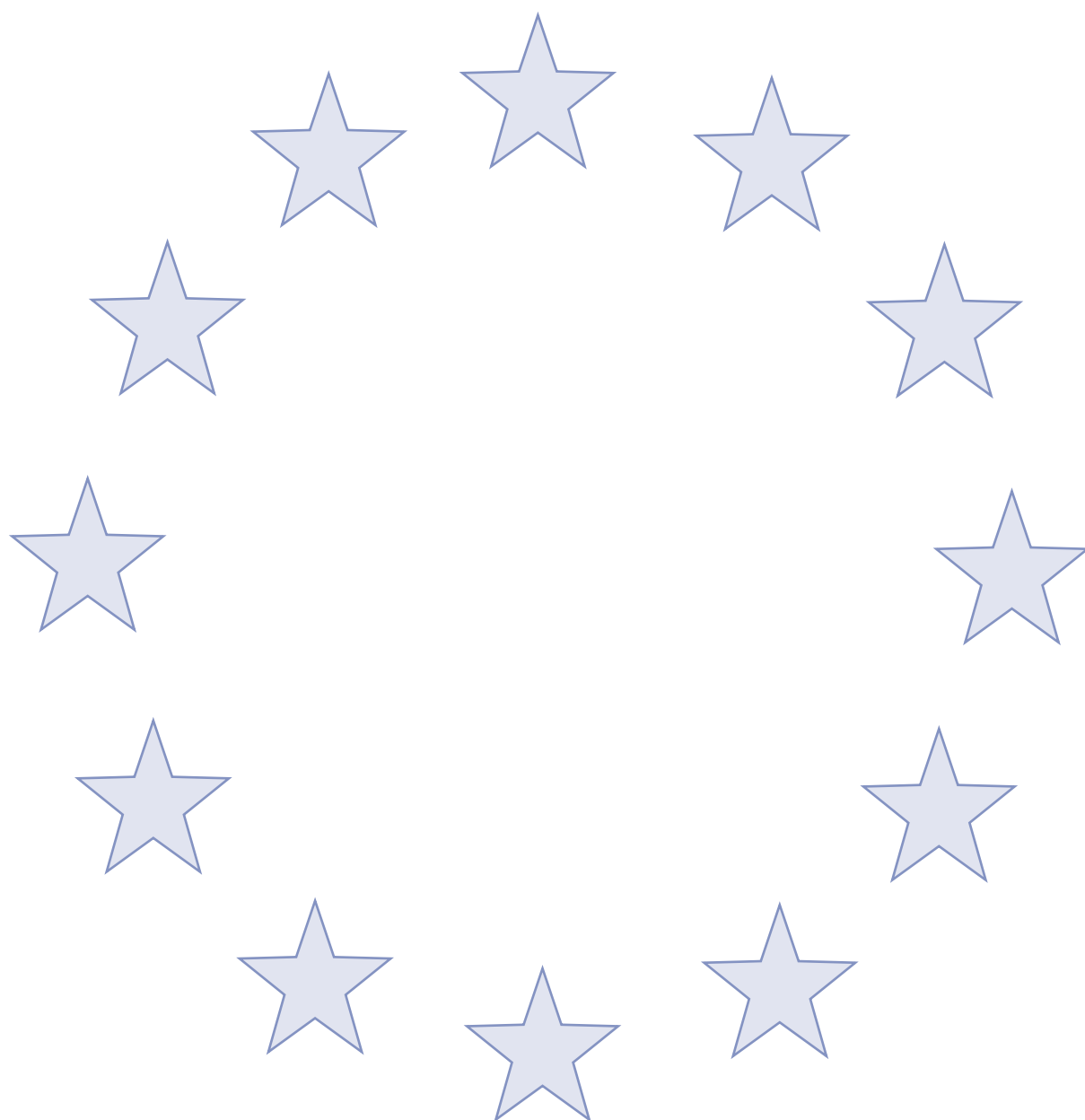
EU integration remains to be a top priority in the Georgian government's foreign policy agenda, therefore challenges on the road to further integration will continue to be addressed by the European Union and its Member States. In this respect, support for democracy, human rights, rule of law and poverty reduction will remain to be key areas for the European Union.



**Per Eklund**

Ambassador

Head of the Delegation  
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## Part I: EU and Georgia Partnership

### 1. Political Developments

Georgia's political life during 2005-2007 was marked by a series of events and developments showing that building democracy in a post-Soviet state was not as simple as it seemed immediately after the Rose Revolution in November 2003.

During the past two years Georgia's political life was focused on building state institutions at all levels. The reforms undertaken since November 2003 and strengthening fiscal discipline continued in almost all the key areas of public life. Regrettably, these attempts were accompanied by incidents of violation of human and property rights. Such actions have made a negative impact on the emerging democratic state of Georgia. The Georgian authorities carried out a successful clampdown on organized crime, putting an end to its far-reaching and long-standing influence on the Georgian society.

The weak and poorly structured opposition incapable of engaging into a constructive dialogue with the government, continued to be a serious failing of Georgia's political system. The death of Prime Minister Zurab Zhvania in February 2005 had a significant impact on Georgia's political life. His balancing influence and political skills would have helped Georgia to settle the complex political problems that Georgia faces.

The issue of the relationship with Russia has remained pivotal in Georgia's internal politics. Russia's support to the secessionist territories of South Ossetia and Abkhazia, caused sharp reaction from the Georgian government. This has damaged and brought the Georgian-Russian dialogue to a standstill.

The resignation of Irakli Okruashvili, the former Minister of Defence, in November 2006, triggered a series of developments that led to the November 2007 political crisis. After his departure from the government, Irakli Okruashvili started creating a new opposition party around him. In September 2007, following the arrest of some of his political allies on corruption charges, Irakli Okru-

ashvili publicly accused President Saakashvili of having betrayed the ideals of the Rose Revolution; also, of corruption and even of an intention to murder Georgian oligarch Badri Patarkatsishvili. A week after Okruashvili's arrest he recanted all the accusations and admitted that his intention was to tarnish President Saakashvili's image. After his televised recantation he was freed on bail and, as he alleged later, was made to leave Georgia. He was detained, not long after he accused the government on TV, in Germany and handed over to France and is currently awaiting trial.<sup>1</sup>

Okruashvili's arrest was followed by a series of opposition protests that culminated in a demonstration of 2 November 2007 when up to 100 000 people rallied in Tbilisi against President Saakashvili. Demonstrations lasted for more than a week leading to a stand-off between the Government and opposition parties. On 7 November 2007, the Government decided to disperse using the full panoply of riot police techniques against the already dwindling peaceful demonstration gathered in front of Parliament. The government's argument was that opposition parties were about to stage a coup with the involvement of Russian secret services and tycoon Badri Patarkatsishvili. The same day the Georgian leadership close down the pro-opposition TV channels Imedi and Kavkasia, declared the state of emergency and forbade news and political programmes on all TV channels with the sole exception of the Public Broadcaster.

Severely criticised by the international community and facing major discontent at home, President Saakashvili announced that to alleviate tension presidential elections would be held on 5 January. He also appointed a new prime minister tasked to implement a far-reaching social programme to curb the growing poverty and to defuse the very tense situation.

<sup>1</sup> Tbilisi city court sentenced in March 2008 to 11 years of prison detention

### 2. Conflict Resolution

The restoration of territorial integrity is one of the key objectives set by the Georgian authorities under President Saakashvili. The Georgian government has continuously stated its intention to regain control over the secessionist territories through peaceful means.

No major diplomatic breakthrough has occurred during the past two years. Progress in the framework of the United Nations and OSCE-led negotiations in the case of

Abkhazia and South Ossetia respectively has been insignificant. Attempts of the Georgian Government to include into the negotiation framework other international actors, e.g. the European Union has been met by refusals both by the Abkhaz and Ossetian. Moreover, the issue of Kosovo's independence is seen by the secessionist regions as a chance to achieve their recognition by the international community.



### South Ossetia

Since the failure to gain control over South Ossetia through a military style operation in July 2004, the Georgian government has embarked upon a new policy. In January 2006, in the Council of Europe, President Saakashvili presented a peace plan for the settlement of the conflict in South Ossetia. Recognizing the autonomy of South Ossetia, the proposed plan provided for broad self-governance and cultural rights, representation in the Georgian governmental structures and the parliament as well as a comprehensive social and economic rehabilitation programme of South Ossetia.

In October 2006, Dimitri Sanakoev, a former Prime Minister of the Ossetian secessionist government, founded the Salvation Union of South Ossetia - an opposition party to Eduard Kokoity- aiming at resuming political dialogue with the Georgian government and finding a solution to the conflict while respecting Georgia's territorial integrity. In November 2006, during the South Ossetian *de-facto* presidential elections, a so-called "alternative" poll was organized by the Salvation Union of South Ossetia among the Georgian and Ossetian villages. On the South Ossetian territory not controlled by the separatists, Sanakoyev was declared the president-elect, with more than 80 per cent of the votes. His election manifesto envisaged the restoration of the region's status as a republic within Georgia and a programme of measures to spur economic growth.

In December 2006, Sanakoyev formed his government with the headquarters in the village of Kurta.

On May 10, 2007, the President of Georgia appointed Dimitri Sanakoyev as the Head of South Ossetian Provisional Administrative unit. The next day, Sanakoyev addressed the Parliament of Georgia in Ossetian, outlining his vision of the conflict resolution plan. This move alarmed the *de-facto* authorities in Tskhinvali which or-

dered the blocking of the traffic to the ethnic Georgian villages and threatened to oust Sanakoyev's government by force. On June 26, 2007, Sanakoyev delivered a speech, in his native Ossetian, at the EU-Georgian Parliamentary Cooperation Committee in Brussels. At the same time, the Provisional Administration of South Ossetia, funded by the Georgian authorities, started implementing a socio-economic recovery programme. So far, the new approach of the Georgian government has yet to play substantial dividends in terms of increased territory controlled by Tbilisi, despite an extensive media campaign against the secessionists.

### Abkhazia

The most important event of the past two years was the police operation undertaken by the Georgian government in the upper Kodori gorge - the only part of Abkhazia still under the Georgian control. The operation was aimed at removing Emzar Kvitsiani, the government's special representative appointed by Shevardnadze, who had formed a paramilitary unit and acted independently from the authorities. This has had an impact on the overall political and military situation as the Abkhaz authorities showed grave concerns about the police operation considering it as a Georgian military offensive. The situation remains tense in the Kodori gorge renamed into Upper Abkhazia on the decision of the Georgian authorities. In March 2007 an unidentified helicopter fired a missile coordinated with groundbased missiles at the building of the local administration in the Georgian-controlled area. Armed clashes have also taken place. Tensions also rose in October 2007 between the Georgian Interior Ministry troops and the Russian Peacekeepers in the Georgian-administered village of Ganmukhuri lying north of the Enguri River on the border with the breakaway Abkhazia - where the Georgian government established a youth camp *Patrioti* in the summer of 2007.

## 3. Foreign Policy Developments

Georgia's foreign policy has been driven by a strong commitment of the authorities to integrate into NATO and the European Union. Alongside this steady commitment Russia has exerted even more pressure on Georgia trying to prevent this advancement perceiving it, rightly or wrongly, as an antagonizing factor for Russia's interests in the Caucasus.

In the spring of 2006, on health and sanitary grounds, Russia imposed a ban on Georgian agricultural products, including wines and mineral water, depriving the Georgian agro-business sector of its main export market. In September 2006, the Georgian government arrested four Russian citizens, as well as several Georgians citizens on the charges of espionage against the Georgian state. President Saakashvili publicly transferred the alleged spies

to the Russian authorities. As a result, Russia severed all transport, trade and financial links while hundreds of Georgians living in Russia were exposed to deportation ostensibly on the grounds of improper documentation.

Despite rising tensions, in November 2007, Russia completed the pullout of its troops from Georgia with the exception of the Gudauta base in Abkhazia, Georgia. Nevertheless, according to the Georgian authorities, the Russian air force has on many occasions violated the Georgian airspace. In August 2007, an antiradar missile was dropped on the Georgian territory. The Georgian authorities blamed a Russian aircraft for involving the Georgian airspace, although Russia has denied its involvement in the incident which worsened the already tense Russian-Georgian relations.



The breakaway regions of Abkhazia and South Ossetia have played a pivotal role in the deterioration of the Russian-Georgian bilateral relations. Indeed, Russia's continuous support for the secessionist republics is seen by the Georgian side as the main obstacle to the improvement of relations between Russia and Georgia.

### *NATO*

Perceived as a way to counter the Russian influence, integration into NATO has been the main priority of Georgia's foreign policy during 2005-2007. Moreover, integration into NATO has been perceived as one of the main incentives to further democratic reforms in Georgia. By the end of 2004 when NATO approved the Individual Partnership Action Plan (IPAP) for Georgia, Georgia signed several agreements with NATO moving closer to the alliance. On February 14, 2005, Georgia signed an agreement with NATO for the fielding of a Partnership for Peace liaison officer to Georgia. On March 2, 2005, Georgia signed a transit agreement with NATO allowing the Alliance and other ISAF (International Security Assistance Force) troop-contributing nations to send supplies to their forces in Afghanistan through Georgia. In view of Georgia's progress, especially in the military sphere, NATO member states decided on September 2006 to grant Georgia an Intensified Dialogue status (ID), the last step before the Membership Action Plan (MAP). To demonstrate the progress achieved in building the military force and to support its key partners, the Georgian authorities increased the Georgian contingent in Iraq and in Afghanistan.

However, even before the events of November 2007 and despite the support of the new members of the Alliance, several European member states started voicing doubts about granting MAP to Georgia on the grounds that Georgia was not meeting the democratic criteria set by the Alliance.

### *European Union*

Integration into the European Union remains to be one of the main priorities of the Georgian foreign policy.

EU-Georgia bilateral relations are regulated by the Partnership and Cooperation Agreement (PCA) which entered into force on 1 July 1999. The agreement is based on common values such as the respect of democratic principles, of the rule of law and human rights, as well as on adopting a market oriented economy. The PCA provides the legal framework for wide-ranging cooperation in the areas of political dialogue, trade, investment, economic, legislative, and cultural cooperation. The joint institutional mechanisms set up under the PCA (Cooperation Council, Cooperation Committee, and Subcommittee on Trade, Economic and Related Legal Affairs, as well as the Parliamentary Cooperation committee) meet

on a regular basis in order to monitor the implementation of the PCA.

The inclusion of Georgia in the European Neighbourhood Policy (ENP) on 14 June 2004 marked a significant step forward in EU-Georgian relations. As a first step in this direction, a Country Report assessing the progress in Georgia towards political and economic reform was published on March 2, 2005. The Country Report highlighted areas in which bilateral cooperation could be feasibly and valuably strengthened.

In the context of ENP, the EU started consultation with Georgia on an ENP Action Plan aimed at fulfilling the provisions of the PCA and contributing to a closer relationship, involving a significant degree of economic integration and deepening the political co-operation. The Action Plan intended to significantly advance the approximation of the Georgian legislation, norms and standards to those of the European Union. Following the consultations a five-year ENP Action Plan was adopted in Brussels at the EU-Georgia Cooperation Council on 14 November 2006. The AP focuses on:

- i. strengthening democracy, rule of law, human rights;
- ii. socio-economic reform, improvement of business climate;
- iii. economic development and , poverty reduction;
- iv. cooperation in the field of justice, freedom and security;
- v. regional cooperation, including border management;
- vi. conflicts resolution;
- vii. cooperation on foreign and security policy including border management;
- viii. energy and transport;

The Action Plan is currently in the first year of its implementation.

To foster emerging democracy and market economy in Georgia, in December 2005, the European Union granted Georgia the General System of Preference Plus (GSP+), which provides non-reciprocal tariff reduction or duty free access to Georgian exports to the European Union. As it stands, GSP+ is valid until the end of 2008 and will be renewed if Georgia ratifies and effectively implements core human and labour rights, good governance and environmental conventions before the deadline.

The European Union appointed Peter Semneby in February 2006 as its second Special Representative to the South Caucasus succeeding Heikki Talvitie. His mandate runs until 29 February 2009 and includes the following EU policy objectives in the South Caucasus: assisting Armenia, Azerbaijan and Georgia in carrying out political and economic reforms; preventing conflicts in the region





and contributing to the peaceful settlement of conflicts, including through promoting the return of refugees and internally displaced persons; and encouraging and supporting further cooperation between the states of the region, including on economic, energy and transport issues.

The Georgian authorities have been striving to promote

#### 4. Economic development

Following the Rose Revolution in 2003, President Saakashvili's administration was determined to implement far-reaching economic reforms. Four years have passed and tangible results have been achieved:

During 2004-2007 the average annual economic growth was 10 %. Growing confidence in the national currency Lari led to a steady increase in the broad money/GDP ratio while net international reserves were higher than expected. Fiscal performance saw a drastic improvement in tax revenues increasing from 14, 5 % of GDP to almost 22 % in 2006 despite the reduction in rates and elimination of a number of taxes. Combined with the privatization proceeds (which averaged 4,2 % of GDP in 2005-2006), this allowed the authorities to cover the arrears, increase pensions, upgrade defense capacity and economic infrastructure simultaneously reducing public debt from 50 % of GDP in 2003 to 22 % in 2006. Improvement in the business environment has been noticeable. The World Bank *Doing Business* survey of 2006 named Georgia the leading reformer country in the world. As a whole, there has been a large increase in private capital inflows especially in foreign direct investment<sup>2</sup>.

However, those positive trends are to be balanced with other trends that make the overall improvement of the economic situation fragile and yet to be consolidated achievement.

Firstly, the current account deficit increased to 14. 8 % of GDP in 2006 compared to 10.9 % in 2005<sup>3</sup>. The closure of the Russian market to Georgian products has had a

2 August 2007 IMF Country Report No. 07/299

3 August 2007 IMF Country Report No. 07/299

#### 5. Energy

After more than a decade of crisis, the energy supply in Georgia improved radically after the Rose Revolution. However, the overall improvement of the Georgian energy supplies is far from being sustainable. The cut in 2006 of gas supply from Russia accompanied by a sudden increase of gas prices during the same period showed that achieving energy security remains to be a challenge.

Overall, electricity and gas supplies both to households

regional cooperation with GUAM countries (Georgia, Ukraine, Azerbaijan, Moldova). In 2006 the GUAM was renamed the Organization for Democracy and Economic Development, ODED, with headquarters in Kyiv. The ODED has been trying with limited success to promote regional cooperation especially in the sphere of transport, energy and energy transit.

huge impact on two important sectors of the Georgian economy: mineral waters and wines that were partly compensated by the growth of private capital inflows allowing the Georgian economy to continue the growth<sup>4</sup>.

The Russian embargo and deportation of Georgians living in Russia also had a negative impact on the social condition of the population. Currently, according to the official statistics remittances have increased since the beginning of the Russian embargo. The official statistics refer only to bank transfers and not to cash operations that are performed by Georgian labour migrants working in Russia representing up to two-thirds of Georgians living in Russia.<sup>5</sup> Fearing deportation, many of them have come back to Georgia adding to the on-going poverty that affects between 30% to 50% of the population according to the methodology used. It is estimated that the Russian embargo was particularly felt by the poorest strata of the population. By summer 2006, inflation started steadily growing due to several factors: an increase of capital inflows, loose monetary policies, higher import costs (especially the rise of energy prices) and increased budget expenditures. According to IMF, annual inflation reached 11% in 2007. In this context, a large percentage of the population felt very vulnerable. The combination of persistent poverty and sharp increase in inflation have been two of the major factors leading to November 2007 demonstrations.

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5 Illegal migrants from Georgia: labor market experiences and remittance behavior. Irina Badurashvili, 2005, <http://iussp2005.princeton.edu/download.aspx?submissionId=51259>

and companies have improved having a positive impact on the economic growth of the country. Major improvements in electricity and gas bill collection have been achieved while the Georgian government has been actively pursuing a large-scale privatization programme of power production plants as well as power distribution companies. Between the summer of 2006 and winter of 2007, a Czech company Energo-Pro purchased six hydro-



electric power plants and three electricity distribution companies for USD 132 million becoming the leading electricity distributor in Georgia, in control of 62.5% of country's market. In addition, Energo-Pro pledged to invest over USD 285 million in Georgia's energy sector. Moreover, the opening of two large capacity pipelines respectively the BTC for oil (annual capacity 50 million tons) and the SCP for gas (annual capacity 16 billion cubic meters) have confirmed that Georgia is one of the pivotal countries for the export of Caspian Sea hydrocarbon resources, providing Georgia both with transit revenues and an alternative source of energy import.

Indeed, Georgia is heavily dependent on imports for its energy consumption, especially with regards to oil and gas. According to available statistics and forecasts<sup>6</sup>, in 2007, the overall energy consumption of Georgia is estimated at 3,3 million tons of oil of which 2,12 million are going to be covered by imports (64% dependency rate). As far as fossil fuels are concerned (70% of the overall energy consumption), the dependency rate goes up to almost 100% for natural gas and up to 80% for oil. Vastly endowed with hydro power resources, Georgia is still importing 5% of its electricity needs. Out of 5,6 million of cubic meters consumed daily, 3,3 million (60%) are still coming from Russia.

In this context, Georgia faces the challenge of finding alternative sources of imports, especially for gas. The recent opening of an Armenia-Iran gas pipeline capable of supplying the totality of the Armenian gas market may contain energy risk for Georgia as it may not benefit from the fees paid in gas it receives from the transit of the Russian gas to Armenia. So far, Iranian gas does not represent a real alternative to the Russian gas for political reasons. A significant step towards energy security would be the construction of an underground gas storage facility capable of meeting emergency demand in case of supply disruption, as during the winter 2006, crippling the entire economy of the country while leaving large portion of the population without heating.

6 GEPLAC, Georgian Economic Trends, Quarterly Review, April 2007, pp 60-66

## 6. Rule of Law and Human Rights

The Georgian government has made effort to combat corruption with some tangible results as shown by the evolution of Georgia's rank in the Transparency International Corruption Index: 130<sup>th</sup> in 2005, dropped to 100<sup>th</sup> in 2006. However, major systemic changes and reforms remain to be implemented to promote good governance. The major area of concerns are the rule of law and the establishment of independent judiciary.

Constitutional amendments introduced in early 2004, increased the Georgian president's authority to dismiss and

Moreover, with the onset of economic growth, internal energy consumption will certainly grow forcing the Georgian authorities to develop local resources (oil, gas, renewable including hydropower) while improving energy efficiency that remains very low in Georgia (three to four times less than the OECD average<sup>7</sup>). In summer 2007, the Georgian government started circulating the idea of building a nuclear power station. Beyond the environmental risks of such project, (especially given the fact that Georgia is located on a fairly active seismic zone) its costs seem to be the main obstacle to its implementation.

The Georgian government still needs to fully implement energy market reform both in the power and in the gas sector. Georgia's independent regulatory body, the National Energy Regulatory Commission requires more real power, resources and transparency necessary to ensure a healthy climate for a market-based growth of the power sector attracting more investment in the energy sector in Georgia.

Although payment collection has improved dramatically, a large part of the population cannot cope with the price increase of both gas and electricity caused by the increase of import prices, especially of gas. To tackle this problem, the government designed a winter voucher programme for 2007 to support vulnerable households.

Finally, the diversification of energy supply will depend very much on the ability of the Georgian authorities to promote the Georgian territory as a transit route for the trans-Caspian pipeline. Two main projects are currently under discussion: Nabucco (carrying gas from Turkey to Austria) and the Georgia-Ukraine-European Union pipelines. Both are designed to reduce large dependence on Russian energy imports. However, both projects rely heavily on accessing Central Asian hydrocarbon resources via a Trans-Caspian pipeline that is being opposed by both Russian and Iran, promoting their own transport routes.

7 International Energy Agency, Statistics for 2005.

appoint judges in order to address corruption in the judiciary that had been widespread during the Shevardnadze era. As a whole, the independence of the judiciary has been seriously affected due to interference by the executive powers.

Despite the recommendations of the international community to stop such practices, the violation of property rights by the authorities has been commonplace. Small and medium businesses and private owners have been particularly affected by such violations as, in most cases;



they resulted in the loss of incomes and loss of private property without fair compensation.

Despite the far-reaching reforms in law enforcement agencies undertaken in the immediate period after the Rose Revolution as well as the attempts to democratize the Ministries of the Interior and Justice, the human rights situation in Georgia has remained unsatisfactory during 2005-2007.

The majority of Georgia's prisoners – 63% of whom are held in pre-trial detention – live in overcrowded, poorly ventilated, dirty cells. They receive inadequate nutrition and almost no health care. Moreover, there has been an increase in the use of violence such as frequent beatings and degrading treatment. Prison disturbances have been met with, in some cases, lethal force from the authorities. In the case of Tbilisi Prison N 5, quelling of the riot in March 2006 resulted in the death of at least 7 detainees.<sup>8</sup>

The death of Sandro Girgvliani in January 2006, beaten to death by the officers of the Ministry of Internal Affairs, raised the issue of the overall legal control and responsibility of law enforcement agencies. In July 2007, contrary to international norms, the Georgian government decided to lower the minimal age of criminal responsibility from age 14 to 12, although the implementation of this provision has been held up until 1 July 2008.

### *Media*

During 2007, Georgian television channels became more and more polarized. Imedi TV, owned by the Georgian tycoon Badri Patarkatsishvili and managed by News Corp (Rupert Murdoch's media corporation), with its clear anti-government stand, gained more and more popularity in 2007.

The appearance of Patarkatsishvili at the rally on 2 November 2007 vowing to spend his entire fortune to bring Saakashvili down, certainly served as a trigger for subsequent actions of the authorities. On 7 November 2007, on grounds that Imedi would have called for insurrection while covering the violent suppression of the opposition demonstration, the Georgian government took the decision to close down Imedi TV as well as Kavkasia (a Tbilisi based opposition channel) and Channel 25 (a Batumi based channel). Imedi TV premises were raided by riot police, its journalists beaten and its equipment vandalized. At the same time the Government imposed a state of emergency and restricted news reporting to the Public Broadcaster.

The international reaction to the closure of TV channels

was extremely negative. Although Kavkasia and Channel 25 resumed broadcasting immediately after lifting the state of emergency (on 16 November), Imedi continued to be shut. Adam Michnik, an influential Polish newspaper editor, media activist and ex-dissident came to Georgia at the invitation of the EU to find a solution to the crisis. He asked the government to allow Imedi TV back on air within a week or face international condemnation. At the same time he set up a group composed of 7 individuals to monitor Georgian broadcasting standards and ethics during the next two months. Within one week after Michnik's visit and his extensive negotiations with Imedi TV management and the authorities, Imedi TV station resumed broadcasting

Imedi TV station closed again in mid-December but this time in protest. Following the release of secret tapes where, allegedly, Imedi TV's owner Patarkatsishvili was heard conspiring with a top Interior Ministry official on staging a coup, the journalists and the staff stated that they would restore the channel's broadcasting only on condition that Patarkatsishvili sells his shares to the News Corp. The issue is still unresolved and the TV remains closed while most of its journalists have left the channel.

The crisis related to the closure of the TV station has raised questions of transparency of media ownership in Georgia, especially of TV stations. In public debates media professionals have started raising the issue of ownership, which is not transparent and is often a source of the existing bias in the coverage leading to the polarisation in the society. Media professionalism and ethics also leaves much to be desired, however a clear political agenda remains to be the determining factor, leaving little scope for professional and ethical standards. Despite the attempts of the Public Broadcaster to introduce professional media standards, it has failed to get credibility and attract larger audiences. The fact that it was the Public Broadcaster was the only channel broadcasting during the state of emergency, also did not bring popularity to the channel despite its management's commitment to professional standards.

As regards the local TV channels, due to their weak financial base, they largely depend on financing from local administration's budgets and therefore their freedom is limited.

The printed media is free although its quality and the standard of professionalism needs to be raised. Limited purchasing power of the population also affects the development of printed media as a competitive business.

<sup>8</sup> CPT Report 2007



## Part II: Assistance to Georgia through the European Commission

### 1. General

The European Commission opened its Delegation to Georgia in Tbilisi in 1995. The Delegation has a full diplomatic status and its role is to facilitate the development of relations between the Government of Georgia on the one hand and EU institutions on the other. It also negotiates and coordinates the European Community's (EC) major cooperation programmes in Georgia.

The legal basis for the relations between the European Union and Georgia is the Agreement on Partnership and Co-operation (PCA), which came into force on 1 July of 1999. The agreement covers all aspects of relations between the EU and Georgia including political co-operation, trade, human rights, democracy, science and technology, education, customs, fight against corruption, transport, energy, telecommunications, environment and culture.

The EU was one of the first to assist Georgia in the difficult early years of transition. This assistance was provided through national and regional initiatives. Both – EU institutions and the member states – began supporting Georgia soon after the declaration of independence in 1991. In the early years, assistance was principally in the form of humanitarian aid that subsequently transformed into high level technical and financial assistance.

Following the inclusion of Georgia in the ENP in 2004, Georgia became eligible for the European Neighbourhood and Partnership Instrument. With the introduction of ENPI, the European Commission decided to replace the existing range of financial instruments for the delive-

ry of external assistance with a simpler, more efficient framework. The aim of ENPI is to improve the Commission's capacity to support cross-border cooperation along the EU's external borders and thus give substance to the EU's aim to avoid dividing lines and promote harmonious development across the EU external border.

The new financial framework comprises six instruments only, four of them new. The four new instruments are: Instrument for Pre-Accession Assistance, a European Neighbourhood and Partnership Instrument, a Development Cooperation and Economic Cooperation Instrument, and a Stability Instrument. The two existing instruments, for Humanitarian Aid and for Macro Financial Assistance were not in need of modification, and have been maintained. Moreover, the modalities of implementation have also been revised with a greater emphasis on Budget Support, Twinning and Co-financing with member states with directly implemented technical assistance reduced to a minimum.

The Humanitarian Aid instrument and Macro Financial Assistance have remained unchanged except that all the food aid of a humanitarian nature will be included under Humanitarian Aid instead of being dealt with under a separate Regulation.

**EU Assistance to Georgia 1991-2006 Provided through the European Commission** (*in addition to the figures below, Georgia benefits from grants under the Tacis Regional Programme – Traceca, Inogate, Natural Resources*)

	1992 1993	1994 1995	1996 1997	1998 1999	2000 2001	2002 2003	2004	2005	2006	1992 2006
TACIS	13	10	16	16	15	14	27	0	20	131
ECHO	12	45	16	13	4	4	4	1		99
FEOGA (Food Aid)	-	41	22	-	-	-	-	-		63
Exceptional humanitarian assistance	6	-	-	-	-	-	-	-	0	6
Food Security Programme	-	-	34	12	13		12	10	10	91
Rehabilitation in conflict zones	-	-	8	4	5	-	2	2	2	23
Macro financial assistance	-	-	-	19	6	-	7		33	65
CFSP* and RRM**	-	-	-	-	2	2	5			9
European Initiative for Democracy & Human Rights	-	-	-	-	-	2	2	2	3.9	9.9
Other instruments				4			2	1	2	9
<b>TOTAL</b>	<b>31</b>	<b>96</b>	<b>96</b>	<b>68</b>	<b>45</b>	<b>22</b>	<b>61</b>	<b>16</b>	<b>70.9</b>	<b>505.9</b>



In 2006 the main focus of EU support was on the following domains:

**a) Support for institutional, legal and administrative reform mainly in the field of rule of law, PCA implementation and institutional capacity building in tax and customs administration (through TACIS)**

Within this priority area, the Commission has been quite active in the field of rule of law, especially in the reform of the criminal justice system (procuracy, judiciary, penitentiary). In 2004, right after the Rose Revolution, the Council deployed the EU-JUST Themis mission which assisted the government in the elaboration of a strategy for the reform of the criminal justice sector. A follow-up project (policy advice) helped the government to further consolidate this document in a comprehensive Action Plan which was endorsed by the Government in 2006.

**b) Support in addressing the social consequences of transition, with a focus on primary health care, social assistance and child welfare reform (through TACIS)**

Within this priority area devoted to addressing the social consequences of transition, the EC has provided over the past years comprehensive support to the government mainly in the field of primary health care and by targeting assistance to the poor and most vulnerable layer of the population.

The combination of technical assistance with investment in human resources and health infrastructure through different types of assistance instruments has allowed the EC to concretely contribute to visible reform initiatives in the short-term while at the same time supporting the long-term reform process. The EC was also able to respond successfully to urgent requests for technical advice and re-design of the health and social sector legislation, in particular in the field of social assistance and pension legislation, through additional policy advice projects. In addition, the EC through its thematic budget line is funding reproductive health actions for youth in Georgia, Armenia and Azerbaijan, which are critical to achieving main MDG health objectives.

**c) Food security and poverty reduction (FSP)**

At present, the FSP is one of the main EC instruments for the reduction of poverty and the only one that directly supports Government's capacity to develop and implement policies and programmes through budgetary assistance. Through the FSP 2005-2006, €18.2 million have been provided to the Georgian state budget. The objective of such Budgetary Assistance has been to provide an impetus to key reforms in sectors that directly impact on food security, poverty reduction and public expenditure management. The main sectors supported have been therefore agriculture and the social sector, but related areas such as statistics and public finance have also been supported.

**d) Rehabilitation in conflict zones (Abkhazia and South Ossetia)**

The EC is the largest donor in conflict zones of Georgia, having allocated up to € 25 since 1992. The objective of these programmes is to contribute to the rehabilitation of the basic economic and social infrastructure in the conflict regions and to improve the living conditions of the local population as an important measure to build greater trust between the parties. A further allocation of € 2 million has been granted to continue the rehabilitation activities in South Ossetia in 2006.

In addition, the EC has granted € 9.5 million to Georgia for urgent repairs at the Enguri Hydro Power Plant (HPP). The projects have successfully been completed. The new generator has added a maximum capacity of 260Mw to Enguri HPP, which provides for 10% of Georgia's entire electricity supply. An additional € 1.7 million have been committed in 2006 for repair of the fourth Unit, which provides additional 260 Mw of electricity.

Enguri project was very effective as a confidence building measure, demonstrating that economic rehabilitation can be effective in bringing the two parties to cooperate.

The rehabilitation programme has been complemented by a mix of policy instrument including humanitarian assistance, decentralised cooperation and EIDHR projects implemented by international and local NGOs. The Delegation and ECHO have put a lot of emphasis in ensuring a coherent policy to link relief to rehabilitation and development of the region using the various instruments available. This approach continued also under the ENPI and thematic programmes from 2007 onwards.

**e) European Instrument for Democracy and Human Rights**

The principles of liberty, democracy, respect for human rights and the rule of law form a cornerstone of the European Union. In support of these principles, the *European Instrument for Democracy and Human Rights* (EIDHR) was created in 1994 following an initiative of the European Parliament. It supports and promotes human rights and democracy in non EU-countries around the world. More € 100 million are allocated annually under this budget-line.

The EIDHR funding is channeled through Micro and Macro projects.

EIDHR Microprojects are small projects administered directly by the Delegations of the European Commission in the countries concerned. The micro-projects are implemented by local NGOs and the size of grants range from € 50-100 thousand.

EIDHR Macroprojects are large-scale projects administered directly by the Headquarters in Brussels and may



cover more than one country. The macro-projects are implemented by either local or international NGOs and the size of grants range from €150 thousand to €1 million.

In the second half of 2006, 26 contracts were signed for EIDHR Micro projects for the total amount of € 1 million.

Also in December 2006, 6 EIDHR Macro projects were signed with Georgian and European organizations for the total amount of over € 2 million.

In 2007 sixteen Georgian non-governmental organisations were selected to implement activities strengthening civil society in advocacy of the rights of vulnerable groups and, promoting the democratic process. The total grant allocation is € 1.250 000.

## 2. Ongoing and future assistance

The European Union's Neighbourhood Policy, where Georgia is one of the 16 partner states, sets ambitious objectives based on commitments to shared values and effective implementation of political, economic and institutional reforms. Georgia is invited to enter into intensified political, security, economic and cultural relations with the EU, enhanced regional and cross border co-operation and shared responsibility in conflict prevention and conflict resolution.

In 2007 an Action Plan was adopted, as a first step to implement the ENP. The EU-Georgia Action Plan is a political document laying out the strategic objectives of cooperation between Georgia and the EU. It covers a timeframe of five years. Its implementation will also help fulfill the provisions of the PCA, build ties in new areas of cooperation and encourage and support Georgia's objective of further integration into European economic and social structures.

Implementation of the Action Plan will significantly advance the approximation of Georgian legislation, norms and standards to those of the European Union. In this context, it will build solid foundations for further economic integration based on the adoption and implementation of economic and trade-related rules and regulations with the potential to enhance trade, investment and growth. It will furthermore help to devise and implement policies and measures to promote economic growth and social cohesion, to reduce poverty and to protect the environment, thereby contributing to the long-term objective of sustainable development. Georgia and the EU will cooperate closely in implementing this Action Plan.

As a first step towards the implementation of the ENP Action plan an EC-Georgia Country Strategy Paper for 2007-2013 (CSP) was drawn up in close consultation with the Georgian authorities and formally adopted by

### f) Macro-Financial Assistance

Macro-Financial Assistance (MFA) contributes to support Georgia's economic reforms and improve debt repayment strategy.

In January 2006, the Council adopted a decision to make available a new package of macro-financial assistance in the form of a grant facility of € 33.5 million. The objective of this assistance is to support economic reforms and help Georgia improve debt sustainability. This assistance is complementary to the resources provided to Georgia by International Financial Institutions and bilateral institutions in support of the authorities' economic stabilisation and reform programme.

The Commission, Member States, other donors and civil society organisations were consulted during the drafting process. The principal objective of EC assistance to Georgia over the period covered by the strategy was to support the development of an increasingly close relationship between the EU and Georgia in the context of the European Neighbourhood Policy (ENP) and based on the policy objectives defined in the Partnership and Cooperation Agreement (PCA) and the EU-Georgia ENP Action Plan.

The CSP provides a comprehensive overview of future EC assistance priorities, encompassing all the financial instruments and programmes and following the structure of the ENP AP for Georgia, which includes eight priority areas for action:

- 1) Rule of Law
- 2) Improvement of business climate
- 3) Economic development and poverty reduction
- 4) Cooperation on Justice, Law, Security (JLS) and border management
- 5) Regional cooperation
- 6) Resolution of internal conflicts
- 7) Cooperation on foreign and security policy
- 8) Transports and Energy

The ENP CSP is divided into six main chapters:

- 1) Political dialogue and reform
- 2) Cooperation for the settlement of Georgia's internal conflicts
- 3) Cooperation on Justice and Home Affairs
- 4) Trade-related issues, market and regulatory reform



5) Transport, energy, information society and media, environment, research, development and innovation

6) People-to-people contacts

The National Indicative Programme for 2007-2010 defines in greater detail the focus of operations under the national allocation of the new European Neighbourhood and Partnership Instrument (ENPI). It is intended as a guide to planning and project identification during the four-year programming period and sets out a limited number of priority areas, together with the objectives and results to be achieved.

**Main priorities and goals**

Assistance provided under this National Indicative Programme for Georgia focuses on four priority areas:

*Priority Area 1: Support for democratic development, rule of law and governance*

Sub-priority 1.1: Democracy, human rights, civil society development

Sub-priority 1.2: Rule of law and judicial reform

Sub-priority 1.3: Good governance, public finance reform and administrative capacity building

*Priority Area 2: Support for economic development and ENP AP implementation*

Sub-priority 2.1: Promoting external trade and improving the investment climate

Sub-priority 2.2: Supporting PCA/ENP AP implementation and regulatory reforms

Sub-Priority 2.3: Education, including vocational education, science and people-to-people contacts/exchanges

*Priority Area 3: Support for poverty reduction and social reforms*

Sub-priority 3.1: Strengthening social reforms in health and social protection

Sub-priority 3.2: Rural and regional development

*Priority Area 4: Support for peaceful settlement of Georgia's internal conflicts*

**Indicative budget**

Financial resources available to Georgia under this NIP for the period 2007-2010 amounts to € 120.4 million. This allocation may be increased through allocations under a new Governance Facility which will reward those ENP countries which show the best performance in relation to governance issues.

**The indicative breakdown of resources under the Indicative Programme for Georgia should be as follows:**

Priority Areas	M€	%
Support for democratic development, rule of law and Governance	31.5	26%
Support for economic development and ENP AP Implementation	31.5	26%
Poverty reduction and social reforms	38.4	32%
Support for peaceful settlement of Georgia's internal conflicts	19.0	16%
<b>Total indicative ENPI allocation 2007-10</b>	<b>120.4</b>	<b>100%</b>

From 2007 on, EC assistance has been provided through a set of new instruments. While ENPI (including not only its national but also its transnational/regional, cross-border and thematic components), will be the main tool for providing assistance to Georgia, certain measures, in particular in the area of conflict prevention and crisis management and resolution, may also be supported under the Stability Instrument.

The introduction of these new external assistance instruments substantially increase flexibility. Technical assistance is no longer the predominant channel for the Commission's external assistance programmes to Georgia. Other types of assistance such as: Twinning, TAIEX, Budgetary Support – including in the context of sector-wide approaches (SWAPs), infrastructure and equipment funding and pool funding will be available and used wherever appropriate. Georgia will receive support for participation in Community programmes, agencies and networks, insofar as these are open to the country. The clearer framework provided by the ENP Action Plan will contribute to ensuring the consistency of EU assistance within specific sectors. Additional support for investment in transport and energy infrastructure and in the environment will be provided primarily through EIB lending, conditional upon the extension of the Bank's mandate to the South Caucasus region.

Interest rate subsidies and other ways of blending grants and loans will be able to leverage investments by international financial institutions in the fields of environment, energy and transport. Where interest rate subsidies are considered, their relevance will be assessed on a case-by-case basis and care will be taken to avoid significant market distortions.

As regards the environment, relevant sectors include water management, waste management and industrial pollu-



tion. For energy, possible areas include renewable energy resources, energy efficiency and energy saving. Energy infrastructure/network investments should in principle be commercial operations given their financial return. In exceptional circumstances, though, where specific EU interests are involved (notably, security of energy supply) and it appears difficult to get a project started, targeted

interest rate subsidies or other ways of combining grants and loans will also be considered for particular investment projects. Regarding transport, interest rate subsidies or other blending schemes will focus on catalysing funds for critical infrastructure of strategic importance, such as cross-border measures on priority axes or missing link necessary for their completion.

### 3. Regional Assistance

#### *ENPI Eastern trans-national/regional programme*

The regional ENPI component will contribute to the achievement of the objectives outlined in the Country Strategy Paper by addressing a limited number of priorities relevant to Georgia but with a genuine regional dimension both in terms of joint implementation and impact.

At sectoral level, this relates in particular to transport (the recommendations of the Baku working groups adopted during the last Baku Transport Ministerial Conference as well as the TRACECA Strategy adopted during the TRACECA Ministerial Conference in May 2006 in Sofia), energy (covering, in the context of the follow-up to the Energy Ministerial Conference in Baku on 13 November 2004, all regional elements in this domain, in particular in relation to harmonising energy markets, the transit of oil and gas, electricity, energy efficiency, energy saving and renewables and facilitating investment in energy projects of common interest) and the environment (targeting inter alia the regional dimension of the EU Water Initiative and regional aspects of protection and sustainable management of forests, regional cooperation concerning regional seas, and compliance with multilateral agreements).

Beyond that, certain aspects of border and migration management, the fight against trans-national organised crime, and customs can also be addressed more effectively at regional level where action at regional level complements action at national level. This could include action on customs and border management, integrated border management, the fight against trans-national organised crime and migration and asylum management. Finally, there will be scope for regional activities regarding SME cooperation and civil society cooperation.

#### *ENPI Inter-Regional programme*

The ENPI Inter Regional programme will include activities that for reasons of coherence, visibility and administrative efficiency are best implemented in the same way for all the neighbouring countries. Examples are TAIEX, TEMPUS and the new Scholarship Programme.

#### *ENPI cross-border cooperation(CBC)/Neighbourhood and Partnership Programmes (NPP)*

NPPs will be based on two types of programmes: bilateral programmes (typically involving two countries sharing a

border) and multilateral programmes (e.g. for the Black Sea). As it does not have physical borders with the future enlarged EU, Georgia will only be involved in multilateral cooperation around the Black Sea.

#### *ENPI thematic programmes*

The aim of ENPI thematic programmes is to simplify the delivery of foreign assistance and achieve more and better results with the resources available. Thematic programmes are set up to achieve policy objectives that are not geographically limited and where the goal cannot be fully achieved through country and regional programmes.

A total of five thematic programmes will be available under the new instrument. Out of these, "Migration and asylum", "Investing in people", "Food Security" and "Environment and sustainable management of natural resources including energy" are potentially relevant for Georgia. As these issues will also be addressed under the national/regional ENPI envelopes, additional thematic activities will be launched only if they provide clear added value.

#### *Stability Instrument*

The main goal of the Stability Instrument is to provide an effective, timely, flexible and integrated response to crises, emerging crises or continued political instability.

In the case of Georgia this is particularly relevant to the conflicts in Abkhazia and South Ossetia, which continue to call into question Georgia's territorial integrity and challenge Georgia's security. In spite of persisting tensions and incidents, peace plans have been tabled in 2005 and 2006 by all parties to the conflicts, showing a substantial convergence on the intermediary stages but a predictable disagreement on the final status. Future support for the implementation of peace plans for the resolution of Georgia's conflicts may be provided under the Stability Instrument.

Equally important for Georgia may be measures to address the effects on the civilian population of anti-personnel mines, unexploded ordnance ammunition, surplus firearms or other explosive devices. Such measures may, where appropriate, be addressed under the Stability Instrument and under the national and regional envelopes of the ENPI.





## Part III - List of Projects

Programme	Keyword	Project Title	Project Objectives	Implemented by	Amount in Euros	Project Duration
EIDHR MICRO	Human Rights and Democracy	Creation of centres of legal promotion of women in Dmanisi and Tsalka	Promotion of women's civil rights among ethnic minorities	Association Women of Multinational Georgia	48 648	September 2006 - December 2007
EIDHR MICRO	Human Rights and Democracy	Prevention of trafficking in human beings and support to the implementation of the National action plan on counter trafficking	Combat trafficking in Georgia	Peoples Harmonious Development Society	50 000	September 2006 - January 2008
EIDHR MICRO	Human Rights and Democracy	Juvenile advocacy and development	Protection of juvenile prisoners rights and improving conditions	Institute of Democracy Batumi	37 453	September 2006 - December 2007
EIDHR MICRO	Human Rights and Democracy	We partner to make the world fit for children	Promoting children right in Guria	Guria Youth Centre	44 690	September 2006 - January 2008
EIDHR MICRO	Human Rights and Democracy	Sustainable Development program for Adjara ecomigrants	Sustainable Development program for Adjara ecomigrants	Independent Journalists House Batumi	50 000	September 2006 - March 2008
EIDHR MICRO	Fostering a culture of human rights	Support to the reintegration of probationer women into society	Support to the reintegration of probationer women into society and their rights of education and labor	Junior achievement Georgia	49 720	December 2006 - May 2008
EIDHR MICRO	Fostering a culture of human rights	A world fit for children	Support to rights of socially unprotected and marginalized children	Georgian Public Health Association	35 297	November 2006 - December 2007



EIDHR MICRO	Promoting the democratic process	Improving democratic governance of security sector in Georgia through empowering civil society	Improving transparency and accountability of security sector	CIPDD Caucasus Institute for Peace, Democracy and Development	32 744	December 2006 - November 2007
EIDHR MICRO	Promoting the democratic process	Society and Self government in Kiziki	Activization of civil initiative and support self government institution	Caucasian House	30 621	January 2007 - June 2008
EIDHR MICRO	Promoting the democratic process	Fair election -means of building democracy	Develop democracy building process in Samtskhe-Javakheti	Centre for International Education	48 344	December 2006 - February 2008
EIDHR MICRO	Promoting the democratic process	Free and fair election.	Capacity building for domestic observers	ISFED	50 000	November 2007 - November 2008
EIDHR MICRO	Promoting the democratic process	Raising awareness of ethnic minorities on election issues and training observers in Kvemo Kartli and Samtskhe-Javakheti	Training observers from minorities	PMMG Public Movement Multinational Georgia	50 000	November 2007 - November 2008
EIDHR MICRO	Promoting the democratic process	Strengthening the independent media in Adjara	Strengthening institutional capacity of first independent radio station in Adjara	Green Wave Association	47 490	December 2006 - December 2007
EIDHR MICRO	Promoting the democratic process	Investigative journalism in help of democracy	24 journalists investigations and documentaries	Studio Monitor	49 931	December 2006 - December 2007
EIDHR MICRO	Promoting the democratic process	Minority voices make difference	Increasing awareness about participation in the election process of ethnic minorities	CIVITAS Georgica	30 691	December 2006 - December 2007



EIDHR MICRO	Promoting the democratic process	Civil responsibility and self governance	Publishing a journal about active citizenship in Kashuri region	Education Information Centre Kartli XXI	36 504	November 2006 - November 2007
EIDHR MICRO	Promoting the democratic process	Freedom of expression and participation mechanism for minorities in Georgia	Promote ethical coverage of minorities issues	Horizonti Foundation	44 882	December 2006 - December 2007
EIDHR MICRO	Promoting the democratic process	Citizens informed choice -Media and Election	Help regional and local media to analyze coverage of politics on national level	Centre for Social Science	34 500	February 2007 - December 2007
EIDHR MICRO	Abkhazia - EIDHR	Monitoring of court cases in Abkhazia	This project supports the monitoring of cases in court and legal education of representatives of the legal system in Abkhazia	Foundation Civic Initiative of Human Beings for the Future	60 000	July 2005 - July 2007
EIDHR MICRO	Abkhazia - EIDHR	Promotion and Protection of Rights of Vulnerable Groups	The project supports the promotion and protection of the rights of vulnerable groups in Abkhazia	Association of Women in Abkhazia	47 760	July 2005 - July 2007
EIDHR Micro	Protection the rights of Vulnerable Groups	Your Future in your Hands	Ethnic/religious minorities rights protection in Kvemo Kartli	Association Women of Multinational Georgia	90 993	01/12/2007 - 01/06/2009
EIDHR Micro	Protection the rights of Vulnerable Groups	Accomplishment and extension of juvenile advocacy and development system in Adjara	Advocacy and public reintegration of the juveniles released from custody and police departments in Adjara	Institute of Democracy Batumi	99 802	01/11/2007 - 01/05/2009
EIDHR Micro	Protection the rights of Vulnerable Groups	Enhancing the rights of minority children in marginalized communities of Samtskhe-Javakheti and Kvemo Kartli	Enhance the children's rights by implementing social justice anti-bias curriculum in the primary classrooms	Centre for Educational Initiatives	40 000	01/11/2007 - 01/11/2008



EIDHR Micro	Protection the rights of Vulnerable Groups	Protection of human rights of HIV/AIDS infected and those of highest risk of infection	Protection of human rights of drug users and people with HIV/AIDS and support their reintegration to the society	Union Alternativa	79 453	01/11/2007 - 01/05/2009
EIDHR Micro	Protection the rights of Vulnerable Groups	Joint Action against HIV associated stigma	Promote the reduction of psychological and social suffering and change negative attitude toward social group affected by HIV	Public Union Be- moni	98 271,4	01/11/2007 - 01/11/2008
EIDHR Micro	Protection the rights of Vulnerable Groups	Protection of Meskhetian repatriates right-supporting integration in Georgia	Supporting the integration of Meskhetian repatriates into the society	Tolerant associa- tion of Samtskhe- Javakheti	89 800	01/11/2007 - 01/05/2009
EIDHR Micro	Protection the rights of Vulnerable Groups	Promoting human rights' protection of adults and children in closed psychiatric, intellectual disability and social care institutions of Georgia	Promote the respect for human rights and dignity of persons with mental disorder, treated in closed mental institutions	GIP Georgia	69 780	01/11/2007 - 01/11/2008
EIDHR Micro	Protection the rights of Vulnerable Groups	Promoting Rights and Interests of Children with Hearing Disabilities	Promoting the rights of children with hearing impairments in Ajara on education and rehabilitation	Union Step Forward	63 780	01/11/2007 - 01/05/2009
EIDHR Micro	Support of the Democratic process	For yours and our rights	Increase civil Awareness among the IDPs, Meskhetian repatriates and ethnic minorities groups and their inclusion in democratic process	IDP Women Associa- tion Consent	72 419	01/11/2007 - 01/05/2009
EIDHR Micro	Support of the Democratic process	Fair 2008 Elections and informed voters	Support the democratic development in Georgia through nationwide public awareness-campaign and support fair and transparent elections	ISFED	99 900	01/12/2007 - 01/06/2008



EIDHR Micro	Support of the Democratic process	Monitoring the use of administrative resources in 2008 presidential and parliamentary elections	Promote free and fair elections in Georgia	Transparency International Georgia	65 735	01/12/2007 - 01/07/2008
EIDHR Micro	Support of the Democratic process	Community mobilization initiative	Increase participation in self-government process of 63 communities' population of five municipalities of Ajara	Young Scientists Union "Intellect" (Batumi)	99 977	10/10/2007 - 10/06/2009
EIDHR Micro	Support of the Democratic process	Youth Vote Project	Enhancing the quality of civic education at secondary school level with particular emphasis on participation in democratic processes	Debate Education Association	89 559	01/11/2007 - 01/11/2009
EIDHR Micro	Support of the Democratic process	Fostering students democratic awareness in the mountainous regions of Ajara	Encouraging democratic values in students through introducing democratic mechanisms in the education system in Ajara	Centre for International Education	85 887	01/11/2007 - 01/05/2009
EIDHR Micro	Support of the Democratic process	Law execution for the society rights protection	Activation of local community members and their involvement in the decision making process	Guria Agribusiness Centre	41 098	01/11/2007 - 01/11/2008
EIDHR Micro	Support of the Democratic process	Election for All	Pre-electoral education campaign for ethnic minorities	Association of Intellectual Women Kartlis Deda	63 576	01/11/2007 - 01/05/2009



EIDHR MACRO	Rule of Law and Good Governance	Strengthening Rule of Law in Georgia	Promoting institution-building for Rule of Law and good governance in Georgia	Georgian Young Lawyers Association (GYLA)	300 000	January 2006 - January 2008
EIDHR MACRO	Rehabilitation Victims of Torture	The Programme of Rehabilitation of Torture Victims in Georgia	Creation of non-governmental nationwide system of medical, psycho-social rehabilitation of victims of torture	EMPATHY	487 500	January 2006 - January 2009
EIDHR MACRO	Combating Racism, Xenophobia and promoting the rights of minorities	The Folk High Schools in Samtskhe-Javakheti -a Chance of Integration of Minorities	Promoting the rights of minorities through non-formal education and promoting their re-integration to civil society	Institute for International Cooperation of the German Adult Education Association (IIZ/DVV)	400 000	January 2006 - October 2008
EIDHR MACRO	Combating Racism, Xenophobia and promoting the rights of minorities	Making Waves: A community Radio Project for Georgia	Exploring the power of community radio to promote the rights of Armenian and Azeri minorities	BBC World Service Trust	400 000	January 2006 - May 2007
EIDHR MACRO	Promoting the democratic process	Building Public confidence and maximizing participation of disadvantaged groups in democratic process	To help foster access of disadvantaged groups to active political life in Georgia	Heinrich Boll Foundation	319 930	December 2006 - August 2009
EIDHR MACRO	Promoting the democratic process	Fostering civil integration through education and freedom of expression	Strengthening the basic of civil society by fostering the integration of language and religious minorities & create a cultural tolerance	Foundation ALPE	302 356	January 2007 - January 2007
EIDHR MACRO	Promoting the democratic process and freedom of expression	Cross Caucasus Journalism Network	Strengthening civil society dialogue and increase freedom of expression	IWPR UK	956 763	January 2007 - January 2010
EIDHR MACRO	Promoting the democratic process and freedom of expression	Independent Media for Civic Integration	Development of independent media through improving professionalism, awareness rising among journalists and internet access	CIPDD Caucasus Institute for Peace, Democracy and Development	479 576	March 2007 - March 2010
EIDHR MACRO	Prevention of Torture and rehabilitation of torture victims	Prevention of torture in Georgia	Raise awareness and support effective implementation of OPCAT in Georgia	Penal Reform International PRI UK	313 491	January 2007 - January 2010
EIDHR MACRO	Prevention of Torture and rehabilitation of torture victims	Improvement of rehabilitation services to torture survivors in Georgia	Provision of psychological and medical rehabilitation and legal assistance to torture victims	GCRT	428 868	January 2007 - January 2010



CFSP	South Ossetia - JCC	Support to the Joint Control Commission for South Ossetia	The EC is assisting the Georgian and South Ossetian sides within the framework of the Joint Control Commission (JCC) with an EU grant to OSCE. The JCC is a quadripartite body, including the Georgian and Ossetian sides (the parties in the conflict), Russia and North-Ossetia, that addresses issues related to Georgian-Ossetian conflict.	OSCE / JCC	140 000	July 2005 - July 2007
FOOD	Social protection Rural development Food security	2005 Food Security Programme - Georgia	Budget support programme for improving state services with an important bearing on poverty reduction and food security i.e. in agriculture and social protection	GoG	20 000 000	January 2005 - December 2006
FOOD	Social protection Rural development Food security	2007 Food Security Programme - Georgia	Budget support programme for improving state services with an important bearing on poverty reduction and food security i.e. in agriculture and social protection	GoG	3 086 000	January 2007 - December 2008
SANTE (Programme of Aid for Policies and Actions on Reproductive and Sexual Health and Rights in Developing Countries)	Health	Reproductive Health Initiative for Youth in the Caucasus	To improve sexual and reproductive health and rights of young people in the region	UNFPA	2 500 000	March 2006 - March 2009
TACIS/REGIONAL/ INOGATE	Gas	Development of maintenance excellence in NIS gas companies	Modernisation of maintenance policies	Fichtner GmbH	1 500 000	December 2005 - December 2007
TACIS/REGIONAL/ INOGATE	Oil & Gas	Technical assistance support fund for facilitating investments in oil and gas infrastructure	Technical assistance to the preparation of applications for funding from international financial institutions	Kallimopoulos, Loukopoulos & Chiotellis Law Firm	2 600 000	December 2005 - December 2007



TACIS/REGIONAL/INOGATE	Oil & Gas	Regional Technical Secretariat	Establishment of regional secretariats in Tbilisi and Tashkent & improvement of INOGATE coordination and awareness; capacity building for project identification of projects for international financing or private investment; seminars on pipeline operation and maintenance	EIR Development Partners	3 000 000	November 2005 - November 2008
TACIS/REHABILITATION	South Ossetia - Rehabilitation III	Rehabilitation in the Zone of the Georgian-Ossetian Conflict, Phase III (OSCE)	The programme consists of three components: 1. Basic shelter assistance and repatriation kits to returnees and internally displaced persons. 2. Rehabilitation of basic infrastructures in support to the resident communities. 3. Rehabilitation of basic infrastructures to complement the shelter assistance of the first part.	OSCE, UNDP, UNHCR	2 500 000	April 2004 - July 2007
TACIS/REHABILITATION	South Ossetia - Rehabilitation IV	Economic Rehabilitation Programme in the Zone of the Georgian-Ossetian Conflict, Phase IV	The EC contribution will focus on electricity and gas projects.	Multi Donor, led by OSCE	2 000 000	Autumn 2006 - Autumn 2008
TACIS/REHABILITATION	Abkhazia - rehabilitation	Economic Rehabilitation Programme for the Georgian Abkhaz Zone of Conflict - Phase I	The programme supports rehabilitation of local hospitals and electricity infrastructure in the conflict zone that would create conditions for economic reconstruction and the safe and dignified repatriation of displaced persons.	UNOMIG (UN Observer Mission in Georgia)	990 000	December 2005 - December 2007
TACIS/REHABILITATION	Abkhazia - rehabilitation	Economic Rehabilitation Programme for the Georgian Abkhaz Zone of Conflict - Phase I	The programme supports rehabilitation of water supply, local agricultural development, training/management in hospitals and electricity in the conflict zone that would create conditions for reconstruction and the safety for refugees and displaced persons.	UNDP	990 000	December 2005 - December 2007





TACIS/REHABILITATION	Abkhazia - rehabilitation	Economic Rehabilitation Programme for the Georgian Abkhaz Zone of Conflict - Phase II	Repairs at the Enguri Hydro Power Plant. It would be a follow-up of the EC financed rehabilitation projects at Enguri HPP that were completed in spring 2006.	EBRD	1 570 000	January 2007 - December 2009
TACIS/REHABILITATION	Abkhazia - rehabilitation	Economic Rehabilitation Programme for the Georgian Abkhaz Zone of Conflict - Phase II	Civilian police activities, Enguri shuttle bus	UNOMIG (UN Observer Mission in Georgia)	110 000	January 2007 - December 2009
TACIS/REHABILITATION	Abkhazia - rehabilitation	Economic Rehabilitation Programme for the Georgian Abkhaz Zone of Conflict - Phase II	Establishment of information sharing centre	UNDP	90 000	January 2007 - December 2009
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Economic rehabilitation in Western Abkhazia	This projects supports community-based income-generating activities in agriculture in western Abkhazia	Danish Refugee Council -	97 000	February 2006 - March 2007
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Community-based income generation programme in Gudauta District - West Abkhazia	This projects supports community-based income-generating activities in agriculture in western Abkhazia	Accion Contra El Hambre	99 940	February 2006 - February 2007
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Business and management skills for Abkhazia	This projects aims to increase the business and management skills of economic actors in Abkhazia	World Vision	100 000	February 2006 - August 2007
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Cooperation of civil society with local authorities in the sphere of human rights and rights of women	This project supports the cooperation of civil society with local authorities in the sphere of human rights and rights of women	Association of Women in Abkhazia	50 000	February 2006 - February 2008
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Tools of support of development of women business - Creation of business-incubators	This project supports the development of business planning and business skills for SMEs for women in Abkhazia	Union of Business Women of Abkhazia	49 695	February 2006 - February 2008



DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Article 19 – International Centre Against Censorship – Building Capacity for Good Municipal Governance in Abkhazia	This projects support capacity building activities for good municipal governance in Abkhazia with a focus on freedom of information and women's issues in Sukhumi, Gudauta and Tkvarchali districts	Article 19 – International Centre Against Censorship	97 000	February 2006 - February 2008
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Development of Free and Independent Media in Abkhazia	This project supports the development of a free and independent media in Abkhazia through training and awareness raising activities	Sukhum Media Club	35 197	February 2006 - February 2008
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Stimulating Cooperation between Civil Society and Local Government and Self-Government Structures	This project aims at stimulating co-operation between civil society and local government and self-government structures for effective problem solving on a local level	Centre for Humanitarian Programmes	99 734	February 2006 - February 2008
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Strengthening of a civil society, development of opportunities for Abkhazian NGOs in the field of Human rights	This project aims to strengthen civil society and develop opportunities for Abkhazian NGOs in the field of Human rights	Civic Society Development Centre	45 821	February 2006 - February 2009
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	Youth Initiative for the Future	This project supports local activities and training for youth and the creating of a network of local youth houses in Abkhazia	Sukhum Youth House	89 997	February 2006 - February 2008
DECENTRALISED COOPERATION	Abkhazia - Decentralised Cooperation	All Different - All Equal	This project supports the integration of disabled people into society in Abkhazia	Association 'Inva-Sodeistvie'	95 625	March 2006 - March 2008
DECENTRALISED COOPERATION	Support to IDPs - Decentralized Cooperation	Protection of the rights of IDPs in the Autonomous Republic of Adjara	This project promotes the rights of IDPs in Adjara and facilitates their integration into the society	Regional Centre for Human Rights Protection	78 484	January 2007 - July 2008



DECENTRALISED COOPERATION	Support to IDPs - Decentralized Co-operation	IDP Rights Protection and Promotion in Imereti Region	Project promotes social and policy dialogue contributing to durable solutions for internal displacement	Union 'Sachino'	90 000	December 2006 - December 2008
DECENTRALISED COOPERATION	Support to IDPs - Decentralized Co-operation	Strengthening State-Civic Dialogue on Housing Solutions for Collectively Accommodated IDPs	Project seeks to promote durable solutions for IDPs by strengthening civic dialogue and raising public awareness on housing issue	Danish Refugee Council	99 939	January 2007 - January 2008
DECENTRALISED COOPERATION	Support to IDPs - Decentralized Co-operation	Economic Support for IDPs in Samegrelo	Project promotes IDPs living in Samegrelo to meet their social and economic needs and supports engagement of IDPs for assistance in break-away regions	Association of Disabled in Tsalenjikha	99 508	December 2007 - April 2008
DECENTRALISED COOPERATION	Support to IDPs - Decentralized Co-operation	IDP Integration through Education	Project seeks to increase IDP access to quality education and integration into society through implementation of education component of State Strategy on IDPs	International Institute for Education Policy, Planning and Management	96 786	January 2007 - July 2008
DECENTRALISED COOPERATION	Support to IDPs - Decentralized Co-operation	Building IDP Capacity for Political Participation	Project aims to promote active participation of IDPs in the peace process and institutionalize their activities for integration into society	Conciliation Resources	100 000	January 2007 - July 2008
ECHO	ECHO - Humanitarian Assistance	Economic Assistance Programme	Food aid and food security, income generation	ICRC	500 000	November 2006 - October 2007
ECHO	ECHO - Humanitarian Assistance	Food Security, income generation programmes		Accion contra el Hambre	290 000	December 2006 - November 2007
ECHO	ECHO - Humanitarian Assistance	Food Security, income generation programmes		Premier Urgence	602 140	December 2006 - October 2007
ECHO	ECHO - Humanitarian Assistance	Shelter Rehabilitation and Income Generation Programmes		Danish Refugee Council	600 000	December 2006 - November 2007



NGO Co-financing	NGO Co-financing	Income Generation Activities	Project aims at improving the living conditions of vulnerable households, men and women in Abkhazia, through market oriented income-generating and community development activities, supported by strengthened village structures and support to local civil society, as well as to establish links and networks inside and between local communities of Abkhazia and the rest of Georgia.	Accion contra el Hambre	989 694	January 2007 - December 2009
NGO-Co-financing	Health	Improving access to and utilization of quality primary health care services for Internally Displaced Persons and other vulnerable groups in Samegrelo Region of Georgia	To ensure equitable access to quality PHC services to poor communities of Samegrelo Region.	OXFAM	750 000	March 2007 - March 2010
NGO-Co-financing	Economic Development	Rural Economic Development Programme in Samegrelo and Upper Svanetia region, Georgia	Small and medium farmers are economically empowered through facilitation of services in a sustainable way	Accion Contra el Hambre	748 000	December 2005 - December 2008
NGO Co-financing	Child protection, de-institutionalization	“Learners for life” life skills & employment services for vulnerable youth, Georgia	To improve the economic prospects of vulnerable youth, age 14 to 20, by initiating training and employment services in Batumi, Kutaisi and Telavi	World Vision	452 009	October 2004 - October 2007
Youth Programme	Youth	For a Future to Come - International Youth Work on Conflict Management	Promotion of Youth programme on the topic of conflict management and conflict resolution. It is aimed to train youth workers from programme countries and particularly from EECA countries in conflict management and to establish a Trans-European youth network	Minorities of Europe (UK), Academic Centre of European Information and Education (PL), Mostar Friedensprojekt (D), Academy for Peace and Development (GE), Stepanavan Youth Center (AR), Association of Young Azerbaijani Friends of Europe (AZ).	120 000	January 2007 - March 2009



MINE ACTION	MINE ACTION / ABKHAZIA	Mine Action-Abkhazia	Upon completion of this demining programme Abkhazia is expected to be declared mine-impact free	HALO Trust	500 000	October 2006 - March 2008	
MINE ACTION	MINE ACTION	Mine Ban Treaty Advocacy	Project aims at engaging non-state actors in Abkhazia, South Ossetia and Nagorno-Kharabagh to ban anti-personnel mines.	Geneva Call	500 000	October 2006 - October 2008	
TACIS	Child protection, de-institutionalization	Support to Child Welfare Reform in Georgia	To support the Government of Georgia in the reform of the national child care system in line with the principles and standards laid down in the United Nations Convention on the Rights of the Child	Every Child	2 195 435	August 2006 - August 2009	
TACIS	Statistics	Reform of the Official Statistics in Armenia, Azerbaijan and Georgia - Statistics 10	To have the technical capacities of the National Statistical offices strengthened in selected areas, making them able to provide the users with accurate, reliable and timely data which are compiled according to international standards and methods	REF	1 300 000	July 07 - July 09	
TACIS	Border	Support to the establishment of a border police faculty in the police academy	Establishment of a border police faculty in the police academy	Finnish Guards	Border	850 000	January 2006 - July 2007
TACIS	Health	Retraining of medical workforce from Kakheti Region	Retraining of 85 teams of physicians and nurses from Kakheti Region	HLSP		906 000	August 2006 - December 2007



TACIS	Health	Refurbishment of PHC facilities, provision of essential medical equipment and health promotion activities in Kakheti Communities	To support the Primary Health Care system reform in Kakheti region creating quality health services accessible to vulnerable and poor people	MERLIN	5 150 000	September 2005 - December 2007
TACIS Accompanying Measures	Health	Support to the Pension Reform in Georgia	Advise on how to reform and to improve the present situation in the private pension insurance market, preparation of an institutional and legal base, and encouragement of the actuarial practice	CAMBRIDGE EDUCATION LIMITED	97 000	January 2008 - January 2009
TACIS	Health	Support to Transformation of the State United Social Insurance Fund of Georgia	Technical support to strengthen the state health purchaser functions (HeSPA)	BERNARD BRUNHES INTERNATIONAL SA	900 000	April 2007 - October 2008
TACIS	Gas	Commissioning of the gas metering station - Gweletti, Georgia		PIETRO FIORENTINI SPA	120 000	April 2006 - July 2008
TACIS	Health	Primary health care reform support project	To contribute towards improved population access and utilization of quality primary health care services in selected regions of Georgia	Georgian Health Social Projects Implementation Center	5 000 000	January 2008 - December 2010
TACIS	Higher Education	Establishment of a Centre for European Studies at TSU	To contribute to the Bologna process and to meet the requirements of the European Neighbourhood Programme by establishing a Centre for European Studies at Tbilisi State University and two other Georgian State Universities in Batumi and Telavi.	Universite Mendes (UPMF) Pierre France	1 000 000 (+ 300.000 for Learning Resource Centre)	April 2006 - October 2008



TACIS	Development cooperation	Technical assistance to the National Coordination Unit (TANCU)	To support the NCU in process of strengthening the Georgian government institutions in their relation and dialogue with the EU and make best use of the EU assistance in the EU integration process	East West Consulting (Belgium)	790 000	November 2006 – October 2008
TACIS	Parliament	Support to the reform of the Georgian Parliament	Contribute to the development and consolidation of democratic institutions for an effective, efficient and transparent working environment by enhancing the capacity, professionalism and accountability of the Georgian Parliament	GTZ Int. Services	2 200 000 (+ 300 000 for Equipment / Works)	October 2005 - April 2008
TACIS	PCA Implementation	GEPLAC V	To support Georgian Government with PCA implementation (article 43) and National Programme of Harmonisation of Legislation and institutional building	Altair	1850000 (+ 100 000 for equipment)	October 2005 - April 2007
TACIS	Ministry of Finance	Support to tax administration	Support the New Tax Code implementation through reform of the tax department, the inclusion of a tax service and public awareness campaign	Human Dynamics	1250000 (+ 250 000 for equipment)	October 2005 - October 2007
TACIS	Rural Development	Pilot Project for poverty reduction in Kvemo Kartli	The project has three main objectives: - facilitate economic development; increase capacity in local administration to deliver public services; and to create a mechanism for regional planning activities	Accion Contra el Hambre	1 500 000	October 2005 - October 2008
TACIS	Rural Development	Pilot Project for poverty reduction in Samtskhe Javakheti	The project has three main objectives: - facilitate economic development; increase capacity in local administration to deliver public services; and to create a mechanism for regional planning activities.	Mercy Corps	1 500 000	December 2005 - December 2008



TACIS	Ministry of Finance	TA to Custom Se-condary Legislation and SPS import control	The project aims to support the establishment of a predictable customs regime and the enforcement of an effective SPS import control system	Agrysystem	1 000 000	April 2007 - October 2008
TACIS	Research & Development	Creation of an Effective Model of Science Administration	To assist the Ministry of Education and Science (MoES) and the Georgian National Science Foundation (GNSF) to define a clear strategy and transparent policy for the modernization of the overall R&D policy system in Georgia and to formulate recommendations to improve Georgian legislative framework towards EU standards	Archimedes Foundation (Estland)	200 000	August 2006 - May 2007
TACIS	Higher Education	Establishment of a Centre for European Studies at Tbilisi State University	Contribute to the democratic process and to the economic transition of Georgia and to meet the requirements of the European Neighbourhood Programme. The specific objective is the establishment of a Centre for European Studies at Tbilisi State University with links to the university's regional branches and other Georgian State Universities, such as Batumi State University	To be identified	1 000 000	March 2006 - September 2008
TACIS	Ministry of Justice	Support to the reform of the Ministry of Justice	Support to management and administration reform	Human Dynamics	1 500 000	August 2006 - February 2008
TACIS	Penitentiary	Penitentiary and Probation Reform in Georgia	Assistance to establish a democratic, transparent and efficient penitentiary and probation service	Swedish Prison and Probation Government Office	1 500 000	August 2006 - August 2008
TACIS	Prosecutors Office	Strengthening Prosecution Reform in Georgia (Phase II)	Assistance to establish a democratic, transparent and efficient prosecution service	British Council	750 000	May 2006 - December 2007





TACIS	EC	Sector Study and Project Design for Rule of Law Assistance to Georgia	Project Identification, Assessment of Criminal Justice System in Georgia	European Consultants Organisation	200 000	August 2006 - August 2007
TACIS	Ministry of Justice	Assistance to the Civil and Administrative Law Reforms in Georgia	Assist governmental working groups in developing the Strategy and Implementation Action Plan for Civil and Administrative Law Reforms	Dialogue Consortium led by Sudget	200 000	January - August 2007
TACIS	Prosecutors Office	Supply of IT Equipment for the Project "" Strengthening procuracy Reform In Georgia	Improve the IT capabilities of the Procuracy by providing communication network for central and regional offices	UGT	250 000	December 2006 - December 2007
TACIS/REGIONAL	Drug	South Caucasus Anti Drug Programme, SCAD 5	Reduction of drug trafficking in the South Caucasus	UNDP	1 900 000	June 2007 - June 2009
TACIS/REGIONAL	Environment	TA to Armenia, Azerbaijan, Georgia and Moldova with respect to their Global Climate Change commitments	Capacity building for Cleaner Development Mechanism; awareness raising for Kyoto Protocol; development of national climate change strategies; greenhouse gas forecast modeling	Fichtner & C	1 230 000	April 2004 - October 2006
TACIS/REGIONAL	Environment	EC Contribution to international agreement: EAP Task Force support to the NIS environment strategy	Monitoring water sector reform, legal and institutional reforms and promoting financial reform and managing their social impacts	OECD	1 500 000	November 2003 - June 2006
TACIS/REGIONAL TCAS	Environment	Improvement of the Waste Management System in Kutaisi	Decrease the negative influence of municipal waste on the environment and population's quality of life in Kutaisi by realizing new strategy of municipal waste management	Kutaisi City Government	160 000	October 2006 - December 2007



TACIS/ REGIONAL TCAS	Environment	Institutional Management of the Health-Care Waste in Batumi and Kobuleti Cities	Protection of environment and natural resources and population from health-care waste in Adjara Region	Batumi City local self-government	159 873	October 2006 – December 2007
TACIS/REGIONAL	Refugees/IDPs/ Asylum	Strengthening Protection Capacity in Southern Caucasus - Developing a Regional Protection Response to Forced Displacement	Project will address identified gaps in protection and will work to ensure that asylum systems are in accordance with international standards and the rights of refugees	UNHCR	500 000	July 2007 - November 2008
TACIS/REGIONAL/ TRACECA	Transport	Freight forwarders training	Promotion EU standard procedures and regulations; capacity building in freight forwarders associations; development and delivery of training for freight forwarders	NEA Transport Research	2 000 000	September 2005 - September 2007
TACIS/REGIONAL/ TRACECA	Transport	Maritime training	Strengthening of maritime training institutions	Hamburg Port Training Institute (HPTI)	1 750 000	October 2005 - October 2007
TACIS/REGIONAL	Railway	Draft ToR for Rehabilitation of Railway - Tbilisi - Yerevan		HYDRATC SA	48 036	May 2007 - December 2007
TACIS/REGIONAL	Environment	Mountain Convention		REC Caucasus	500 000	July 2007 - December 2008
TACIS/REGIONAL	Environment	Management of Kura- Arass transboundary river basin		REC Caucasus	400 000	July 2007 - December 2008
TACIS/REGIONAL	Higher Education	Development of E-Societies in South Caucasus (Armenia, Azerbaijan, Georgia)	Introduce modern online educational services with state-of-the-art courseware (e-Content) to be developed in close cooperation with mainstream education institutions in the region, i.e. Armenia and Azerbaijan as well.	IMC Advances Learning Solutions GmbH (Saarbruecken, Germany)	2 400 000 (no indication for Georgia)	September 2005 – September 2007



TACIS/REGIONAL/ TEMPUS	Higher Education	Etudes Europeennes, Langues Etrangeres Appliquees	Curriculum Develop- ment for European Studies, International Relations and Ap- plied Languages	University Paul Val- ery Montpellier III (F), Tbilisi State University of West- ern Languages and Cultures (GE), Er- asmushoogeschool Bruxelles (BE), Vrije Universiteit Brussels (BE)	238 379	September 2005 - August 2008
TACIS/REGIONAL/ TEMPUS	Higher Education	Establishment of Social Work Educa- tion in Georgia	Curriculum Develop- ment to establish social work educa- tion at Tbilisi State University and train social work educators in university and field settings	Sheffield Hallam University (UK), Tbilisi State Univ. (GE), University of Ljubljana (SL)	474 581	September 2005 - August 2008
TACIS/REGIONAL/ TEMPUS	Higher Education	Strengthening Pub- lic Administration and Media in Geor- gia (SPAMGO)	Training courses for institution building in a newly established training centre at the Georgian Technical University for adult environmental educa- tion	University of Not- tingham (UK), Adel- phi Research GmbH (DE), Georgian Technical University (GE)	499 393	September 2005 - August 2008
TACIS/REGION- AL/INOATE	Gas	Development of maintenance excel- lence in NIS gas companies	Modernisation of maintenance policies	Fichtner GmbH	1 500 000	December 2005 - December 2007
TACIS/REGION- AL/INOATE	Oil & Gas	Technical assistance support fund for facilitating invest- ments in oil and gas infrastructure	Technical assistance to the preparation of applications for fund- ing from international financial institutions	Kallimopoulos, Lou- kopoulos & Chiotel- lis Law Firm	2 600 000	December 2005 - December 2007
TACIS/REGIONAL/INOATE	Oil & Gas	Regional Technical Secretariat	Establishment of re- gional secretariats in Tbilisi and Tashkent & improvement of INOATE coordina- tors coordination and awareness; capacity building for project identification of proj- ects for international financing or private investment; seminars on pipeline operation and maintenance	EIR Development Partners	3 000 000	November 2005 - November 2008



## Part IV: Assistance provided to Georgia by the EU Member States

### CZECH REPUBLIC

#### General Framework

In the framework of the foreign development cooperation system of the Czech Republic Georgia represents a non-priority country, nevertheless, for several years now the Czech Republic has been providing Georgia with development assistance.

Up to 2007, the Czech cooperation program for Georgia was focused on reducing illegal migration – the implementation of the first long term project started in 2003. The projects concentrate mainly on stabilizing the living conditions of Georgian inhabitants in order to reduce the number of illegal migrants to the Czech Republic/EU. The projects were financed by the Ministry of Interior of the Czech Republic.

In 2007 the implementation of the first project in the sphere of agribusiness started, financed by the Ministry of Agriculture of the Czech Republic.

The abovementioned projects are implemented by the Czech NGOs "People in Need" and "Caritas Czech Re-

public" and the International Organization for Migration, in cooperation with local partners.

Georgian communities have also benefited from so called "small local projects" (with the maximum budget approximately € 18 000 each) that are implemented in close cooperation with the Czech Embassy in Tbilisi. In 2006 the financial resources were allocated to the project "*Carpet and Teka Workshop at Caritas Georgia House of Children*" for purchasing building materials to finish new premises of the workshop and purchasing materials for the workshop production (wool, paint etc.), in 2007 to the project "*Income Generation in Villages of Georgia - Assistance to Small Communities in the villages of Partskhanakanebi (Imereti region) and Angisa (Adjara region)*" whose main aim was to create new job opportunities by building green houses. Both projects were implemented by the Georgian organization "Caritas Georgia" and financed by the Ministry of Foreign Affairs of the Czech Republic.

#### Overview of long term projects

Title of the Project and Implementing Body	Project Cost in € Duration	Status
Stabilization of the situation of Georgian Citizens and Prevention of Migration  <i>Caritas Czech Republic/Caritas Georgia</i>	Overall cost € 306 260  2005-07 2005 € 104 949  2006 € 119 093  2007 € 82 218	<u>Beneficiaries:</u> Communities in Tbilisi, Samtskhe-Javakheti (Southern Georgia), Guria and Imereti (Western Georgia)  <u>Main objectives:</u> To stabilize the life situation of young people and families. The stabilized situation of inhabitants will consequently decrease migration of Georgians abroad.  <u>Components:</u>  Sociological surveys (interviews with potential migrants), support to small business (start-up of small businesses) in Tbilisi, Samtskhe-Javakheti and Western Georgia, re qualification and skill trainings (mainly in Tbilisi)



<p>Prevention of illegal migration from Georgia to the Czech Republic, support of infrastructure and development in a selected region of Georgia affected by a recession due to ethnic, political and economic circumstances</p> <p><i>People in Need</i></p>	<p>Overall cost € 450 000</p> <p>2005-07 2005 € 95 000</p> <p>2006 € 210 000</p> <p>2007 € 145 000</p>	<p><u>Beneficiaries:</u> Communities in the Tkibuli region (Imereti); information activities are conducted in different regions of Georgia included Tbilisi</p> <p><u>Main objectives:</u> To reduce illegal migration to the CR/EU by means of stabilization and development of living conditions.</p> <p><u>Components:</u> Prevention (seminars about migration, training for journalists, info materials, TV and radio broadcasting etc.)</p> <p>Support to starting entrepreneurs in Tkibuli region (purchase of equipment, trainings etc.)</p> <p>Reconstruction of public buildings, founding and support of local NGO (The Tkibuli Region Development Fund), support to educational and leisure activities of local youth, capacity building (work with local administration) etc.</p>
<p>Milk Processing in the Dmanisi Region</p> <p><b>People in Need</b></p>	<p>Overall cost € 59 000</p> <p>2007-2008 2007 € 28 000</p> <p>2008 € 31 000</p>	<p><u>Beneficiaries:</u> Communities in the Dmanisi region</p> <p><u>Main aims:</u> Support to agribusiness in the region</p> <p><u>Components:</u> Analysis of agribusiness in Dmanisi region, establishment of an Ltd. of local farmers, purchase of milk processing and cheese and butter production line, market research and support to the Ltd. in promotion and selling activities. Presentation of the pilot project as a model for development of agribusiness to Georgian administration</p>
<p>Informed Migration – An Integrated Approach to promoting Legal Migration through National Capacity Building and Inter-regional dialogue between the South Caucasus and the EU</p> <p><i>International Organization for Migration</i></p>	<p>Czech co-funding € 72 000</p> <p>2006</p>	<p>The project is implemented on the whole territory of Georgia with emphasis on Tbilisi, Ajara, Imereti and Kakheti (where IOM operates four Migration Resource Centres)</p> <p><u>Main objectives and components:</u> Promote Cluster Process dialogue between South Caucasus and EU countries on readmission, return, re-integration, combating illegal migration etc.</p> <p>Develop Migration Resource Centres capacity</p> <p>Disseminate objective information on foreign and domestic employment, conditions abroad etc., counselling target groups</p> <p>Labour administration capacity building</p>
<p>Support to Reintegration Mechanisms in Georgia and Prevention of Irregular Migration from Georgia</p> <p><i>International Organization for Migration</i></p>	<p>€ 72 000</p> <p>2006-2007</p>	<p><u>Implemented</u> in Georgia</p> <p><u>Main aim:</u> Contribute to successful and sustainable reintegration of migrants to prevent repeated migration from Georgia. The purpose of the project is to provide reintegration assistance to the target group in their home country.</p> <p><u>Components:</u> counselling and referrals to employment and job opportunities, skills upgrading schemes, support to small business</p> <p>In the frames of support to reintegration mechanisms in Georgia the exchange of experience between the Czech Republic and Georgia is planned.</p>
<p>Establishment of Job Counselling and Referral Centre</p> <p><i>International Organization for Migration</i></p>	<p>Overall cost € 111 000</p> <p>2007 - 2008</p>	<p><u>Beneficiaries:</u> State Employment Agency of the Ministry of Labour, Health and Social Affairs, project is implemented in Tbilisi and Kutaisi</p> <p><u>Main aims:</u> Develop and apply an efficient job counselling and referral mechanisms to serve reintegration needs of Georgian migrants returning voluntarily from Europe, as well as potential migrants and population in general.</p> <p><u>Components:</u> The projects envisages capacity building exercises in terms of personnel training and methodology provision to the staff of the State Employment Agency and establishment of specialized unit within the Agency (Job Counselling and Referral Centre).</p>



## ESTONIA

### Introduction

Since 1998, when development co-operation was first planned and initial projects were implemented, this sector has been an increasingly important foreign policy instrument for the Republic of Estonia. Estonia spends about 0.09% of its Gross National Income (GNI) annually (2006) on development co-operation and intends to steadily increase its share as well as to advance its status and role among other international donors.

Estonian objectives and priorities for development co-operation policy are outlined in the “Principles of Estonian Development Co-operation”, approved by the Riigikogu (Parliament) in January 2003 as a successor of the previous policy document “Principles of Development Co-operation for the Years 1999-2000”. The updated Parliament-approved document states Estonia’s continuous support for countries and regions striving to achieve consistent economic and social development. Estonia strongly believes that responsibility for their development lies primarily on the developing countries themselves.

As stipulated by the Government of the Republic Act, the Ministry of Foreign Affairs co-ordinates Estonia’s development co-operation programme. Other governmental agencies implement specific projects in the scope of their competence.

In May 2006, the Estonian Government approved the Strategy of Estonian Development Co-operation and Humanitarian Aid 2006-2010. This strategy formulates the objectives of Estonian development co-operation and hu-

### Bilateral co-operation

As Estonia has been successful in rebuilding a democratic state and society, it is able and willing to share its reform experiences and practical knowledge with its partner countries. So far, Estonia has shared reform experiences with countries like Ukraine, Georgia, Armenia, Albania, Tajikistan, Moldova, Kyrgyzstan, Macedonia, Belarus and Azerbaijan in fields ranging from WTO accession negotiations and reforming the national health care system to the implementation of information technology in

### Multilateral co-operation

Through voluntary contributions, Estonia regularly supports the operations of several United Nations agencies, such as the UN Development Program (UNDP), the UN High Commissioner for Refugees (UNHCR), the UN Office for the Co-ordination of Humanitarian Affairs (OCHA), the UN Voluntary Fund for Indigenous Populations and the UN Voluntary Fund for the International Decade of

humanitarian aid, the fields of activities and major partners among the countries and international organisations have been specified up to the year 2010. The priority partner countries of Estonian bilateral development co-operation are Georgia, Moldova, Ukraine and Afghanistan.

The strategic objectives of Estonian development co-operation are (1) to contribute to reducing global poverty and human development in developing countries, (2) to support peace and stability, the granting of human rights, the development of democracy as well as the promoting of good governance practices in developing countries, (3) to support economic development and the liberalisation of international trade system and (4) to support environmentally sustainable development. Development of the ICT-sector and e-governance issues will be a horizontal field.

At the international level, Estonia was first mentioned as a donor country in the OECD Development Assistance Committee’s (DAC) 1999 report. The report cited Estonia’s development co-operation efforts in 1998, and since then reporting to DAC has been an annual activity. Estonia is an active participant in global development processes, which include the Doha development agenda, the mobilizing of finances for development and the promoting of sustainability in development. Estonia strongly supports a holistic approach to global development, i.e. all policies potentially influencing developing countries should be considered together to ensure the strongest development impact.

state administration. The aim of Estonian development co-operation is to ensure long-term stability and continuous development in recipient countries.

Besides bilateral co-operation, Estonia has become increasingly interested in trilateral co-operation projects. Such projects have already taken place in co-operation with Sweden, Finland, Iceland, Canada and with the United Kingdom (supporting Moldova, Ukraine and Georgia).

the World’s Indigenous People. A number of specific projects, like protecting children’s rights in the North Caucasus through UN Children’s Fund (UNICEF) or OSCE Voluntary Fund for Activities Related to the Removal and Destruction of Russian Military Equipment and Ammunition from Moldova have also been supported.



Estonia is a member of and a donor to the International Red Cross Committee and several other international

ally active organisations committed to promoting global peace and security.

**Humanitarian aid**

The humanitarian aid Estonia has provided in the past few years has focused on providing relief to war refugees and emergency assistance after natural disasters. Estonia has supported war refugees in Lebanon, Sudan, Iraq, Kosovo, Chechnya and Afghanistan in helping to meet basic needs. Estonia has given support to earthquake victims in Iran, Turkey, India and Pakistan and has also helped to soften the consequences of the floods in Poland and Czech Republic and famine in Georgia. When responding to such crises, the Estonian Government closely co-

operates with international organisations and NGOs, which in several cases have been the leading agencies in delivering assistance.

In 2004, Estonia joined the global relief effort to assist Southeast Asian countries and their people to cope with the situation after a devastating tsunami and for the first time dispatched the Estonian Disaster Relief Team (EDRT) on a mission to Indonesia's Banda Aceh region. EDRT participated also in 2005 in the relief efforts after the earthquake in Pakistan.

**Future plans**

Estonia is becoming more active in the international development community, especially through new opportunities stemming from EU membership. To take advantage of these possibilities, Estonia is making efforts to strengthening its international development co-operation system through the adoption of legal acts and by reinforcing its governmental implementation structure.

in policy formulation and project implementation. The Estonian Development Co-operation Roundtable, which brings together NGOs interested in development co-operation, is the main partner for the government in these issues.

In the nearest future, Estonia intends to pay specific attention to raising the public awareness of development co-operation issues in the Estonian society. Another issue of importance is to reinforce its partnerships with civil society organisations, which play a significant role both

Estonia is now a member of the international development community, and it will strive towards increasing its contribution to 0.17% of GNI by 2010 to contribute its share to the improvement of global welfare and stability.

*Further information on Estonia's development co-operation is available on the Ministry of Foreign Affairs' homepage <http://www.vm.ee>.*

**Estonian Development Co-operation Projects**

Projects co-ordinated by the Estonian Ministry of Foreign Affairs and carried out with the support of means allocated for development co-operation in the Foreign

Ministry's budget. Activities of other ministries considered as development co-operation have not been reflected in this overview.

Development and humanitarian aid projects of the Republic of Estonia in 2007	State support EEK/EUR
1. Humanitarian assistance to the refugees and displaced people of Southern Sudan via the World Food Programme	500 000 / 31 956
2. Enhancing the Administrative Capacity of the Court System of Georgia, implemented by the Estonian Ministry of Justice.	275 000 / 17 576
3. Allocating of scholarships to young Georgian and Moldovan civil servants, implemented by the Estonian School of Diplomacy.	452 400 / 28 914
4. Participation of the Estonian Youth in the Global Education Network of Young Europeans, implemented by the Estonian Roundtable for Development Cooperation (AKÜ)	406 900 / 26 006



5. Integration of Georgian, Moldovan, Ukrainian Universities into the Transition Studies Network, implemented by University of Tartu EuroCollege	1 889 782 / 120 779
6. Development of Vocational Training and School Management in Georgia, implemented by Tartu Vocational Education Centre in co-operation with the Estonian Ministry of Education and Research.	2 306 701 / 147 425
7. Development of the Estonian Disaster Relief Team Capacities for the Participation in the International Humanitarian Partnership operations	3 646 428 / 233 049
8. Humanitarian assistance to the refugees and displaced people of Iraq via UNHCR	400 000/25 565
9. Training on Combating Vehicle Theft for the Georgian, Ukrainian and Moldova vehicle crime investigators, implemented by the Border Guard of Estonia	431 782 / 27 595
10. Training in e-governance for the officials of the local governments of the Republic of Macedonia, implemented by the e-Governance Academy	494 273 / 31 589
11. Training on information and communication policy for public sector higher officials of Kosovo, implemented by the e-Governance Academy	605 430 / 38 694
12. International Humanitarian Partnership Camp Managers Course, implemented by the Estonian Public Service Academy	143 189 / 9151
13. UN CIFAL Tallinn Second Training Course "Local e-Governance"	153 234/9793
14. Humanitarian assistance to the children affected by HIV/AIDS in Benghazi, Libya via supporting Benghazi Action Plan	234 699/15 000
15. Introduction of the Estonian integration experience to the EU and NATO to young civil servants and lecturers of Georgia, Ukraine and Moldova, implemented by the Estonian School of Diplomacy.	670 250/ 42 837
16. Supporting the activities of the United Nations Central Emergency Relief Fund (CERF) through voluntary contribution	450 000/28 760
17. Supporting the activities of the Voluntary Fund for Indigenous Populations, the Voluntary Fund for the International Decade of the World's Indigenous People and the UN Permanent Forum on Indigenous Issues	800 000/ 51 129
18. World Day - a project to support the activities rising the general awareness of development cooperation issues in the Estonian society, Estonian Roundtable for Development Cooperation	512 700/ 32 768





19. Ukraine Kulikovka district NGOs', agricultural leaders and health care workers study trip to Estonia – learning by seeing and experiencing, implemented by Põlva county government	227 710/ 14 554
20. Planning of Estonian-Moldovan development cooperation on sustainable forestry and environmental quality, implemented by State forest management center	443 450 / 28 341
21. Mari Children in Estonia, implemented by Estonian Union for Child Welfare	98 713/ 6309
22. Supporting the Return and Reintegration of Sudanese Refugees and IDPs via UNHCR	500 000/ 31 956
23. Humanitarian assistance to extinguish forest fires in Macedonia	500 000/ 31 956
24. Estonian know-how on economic development to Georgia, preparation of strategy, implemented by Harju Economic Development Center	590 210/ 37 721
25. Supporting the Moldovan Ministry of Education to implement the project “Leap” in 2007-2009, implemented by e-Governance Academy (EGA)	2 631 186 / 168 163
26. Preparation of the Development Strategy of Environmental and Communal Economy for Chernigov Oblast along with the preparation of a pilot investment project of Kulikovka county, implemented by Estonian Regional and Local Development Agency (ERKAS)	1 763 550 / 112 711
<b>Total</b>	<b>21 137 587,60/ 1 350 938</b>



## FRANCE

**Cooperation between France and Georgia is based on the priorities of the European Neighbourhood Policy Action Plan for Georgia**

EU Action Plan Priority Area	Specific Actions	Funding (ongoing)	Funding (2007-...)	Details
<p><i>1. Strengthen rule of law especially through reform of the judicial system, including the penitentiary system, and through rebuilding state institutions. Strengthen democratic institutions and respect for human rights and fundamental freedoms in compliance with international commitments of Georgia (PCA, Council of Europe, OSCE, UN).</i></p>	<ul style="list-style-type: none"> <li>• Reform of the whole judicial system in line with European standards notably through the implementation of the reform strategy for the criminal justice system, developed with the assistance of EUJUST Themis, including:</li> <li>• Ensuring proper separation of powers, independence and impartiality of the judiciary, prosecution, police and law enforcement agencies; improvement of training of judges, prosecutors, and officials in judiciary, Ministry of Justice administration, police and prisons, in particular with regard to the human rights issues and judicial internal cooperation; improved access to justice notably through the establishment of an effective legal aid system; penitentiary and probation service; system of execution of Court decisions;</li> <li>• Adopt a new Criminal Procedural Code (by 2007);</li> <li>• Implement the recommendations of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment, notably to improve detention conditions.</li> <li>• Adopt a public service reform strategy and legislation for the civil service in order to improve good governance and transparency.</li> <li>• Develop a functioning civil register (by end 2009);</li> <li>• Ensure the local (2006), parliamentary (2008) and presidential (2009) elections in Georgia are conducted in accordance with international standards, through implementation of OSCE/ODIHR and Council of Europe recommendations, notably regarding the need for a reliable voter registry and a functioning and transparent electoral commission;</li> <li>• Finalise and implement a strategy and programme for local government reform (the “Law on Self Governance”), in accordance with Council of Europe recommendations; Ensure implementation of the Optional Protocol to the UN Convention Against Torture.</li> </ul>	<p align="center">2004 <b>100 000 €</b></p>	<p align="center"><b>5000 €</b>  <b>2933 €</b></p>	<p><b>Humanitarian supply of medicine to the penitentiary administration</b></p> <p>(internship of 1 month at INAP + mission)</p> <p><b>Organisation of legislative elections in spring 2004</b></p> <p>(project of modernisation of the Georgian Ministry of Foreign Affairs and logistical support to the Georgian ministry of emergency situations)</p>



*2.Improve the business and investment climate, including a transparent privatisation process, and continue the fight against corruption*

- Develop and implement a comprehensive programme to improve the business climate, in particular to improve the conditions to starting a business, hiring and firing workers, registering property, getting credit, protecting investors, enforcing contracts, and closing a business;
- Adopt (in 2006) and implement a new Customs Code in line with EU and international standards;
- Adopt and implement the necessary implementing provisions to the revised Customs Code in order to simplify and streamline customs procedures and to address the issue of customs ethics in line with EU and international standards;
- Set up a mechanism to ensure regular consultation/information of the trade community on import and export regulations and procedures;
- Strengthen the overall administrative capacity of the customs administration, in particular to increase transparency of customs rules and tariffs, to ensure the correct implementation of customs valuation rules, to implement the principles of risk based customs control and post clearance control ; provide the customs administration with sufficient internal or external laboratory expertise as well as sufficient operational capacity in the IT area;
- Continue the modernisation, simplification and computerisation of the tax administration. Ensure the smooth enforcement of the new Tax Code also by defining all necessary administrative structures and procedures, including a fiscal control strategy, audit and investigation methods, co-operation with the tax payers and tax compliance;
- Ensure the implementation of the recently approved National Anti-Corruption Strategy by 2009 ; ensure active participation of civil society in monitoring implementation ; regularly assess impact and progress made ;
- Pursue transparent privatisation process both as regards divestiture and use of privatisation proceeds
- Establish the necessary administrative capacities to ensure an effective and transparent licences system.



<p>3. Encourage economic development and enhance poverty reduction efforts and social cohesion, promote sustainable development including the protection of the environment; further convergence of economic legislation and administrative practices.</p>	<ul style="list-style-type: none"> <li>• Maintain macroeconomic stability by implementing prudent monetary and fiscal policies including through ensuring the independence of the National Bank of Georgia; further improve strategic planning of expenditures through a Medium Term Expenditure Framework;</li> <li>• Conduct a systematic review and revision of the government's reform strategy document, with particular emphasis on poverty reduction;</li> <li>• Continue reforms in public finance management, including by implementing a comprehensive Medium-Term Expenditure Framework consistent with the Georgian government strategy;</li> <li>• Develop a Research and Innovation policy directly relevant to the sustainable and equitable economic development policy objectives of Georgia;</li> <li>• Undertake reform of the social assistance and health care sectors including establishing an effective legal base and effective management systems;</li> <li>• Further reform efforts in the field of education to promote human resources development;</li> <li>• Foster co-operation with the aim of reforming higher education sector in the context of the Bologna Process;</li> <li>• Reinforce participation of Georgian scientists/students/academics in international and exchange programmes such as TEMPUS, Erasmus Mundus, Marie Curie, Jean Monnet,</li> <li>• European Community Framework Programmes FP7</li> <li>• Encourage life-long and life-wide learning opportunities as well as further the reform efforts in the field of education, science and training to promote sustainable development of human resources and human capital;</li> <li>• Develop special programmes of education for public servants (primarily for civic integration).</li> <li>• Reform science management system through appropriate regulatory framework, financing model and governance based on scientific excellence, capacity-building and joint initiatives.</li> <li>• Foster the development of education, information and communication programmes and technologies.</li> <li>• Strengthen administrative structures and procedures to ensure strategic planning of environment issues and coordination between relevant actors.</li> <li>• Improve the quality in statistics;</li> <li>• Jointly explore options for further enhancing bilateral trade relations, including the possible establishment of a free trade agreement between the EU and Georgia. In this context, the Commission will undertake a feasibility study which will also look at regional trade and economic integration aspects;</li> <li>• To co-operate in the area of food safety;</li> <li>• Ensure effective cooperation in order to establish and strengthen in Georgia a modern institutional system of technical regulation, standardisation, accreditation, metrology, conformity assessment and market surveillance.</li> </ul>	<p>2006 195 000 €</p> <p>45 000 €</p> <p>2003-2007</p>	<p>400 000€</p> <p>DAH : 50 000 €</p> <p>131 820 €</p> <p>40 000 €</p> <p>11 500 €</p> <p>1800 €</p>	<p><b>Decentralised co-operation (Yonne) : breeding and centre of medical diagnosis</b></p> <p><b>Reconstruction in Abkhazia et Imereti</b> (with NGO Première Urgence)</p> <p><b>14 scholarships</b> (full scholarships) + 10 other scholarships (partial scholarships)</p> <p>French computing field (Yonne)</p> <p><b>Scholarship in pharmacology</b></p> <p><b>Medical exchanges</b></p> <p><b>3 on going projects Tempus-Tacis:</b> agriculture and rural development, European studies and international studies.</p>
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<p>4. Enhance cooperation in the field of justice, freedom and security, including in the field of border management</p>	<p><i>Border management</i></p> <ul style="list-style-type: none"> <li>• Develop a comprehensive border management strategy in cooperation with the EUSR</li> <li>• and cooperate on border issues in the context of the activities of the EUSR Support Team based in Tbilisi under the EU Special Representative for the Southern Caucasus ;</li> <li>• Ratify and implement the UN Convention against transnational organised crime and its three protocols (“Palermo Protocols”) on smuggling of migrants and trafficking of persons; sign, ratify and implement the UN protocol on illicit manufacturing and trafficking of firearms;</li> <li>• Georgia to fulfil its commitments on border management reforms (increase budget, integration of the Georgian State Border Guard Department into the MoI, reform of the Ministry of the Interior, notably in the fields of human resources and management, etc);</li> <li>• Continue EU-Georgia cooperation on Border Management issues ;</li> <li>• Develop a dialogue on fight against terrorism and organized crime, trafficking, illegal arms trading.</li> <li>•</li> <li>• <i>Migration management (readmission, visas, asylum)</i></li> <li>• Develop cooperation on migration and asylum issues;</li> <li>• Establish a dialogue on matters related to the movement of people including on readmission and visa issues;</li> <li>• Take steps to modernise the national refugee system in line with international and European standards and an IDP protection system that is self-sustaining and that offers integration opportunities for those who qualify.</li> </ul>		<p>8 350€</p> <p>8 200€</p> <p>9 300€</p>	<p><b>Support to fight against organised crime.</b> (training about forged money and documents, liaison mission on fight against narcotics, liaison mission on money laundering, internship on terrorism, funding, intelligence and investigation)</p> <p>Audit of Special units (RAID) (funding OSCE)</p> <p>Formation on hostage taking in planes (funding OSCE)</p> <p><b>Support to the police academy</b></p> <p>invitation study tour police office :</p> <p>organisation, management, motorcyclist unit</p> <p>Audit of road safety : fight against alcoholism</p> <p><b>Support to border guards</b></p> <p>internship on forged documents</p> <p>invitation, visit DC-PAF organisation border control, maritime, airport</p>
<p>7. Cooperation on Foreign and Security Policy</p>	<ul style="list-style-type: none"> <li>• Enhance EU-Georgia cooperation on Common Foreign and Security Policy, including European Security and Defence Policy;</li> <li>• Georgia may be invited, on a case by case basis, to align itself with EU positions on regional and international issues.</li> <li>• Develop possibilities for enhanced EU – Georgian consultations on crisis management.</li> </ul>		<p>9 150€</p>	<p><b>Support to civil security</b></p> <p>Practical formation fight against forest fires</p> <p>Training of trainers first aid</p>



<p>8. <i>Transport and Energy</i></p>	<ul style="list-style-type: none"> <li>• Cooperation addressing the issues of transport security and safety, interoperability, promotion of multi-modal services, efficiency of freight transport and simplification of border crossing procedures in line with the recommendations of the High Level Group on Transport;</li> <li>• Develop intensive cooperation in order to ensure the gradual inclusion of Georgia in the Trans European Networks (TENs) in line with the recommendations High Level Group on Transport;</li> <li>• With a view of regional integration encourage development of Georgia's transit role;</li> <li>• Further support TRACECA process.</li> <li>• Energy</li> <li>• Continue cooperation on Caspian and Black Sea regional energy issues ( oil, gas, electricity) as well as INOGATE.</li> <li>• With a view to regional integration and progressive integration with the EU energy market and system and Georgia's role as energy transit country encourage the development of diversified infrastructure connected to development of Caspian energy resources and facilitate transit.</li> <li>• Progress in meeting these priorities will be monitored in the bodies established by the Partnership and Cooperation Agreement and the European Commission will issue a mid-term report on progress accomplished. On the basis of this assessment, the EU, together with Georgia, will review the content of the Action Plan and may decide on its adaptation as necessary. The Commission will issue a further report towards the end of the five years period and on this basis, decisions may be taken on the next step in the development of bilateral relations, including the possibility of new contractual links.</li> </ul>			
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### Regional co-operation

<p>5. <i>Strengthen regional cooperation</i></p>	<ul style="list-style-type: none"> <li>• Enhance participation in regional cooperation initiatives in the Black Sea region, including the Southern Caucasus, e.g. environment, education, border management, transport as well as in the parliamentary sphere ;</li> <li>• Continue cooperation in the Energy, Transport and Science and Technological development fields in the context of the EU/Black Sea/Caspian littoral states and neighbouring countries initiative ;</li> <li>• Strengthen Georgia participation in regional law enforcement cooperation initiatives in the Black Sea region, including the Southern Caucasus, as well as through EC-funded regional assistance initiatives such as SCAD;</li> <li>• Support the Caucasus Regional Environmental Centre in meeting its objective to promote co-operation between Governmental and non-Governmental actors in the region, as well as enhance participation in its work ;</li> <li>• Enhance bilateral and multilateral cooperation in the Black Sea region and between the Black Sea, the Baltic Sea and the Caspian Sea regions;</li> <li>• Enhance youth exchanges and cooperation among the Black Sea States, including the S. Caucasus countries.</li> </ul>	<p>2006-2008 <b>109 270 €</b></p> <p>2006-2007 <b>24 000 €</b></p>	<p>(+ 96 000€ of the association REMI-FOR)  +0,4M of PACA region (in Armenia)</p> <p><b>15 000€</b></p>	<p><b>Franco Armenian Georgian project to support the reform of Emergency situations Departments in Armenia and Georgia : training and equipment of firefighters and officers</b></p> <p><b>Project ECONET in pharmacology (Caucasus)</b></p> <p><b>Project ECONET on mathematics (with Azerbaijan)</b></p>
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## GERMANY

Georgia is the only Caucasian and Central Asian priority country for German Development Cooperation. Since Georgia's independence Germany is among the closest partners of Georgia and after the United States of America in terms of bilateral contributions since 1992, the second biggest donor country (more than 300 million €). In addition to this, Germany has been engaged in projects and programmes of multilateral donors such as the World Bank, the International Monetary Fund, the European Union and the European Bank for Reconstruction and Development.

German-Georgian Development Cooperation encompasses both financial cooperation (FC), implemented through KfW Development Bank (KfW Entwicklungsbank), and technical cooperation (TC), implemented mainly through GTZ (Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH). Apart from this two-fold cooperation, German-Georgian Development Cooperation focuses on three priority areas:

- Sustainable Economic Development
- Democracy, Civil Society and Public Administration
- Energy

As regards FC, KfW Development Bank uses funds to finance investments and to provide accompanying advisory services in Georgia. Most of the funds are provided as low-interest loans with long terms; just under one-quarter of the funds are provided as non-repayable

grants. The projects supported by KfW Development Bank improve the structures for the economic development of the partner countries, strengthen the population's self-help ability and thus help reduce poverty. In addition to this bilateral FC, since 2001 KfW Development Bank has supported measures under the German Federal Government's Caucasus Initiative that encourage closer cross-border cooperation between the three countries of Armenia, Azerbaijan and Georgia. FC activities cover the areas of sustainable economic development, energy, communal infrastructure, health and environment (see for project details the attached overview of portfolio).

Concerning TC on the other hand, the German Federal Government, with GTZ working on its behalf, was after the breakup of the Soviet Union one of the first to employ TC activities to support Georgia's regained independence as well as Georgia's transition to democracy and a market economy. As early as in 1992 agreement with the Georgian Government had been reached to start with the first TC project in Georgia-German TC in the field of supporting legal and justice reform, especially in the areas of civil and economic legislation. Projects in other areas as for instance in the health sector, in agriculture, in enterprise support, in vocational training, in food security and others followed soon. Today's focus is on the abovementioned priority areas except for energy which is subject only to FC (see for project details the overview of portfolio).



## Financial Cooperation

### Ongoing KfW programmes and projects in German-Georgian Financial Cooperation

Project Title	Subject	Mio. €
<b>Energy</b>		
<b>Rehabilitation of the electricity distribution system</b>	Improvements in the commercial operations of the United Distribution Company (UDC) are a necessary condition for improving liquidity in the electricity sector and for a successful privatization. The project funds are primarily used for procuring meters to increase UDC's collection efficiency.	25,0
<b>Rehabilitation Power Transmission II</b>	The project supports the introduction of a commercial electricity market in Georgia and is cofinanced by the World Bank. In the framework of the project KfW cofinances the international management contract for the transmission company GSE and the rehabilitation of Zestafoni substation.	12,8
<b>Sector Programme Electricity Supply</b>	The programme includes further measures in the field of power transmission (rehabilitation of Gardabani substation) and further international management support to the power transmission company GSE).	8,5
<b>Regional Power Network I (Transmission Line Tbilisi - Alaverdi (Armenia))</b>	The project aims at strengthening the regional electricity network by increasing its reliability and capacity. A complementary project with a volume of EUR 9 million is implemented in Armenia (rehabilitation of Alaverdi substation).	10,0
<b>Debt Restructuring in the Electricity Sector</b>	The consulting assignment aims at developing a mechanism for solving the legacy debt problem in the Georgian electricity sector.	3,3
<b>Promotion of Renewable Energy</b>	The project is implemented in cooperation with UNDP. A revolving fund is established to provide loans through commercial banks for the rehabilitation of small hydro power plants.	5,1
<b>Sustainable Economic Development</b>		
<b>Equity Participation ProCredit Bank</b>	ProCredit Bank was established by KfW in 1999 to provide loans and other financial services to small and micro entrepreneurs. Up to end of 2006 the loan portfolio has grown to more than 60,000 loans with a total volume of USD 180 million.	2,5
<b>Credit Guarantee Fund I and II</b>	In the framework of the facility KfW is issuing guarantees in favour of Georgian commercial banks that seek refinancing from international commercial banks. The funds obtained under the KfW guarantee are then utilized to provide loans to local small and medium sized enterprises.	12,6
<b>Cadastre and Registration I and II</b>	The project supports the introduction of a cadastre and land registry in Georgia. The establishment of enforceable property rights is a precondition for the effective functioning of a market economy in Georgia.	24,7





Project Title	Subject	Mio. €
<b>Democracy, Civil Society and Public Administration</b>		
<b>Rehabilitation Communal Infrastructure Batumi I and II</b>	Rehabilitation of water supply and sewerage systems in Batumi. Project implementation is starting in 2007.	32,2
<b>Georgian Social Investment Fund II</b>	Labour intensive measures in the districts surrounding the Borjomi-Kharagauli National Park (rehabilitation of schools, community centres, roads etc).	8,1
<b>National Park Borjomi-Kharagauli</b>	In the framework of the project the National Park Borjomi-Kharagauli was established in the central region of Georgia.	3,4
<b>Regional Environmental Programme</b>	Protection of biodiversity in cross-border ecosystems. In a first phase establishment of a National Park in the Javakheti Region bordering Georgia and Armenia.	2,3
<b>Fight against Tuberculosis</b>	Supply of TB drugs and laboratory equipment.	3,6
<b>Study and Expert Fund VI</b>	Fund for project preparation (feasibility studies etc).	2,0

### Technical Cooperation

#### Ongoing GTZ Programmes and Projects in German-Georgian Technical Cooperation

Project Title	Subject	Mio. €
<b>Democracy, Civil Society and Public Administration</b>		
<b>Support to Legal and Justice Reform in Georgia</b>	Supporting legal reform with a view to the demands of the market economy and the rule of law; advice on and training in civil, economic and administrative legislation.	2,7
<b>Support to the Georgian Chamber of Control</b>	Supporting the improvement of the financial control system in Georgia by institutional advice and training in accordance with international standards.	2,5
<b>Supporting Local self-governance</b>	Supporting the process of local self government reform according to the standards of the European Charta of Local Self-Governance.	2,4
<b>Supporting Landmanagement in Georgia</b>	Supporting efficient land management and city planning by supporting the establishment of a cadastre system in Tbilisi and supporting institutions involved in city planning.	1,35
<b>Sustainable Economic Development</b>		
<b>Increase in Value Added on Agricultural Sector</b>	Development of a strategy for sustainable provision of services to commercially oriented farmers in order to guarantee food security and improve the quality of food.	2,2
<b>Support to the Private Sector in Georgia</b>	Supporting services providers to private enterprises in 3 sectors – wine, agro-processing and tourism.	2,6
<b>Establishment of a Wine Quality System in Georgia</b>	Supporting the creation of a wine quality assurance system in Georgia; installation of a laboratory based on EU standards to promote export of Georgian wine to Europe.	4,3
<b>Study and Expert Fund</b>	Project preparation, monitoring an evaluation; small scale projects in different sectors.	1,4



### Ongoing GTZ Programmes and Projects in the Frame of the Caucasus Initiative of BMZ

Project Title	Subject	Mio. €
<b>Democracy, Civil Society and Public Administration</b>		
<b>Supporting Legal and Justice Reform in the South Caucasus</b>	Supporting structural reforms required to make the transition from a centrally planned economy to a market economy, particularly in regard to civil, commercial and general administrative law and the legal system.	<b>5,1</b>
<b>Cities' Network Caucasus</b>	Supporting municipal infrastructure and public services, strengthen NGOs and intensify their cooperation with the population.	<b>2,15</b>
<b>Fund to Support Initiatives on Conflict Prevention in the South Caucasus</b>	The project aims at gradually reducing regional conflicts, both internally and between states, and to ease ethnic, cultural, ideological and nationalistic tension by intensifying dialogue between the countries. The project is implemented by German political foundations.	<b>1,0</b>
<b>Fund to Support Civil Society and Municipal Democracy</b>	The aim is to develop regional projects that promote decentralisation, citizens' participation and consolidation of community organisational structures.	<b>1,6</b>

Project Title	Subject	Mio. €
<b>Sustainable Economic Development</b>		
<b>Supporting Agricultural Education and Rural Development in the Southern Caucasus</b>	Introducing market economy oriented courses in Agricultural Management at the Agricultural Universities in South Caucasus and selected agricultural colleges to foster the development of the agricultural sector.	<b>2,5</b>
<b>Study and Expert Fund</b>	Project preparation, monitoring and evaluation; small scale projects in different sectors.	<b>0,5</b>



# GREECE

## General Framework

- Greece has a long historic presence in Georgia. Approximately 50 000 citizens of Greek origin live in Georgia and about 100 000 Georgians live in Greece. Greece has provided humanitarian and development assistance, bilaterally and through international organizations.
- The legal framework for economic cooperation between Georgia and Greece is guided by the following three bilateral agreements:
  - 1) The Economic and Technological Cooperation Agreement (1994)
  - 2) The Agreement on Reciprocal Protection and Promotion of Investments (1995)
  - 3) The Avoidance of Double Taxation Agreement (1999)
- These Agreements have enabled several Greek companies to invest in Georgia.
- Greece is also an important partner in the field of defense, with the “Agreement for Military Cooperation” formalising this relationship.

## Implementation Background

Greek bilateral development assistance to Georgia was traditionally coordinated to a large extent by the Greek Ministry of Foreign Affairs. However, on October 1<sup>st</sup>, 2002, the Directorate General for International Development Cooperation, officially known as “Hellenic Aid”, was established within the Greek Ministry of Foreign Affairs as the agency responsible for the coordination of Greece’s international development assistance worldwide. It is cooperating with NGOs active on this field.

Title of Project and Implementing Body	Project Cost € Duration	Status
“Entrepreneurship courses” University of Piraeus	€ 180 000 2007-2008	<u>Beneficiary:</u> Tbilisi State University <u>Main Objectives:</u> Consultations with local partners on the special characteristics of the Georgian economy with an aim of educating a new class of entrepreneurs
“Donation to WFP” Hellenic Aid	€ 200 000 2007	<u>Beneficiary:</u> Citizens of Georgia <u>Main Objectives:</u> To financially contribute to the World Food Programme’s actions in Georgia
“Methods against Trafficking of children” EKYΘKKA	€ 66 666 2007-2008	<u>Beneficiary:</u> Citizens of Georgia <u>Main Objectives:</u> To combat human and children’s trafficking
“Komninoi” EPLC	€ 173 331 2007-2008	<u>Beneficiary:</u> Caucasus University <u>Main Objectives:</u> Modernization of Georgian legislation and training of civil servants and judges



<p>“Donation of a portable digital Mammo-MT-Alpha unit to the Medical Center “Hippocrates”</p> <p>Hellenic Agency for Local Development and Local Government S.A.</p>	<p>€ 150 000</p> <p>2007</p>	<p><u>Beneficiary:</u> Medical Center “Hippocrates”</p> <p><u>Main Objectives:</u> Serve the female population of the wider area of Tbilisi offering valuable services in the timely diagnosis and prevention of breast cancer.</p>
<p>“Establishment of a Seed Potato Center and a Producers’ Cooperative in the Tsalka area”</p> <p>Agricultural University of Athens</p>	<p>€ 380 000</p> <p>2005-2007</p>	<p><u>Beneficiary:</u> Farmers of Tsalka area</p> <p><u>Main Objectives:</u> To support agricultural development and growing potato seeds in the region of Tsalka</p>
<p>“Renovation of a Kindergarten in Tsalka”</p> <p>Open Embrace</p>	<p>€ 80 000</p> <p>2006</p>	<p><u>Beneficiary:</u> Children in the region of Tsalka</p> <p><u>Main Objectives:</u> To renovate and equip the kindergarten for the children in the region of Tsalka</p>
<p>“Improvement of the Material and Technical Infrastructure of the Medical Center</p> <p>“Hippocrates” in Tbilisi</p> <p>Hellenic Development</p>	<p>€ 81 000</p> <p>2006-2007</p>	<p><u>Beneficiary:</u> Medical Center “Hippocrates”</p> <p><u>Main Objectives:</u> To improve the infrastructure of the Medical Center</p>
<p>“Donation of an Ultrasound machine to the Medical Centre</p> <p>“Hippocrates”</p> <p>Doctors of Health and Love</p>	<p>Embassy of the Federal Republic of Germany</p> <p>€ 60 000</p> <p>2006</p>	<p><u>Beneficiary:</u> Medical Center “Hippocrates”</p> <p><u>Main Objectives:</u> To serve the population of the area of Tbilisi offering valuable medical services</p>
<p>“Formation of Georgian Museum Managers”</p> <p>KE.D.DI.PPA.</p>	<p>€ 93 410</p> <p>2007-2008</p>	<p><u>Beneficiary:</u> National Museum of Georgia</p> <p><u>Main Objectives:</u> To support the country’s tourism development effort</p>
<p>“Integration of the Ethnic Greek Community of Georgian into the Georgian State”</p> <p>-Hellenic Embassy</p> <p>-Embassy of Switzerland</p> <p>-Georgian Foundation for Strategic and International Studies</p>	<p>€ 155 000</p> <p>(Greek Contribution 92 500)</p> <p>2007-2008</p>	<p><u>Beneficiary:</u> People of Greek origin</p> <p><u>Main Objectives:</u> To achieve national unity within the Georgian State through integration of ethnic minorities</p>
<p>“Establishment of the Tourism School “Icarus”</p> <p>Ministry of Tourism of Greece</p>	<p>€ 326 000</p> <p>2005-2007</p>	<p><u>Beneficiary:</u> Ministry of Economic Development</p> <p><u>Main Objectives:</u> To contribute to the development of the tourism sector of Georgia</p>
<p>“Provision of medical equipment”</p> <p>Médecins du Monde</p>	<p>€ 173 333</p> <p>2007</p>	<p><u>Beneficiary:</u> Ltd Treatment and Prophylactic Center for Mother and Child</p> <p><u>Main Objectives:</u> To help the population of the area offering valuable medical services</p>



## LATVIA

### Strategy for development cooperation with Georgia

Regular political dialogue between the *parliaments* of both countries has been maintained within the framework of bilateral and multilateral relations. Exchange visits of the Presidents and Speakers of the parliaments of both countries have been held in both Latvia and Georgia. Regular consultations on issues related to European integration are being conducted among the parliamentary committees, the Latvian side represented by the European Affairs Committee, and the Georgian side – by the Committee on European Integration. The Latvian side has provided for in-service training of two Committee consultants in the Latvian parliament. It should be noted that cooperation has also been commenced between the Latvian and Georgian Human Rights Committees. A Latvian delegation visited the Human Rights Committee of the Georgian Parliament in September 2005.

As the operation of the Georgian media is underdeveloped and the journalists lack opportunities to improve their education, the *Saeima* (Parliament) of the Republic of Latvia has suggested inviting Georgian journalists to Latvia to learn more about state institutions and EU-related issues. This project could be implemented within the framework of existing parliamentary cooperation.

The cooperation between both countries is being implemented not only by means of experience and expertise exchange projects, but also by organising training regarding European integration issues for officials of the Georgian Parliament and the representatives of the *Georgian Ministry of Defence* in Latvian institutions.

Regarding defence issues, active cooperation exists between Latvia and Georgia in relation to implementation of Georgia's objective of joining NATO. Representatives of the Ministries of Defence and Foreign Affairs of the Republic of Latvia and Latvian Institute of International Affairs have provided several consultations to their Georgian counterparts. Although the defence sector is not directly regarded as an area of development cooperation, several issues exist related to matters traditionally regarded as pertaining to development cooperation. This applies to Latvia's assistance to representatives of the defence sector rendered via training in international relations, state protocol, public relations, human resources management, technical support, legal issues and defence planning.

With regard to home affairs, cooperation between both countries has focused on border security and monitoring. A representative of Latvia is participating in the OSCE mission in Georgia. Regarding the border guard issue, it is of great importance to Georgia to be consulted on how

to develop and strengthen its border infrastructure, logistics, border control and international relations.

To date, cooperation in this respect has been successful, and as such will be expanded and strengthened, by ensuring the involvement of other institutions in the cooperation projects to be implemented. Thereby, Latvia will share its reform experience related to its integration into the EU and NATO, and home affairs.

Latvia already cooperates with Georgia in the area of home affairs, by jointly combating terrorism, organised crime and illegal drug trafficking.

The Latvia-Georgia cooperation on border control has proven successful so far, and should continue. Latvia has also sent its experts to Georgia to advise on border issues. Cooperation and exchange of experience between the two countries is also facilitated by the fact that both share a border with Russia. Due to this, the exchange of experience and sharing of their best practices is of major importance.

Both countries have also cooperated in the exchange of expertise related to investigations methodology (applied in forensic psychiatry and medicine). Good cooperation has also been established between the Latvian and Georgian Police Academies, including the training of police officers.

Cooperation with Latvian representatives in the area of **local government** has been effected by consultations on this issue. The consultations have focused on distribution of joint responsibilities related to local government functions and financing, distribution of functions between central and local governments, introduction of decentralisation in Latvia, results and impact of such decentralisation on the local governance, and administrative territorial reform. In 2004, representatives of the Georgian government and local governments visited Latvia to discuss these issues with their Latvian counterparts. The visit was organised by the Latvian Association of Local and Regional Governments and Norwegian Association of Local and Regional Authorities to agree on cooperation in the establishment of a Georgian Association of Local Governments. Shortly after the visit of the Georgian representatives an exchange visit was organised, with the Latvian representatives participating in the Georgian Local Governments Forum on the establishment of an Association of Local Governments.

The issue regarding the responsibilities and competencies of local governments in Georgia needs to be resolved in the near future.



Work on the Georgian draft law on local governments has been completed and is under consideration at this time. Likewise, it is of crucial importance to Georgia to ascertain how Latvian local governments implement their functions in practice, and how municipal work is organised.

Cooperation regarding the strengthening of civil society has taken place among various state institutions, as well as public organisations.

A visit of representatives of the Georgian Ministry of Education and Science and the Georgian Minister for Civil Integration has been organised with the purpose of learning more of Latvia's experience in cooperating with Latvians living abroad and minority organisations. As part of the visit, members of the Georgian delegation were also advised of the National Programme "Strengthening of Civil Society 2005 -2009". During the visit the Georgian guests also visited the Secretariat of the Special Assignments Minister for Social Integration, the National Agency for Latvian Language Training, the Latvian Social Integration Foundation and schools offering bilingual teaching. The Latvian Secretariat for Integration and the Georgian Ministry for Social Integration are planning to enter a cooperation agreement in 2006, thus strengthening existing ties. In Georgia, the Ministry of Education and Science has responsibility for all issues related to the development of civil society.

Latvia's Platform for Development Cooperation (LPDC) incorporates 23 public organisations that have united with the common objective of passing on their experience. During 2005, several exchange visits of the delegations of various Latvian and Georgian public organisations took place. In October 2005, a non-governmental organisations forum was held in Tbilisi. The forum was organised by the LPDC in conjunction with the relevant Latvian and Georgian state and public institutions, and has served as an impulse for a more active level of cooperation between the public organisations of both countries

in the future. The LPDC has undertaken project coordination and assistance to other countries in finding cooperation partners in Latvia.

Cooperation regarding the promotion of democracy and development of civil society is to be expanded. The Forum of Latvian and Georgian non-governmental organisations in Tbilisi has provided a good impetus to this end.

Latvia's experience in implementing economic reforms and developing the economy as a whole is of great value to Georgia. In view of the previous exchange of experience on standardisation issues initiated by the respective Georgian institutions, and conducted with the Latvian National Accreditation Bureau, Latvian National Meteorology Agency and the Consumer Rights Protection Centre, the relevant Latvian institutions of the economy sector are ready to offer consultations on Latvia's practices in resolving these issues.

In 2004, a Georgian delegation participated in a seminar on export control issues held in Riga. Likewise, during a visit to Latvia in 2003, representatives of Georgia visited several institutions of the Ministry of Economics, and met with representatives from the Latvian Railways, Civil Aviation Administration of Latvia, and the Road Safety Authority. The delegation also visited the port of Ventspils..

Development of its agricultural sector is also of great importance to Georgia. Cooperation in this area has been established by means of mutual exchange visits of representatives of relevant institutions, including the visit of the Latvian Minister of Agriculture to Georgia in 2004. Latvian partner institution for sharing practical experience is the Latvian Food and Veterinary Service. Currently, attention is mainly focused on food safety issues. Due to the highly developed wine industry in Georgia, it is anticipated that the Georgian side will wish to learn from Latvia's experience in development of food product standards, including defining of wine standards.



## Latvia's development cooperation with Georgia in 2007

## Development co-operation projects approved under grant project tender, by priority

**Priority No1. Facilitation of public administration and economic reforms and the European and transatlantic integration process**

Project title	Implementing organisation	Project Period & Recipient Country	Project description Embassy of the Federal Republic of Germany	Project budget
Support for the Development of Georgia's Judicial System in the International Law Sector - Application and Representation of International Regulatory Framework in International Forums, and Support for Development of Judicial Expertise	Ministry of Justice of Latvia	01/06-30/11 <b>Georgia</b>	Transfer of the Latvian experts' knowledge to the staff of the Ministry of Justice of Georgia for the approximation of national systems to European standards and human rights norms. Development of international law expertise within the national public administration system, and of judicial expertise.	19,245 LVL (27 383 EUR)

**Priority No 2. Facilitation of local administration reforms**

Project title	Implementing organisation	Project Period & Recipient Country	Project description	Project budget
Facilitation of Computer Literacy in Georgian Municipalities	Riga Technical University	06/06=10/06 <b>Georgia</b>	Support to the development of Georgian municipalities by facilitation of computer literacy among the municipal staff. At least 5 local trainers trained; basic computer skills training provided for at least 100 municipal workers from no less than 5 municipalities.	17,504.47LVL (24 907 EUR)

**Priority No 3. Facilitation of the development of democratic and civil society**

Project title	Implementing organisation	Project Period & Recipient Country	Project description	Project budget
Civil Involvement for Efficient Governance.	Association Transparency International Latvia - <i>Delna</i>	01/06-30/11 <b>Georgia</b>	Training of Georgia's regional NGO representatives, with the aim to educate them on various forms of cooperation between civil society and public administration, thus encouraging regional NGOs and media to active participation in decision discussion and decision-making processes both on local and national level.	10,159.50 LVL (14 456 EUR)
On the Way towards an Active and Strong NGO sector in Georgia: Development of Civil Society.	ITA Konsultants	02/07-30/11 <b>Georgia</b>	Development of democratic processes in Georgia, through reinforcement of the NGO sector: providing support to the NGO capacity building. Theoretical education and practical training, with special focus on youth NGOs.	17,120 LVL (24 360 EUR)



**Priority No 4. Facilitation of development in the areas of education, culture, social development, health and environment protection**

Project title	Implementing organisation	Project Period & Recipient Country	Project description	Project budget
Dimensions of Sustainable Development in the Kazbegi and Borjomi Regions.	Development Education Organization <i>Glen Latvija</i>	01/06-30/11 <b>Georgia</b>	The project covers three long-term measures: -promotion of environmental protection and environmental education, -assessment and development of tourism opportunities, -providing opportunities for small households and separate individuals to enhance their living standards.	6,641.83 LVL (9451 EUR)
Strengthening of Capacity for the Improvement of the Quality of Higher Education in Georgia.	SIA <i>Projektu un kvalitātes vadība</i>	07/06-10/06 <b>Georgia</b>	Professional competence building of the academic staff of Georgia's tertiary schools in the field of the quality enhancement of study programmes, the increase of the study programme efficiency and the harmonisation of the study curricula in line with the principles of the European space for higher education, currently under development.	15,881.75 LVL (22 598 EUR)

**Projects approved outside of the tender framework**

Project title	Implementing organisation	Project Period & Recipient Country	Project description	Project budget
Support to Work with Children in Georgia	Development Education Organization <i>Glen Latvija</i>	15/05-15/12 <b>Georgia</b>	The organisation of creative and educational activities for Georgian children; carrying out a study on street children and children's homes in Tbilisi; capacity building and outreach measures for <i>Relation L.S.L. Centre</i> - a child protection organization in Georgia.	4,000 LVL (5692 EUR)
The NGO Forum in Georgia	Soros Foundation Latvia	17/04-20/04 <b>Georgia</b>	Facilitation of the development of civil society and NGOs in Georgia.	1,863 LVL (2651 EUR)
3rd International Summer Institute for Public Administration	The State Chancellery	11/06-16/06 <b>Georgia Moldova, Ukraine</b>	Summer Institute hosted by Latvia for participants from the recipient countries; transfer of Latvia's experience in the public administration sector.	5,000 LVL (7114 EUR)





Latvia's development cooperation with Georgia in 2006

Title	Venue	Organization	Description	Budget
"Museum opens to the public"	01.09.-31.12. /Georgia/	"GLEN Latvia"	Latvian expert will work in the State Museum of Moldova to support the reform process of the system of museums in Georgia. Experience sharing seminars will take place, new work materials and methodological manual will be developed, and the program of involvement children and youth will be established. Several expositions for the definite target audiences will be organized.	MFA (Ministry of Foreign Affairs of Latvia) - 4 000 LVL
Fact finding mission to Georgia	26.04.-29.04. /Georgia/	Ministry of Justice of the Republic of Latvia	The visit of the Ministry of Justice of the Republic of Latvia took place to determine the fields in which Latvia can share its experience and support Georgia.  The Georgian side is interested in the questions of human rights protection accordingly to EU and International standards.	MFA of Latvia - 728 LVL
Activating target audiences to observe the misuse of administrative resources during the pre-election campaign period in Georgia	01.08.-31.12. /Georgia/	Transparency International Latvia "Delna"	This project will help the civil society to evaluate the process of elections from the perspective of misuse of administrative resources, and will encourage more honest and democratic elections in the future.	MFA of Latvia - 14 227 LVL  CIDA (Canadian International Development Agency as cosponsor) - 14 227 LVL
Competence and Capacity Raising of Executive Power in Municipalities in Georgia	01.06.-31.12. /Georgia/	Latvian Association of Local and Regional Governments	The aim of the project is to provide training for executive directors in order to ensure successful continuation of reforms of local governance system.	<u>Total: 17 675 LVL</u> MFA - 8 160 LVL CIDA - 8 160 LVL LALRG - 1 355 LVL
Assisting the Development of audiovisual sector in Georgia: Documentary Film	01.09.-31.12. /Georgia/	National Film Center of Latvia (NFCL)	The aim of the project is to develop the audiovisual sector of the Republic of Georgia, namely, the development of the film sector with the focus on institutional assistance and training of documentary film producers, as well as network building and facilitating the experience; information and culture exchange between Latvia and Georgia.	<u>Total: 24 794.8LVL</u> MFA - 11022.1LVL CIDA - 11022.1LVL NFCL - 1 895.6LVL  Georgian Cinema Fund- 855 LVL
Sigulda-Chiatura-breathe freely	01.07.-31.12. /Georgia/	Sigulda Region Council (SRC)	Sigulda Region Council is willing to reestablish the cooperation with municipality of Chiatura that has began in 1957. The aim of the project is to give theoretical and practical support for the promotion of the development of local government in the City of Chiatura.	<u>Total: 11 212 LVL</u> MFA - 5 390 LVL CIDA - 5 390 LVL SRC - 432 LVL



## LITHUANIA

### International Development/Assistance Projects in Georgia in 2007

No	Sector of Assistance	Title of Project	Implementing Body	Project Costs, EUR
1	Administrative capacity building	Vision of Development of System of Georgia Courts Enforcement (on Civil Judgment Cases), 2008-2012	Chamber of Bailiffs of Lithuania	5 500 EUR
2	Administrative capacity building	Strengthening of economic and democratic potential of Guria region, Georgia	Lithuanian NGO "Regional Ethic and Leadership Institute"	90 000 EUR
3	Administrative capacity building	Assistance in the reform of the Georgian Border Police	Lithuanian State Border Guard Service	29 000 EUR
4	Administrative capacity building	Assistance to the Georgian National Agency for Standards, Technical Regulation and Metrology I the area of standartization <i>(Part of the regional project for Armenia, Azerbaijan and Georgia)</i>	Georgian National Agency for Standards, Technical Regulation and Metrology	30 000 EUR
5	Administrative capacity building	Cooperation projects with NATO Information Centre in the regions of Georgia	NATO Information Centre and Georgian NGO "NGNI"	7 000 EUR
6	Administrative capacity building	Programme for the Lithuanian-Georgian parliamentary cooperation	Parliament of Georgia	7 000 EUR
7	Administrative capacity building	Traineeship for Georgian MFA representatives in the Lithuanian Ministry of Foreign Affairs	Ministry of Foreign Affairs of Georgia	5 000 EUR
8	Social Development	Relief assistance to maintain food security amongst most vulnerable Chechen refugees in Pankisi Valley, Georgia	World Food Programme (WFP)	22 500 EUR
9	Social Development	Assistance in development of Tbilisi Basketball Academy	Tbilisi Basketball Academy	5 000 EUR
10	Social Development	Assistance in development of the children rights system in Georgia	Lithuanian Children Rights Ombudsmen Office	2 500 EUR
11	Social Development	Assistance to Tbilisi School for Blind Children No 202	Tbilisi School for Blind Children No 202	3 500 EUR
12	Conflict resolution	Participation in OSCE-led economic and social rehabilitation projects in South Ossetia <i>(Renovation of Tskhinvali water reservoir)</i>	OSCE mission in Georgia	100 000 EUR



## THE NETHERLANDS

(see also: [www.dutchembassy.ge](http://www.dutchembassy.ge))

### 1. General Overview

Poverty reduction is one of the main objectives of the foreign policy of the Netherlands. The Netherlands spend approximately 0,8% of its BNP on tackling global poverty. The Official Development Assistance is provided in the form of bilateral and multilateral initiatives, bilateral assistance is given to 36 partner countries. In the assistance, a strong emphasis is placed on the achievement of

the Millennium Development Goals in 2015 and the national strategies in the countries in which the Netherlands provide assistance.

A strong characteristic of the Netherlands Development Cooperation Policy is the complementary nature of the initiatives and efforts that stimulate harmonisation and alignment of assistance.

### 2. Cooperation Programme (ODA) for Georgia

Georgia is a member of the Netherlands' constituency group at both the World Bank and the IMF. Georgia is a partner country for the Netherlands Government on the list of 36 countries that receive bilateral development aid. The Netherlands Government provides assistance to Georgia via central budget lines within the Ministry of Foreign Affairs as well as via delegated funds at Embassy level. Since June 2004, Georgia is eligible for funds aimed to stimulate sustainable economic development in emerging markets (i.e. PSOM) financed by the Dutch Government.

The overall objective of the (delegated) development cooperation programme in Georgia is poverty reduction. In 2007, delegated funds amounted to EUR 3.6 mln including EUR 2.5 mln budget support. The focus of the Netherlands ODA interventions is geared towards poverty reduction and the promotion of good economic and political governance and can be divided along the following lines:

- 1.1. poverty reduction via strengthening the public sector and public institutions for the delivery of services;
- 1.2. stimulating the transition towards a democratic form of government with a particular focus on the PFM and fighting corruption
- 1.3. reinforcing international legal order and protection of human rights / improvement of rule of law
- 1.4. more security and stability through promotion of initiatives of (international) organisations in the field of stability and peace;
- 1.5. Strengthening civil society initiatives (both ODA and non ODA).

#### ***Ad. 2.1. Poverty reduction via strengthening the public sector and public institutions for the delivery of services.***

In 2007, the Netherlands co-financed the Poverty Reduction Support Credit (PRSC-3) of the World Bank with an amount of EUR 2.500.000. This programme is geared towards the improvement of 1) the financial accountability and effectiveness of the public sector; 2) electricity and gas supplies; 3) the enabling environment to further develop the private sector and 4) social services with a particular emphasis on health and education.

#### ***Ad. 2.2 Stimulating the transition towards a democratic form of government with a particular focus on the PFM and fighting corruption***

In the area of PFM, support is given to the reform agenda of the country, notably public finance management and the strengthening of key institutions in this process. To stimulate the transparent functioning of the different political powers and the creation of well institutionalized checks and balances activities are aimed to strengthen central government bodies and oversight institutions.

The Public Sector Financial Management Support Programme provides technical assistance and support to 1) the strengthening of planning and budgeting capacities through support of the Medium Term Expenditure Framework; 2) introducing more effective systems for tracking the use of public resources through an expanded Treasury management system; 3) improving the management of the civil service size, composition and cost and 4) increasing accountability through strengthened external oversight capacities, notably by the Chamber of Control. The programme was signed on the 10<sup>th</sup> of March 2006 and provides for pooled funding from the Government of Georgia, SIDA, DFID, the Netherlands and the WB.



### ***Ad. 2.3 Reinforcing international legal order and protection of human rights / improvement of rule of law***

In the area of human rights and rule of law, support will – for the time being - be concentrated on improvement of the juvenile justice system via UNICEF. This program insists on drafting a new juvenile code, the draw of an action plan for juvenile justice and the building of partnerships with ministries, NGOs and other partners.

Other activities relevant to the RoL consist of a program implemented by the APT (Action for the Prevention of Torture). This program aims to support Georgia in developing a National Prevention Mechanism for Torture. Under TMF (instrument within the MFA), the Netherlands Helsinki Committee implements a strategic litigation project in Georgia, Armenia and Azerbaijan which will be supported for the years 2006-2010. The program aims to strengthen local lawyers' capacity for strategic human rights litigation and to raise awareness about human rights standards.

### ***Ad. 2.4 More security and stability through promotion of initiatives of (international) organisations in the field***

## **2. Additional cooperation programmes (Oda & Non Oda) for Georgia**

Support to Georgia via central budget lines in 2006 and 2007 was given to both international organisations as well as via multilateral institutions, some of these contributions have a regional focus. A few examples of this support (whereas some contributions are was:

- EBRD (Trade Facilitation programme and the Early Transition Countries fund);
- ODIHR (regional activities in the area of election technical assistance, increased participation of women in democratic processes, etc);
- HALO Trustfund for demining activities;
- Centre for International Legal Cooperation (rule of law seminars);
- Avalon Foundation (to develop organic agriculture in Armenia, Georgia, Azerbaijan, Moldova and Kyrgyzstan), with EUR 1.14 at a 4 year term;
- OSCE Rehabilitation Programme Conflict Zone South Ossetia (EUR 483.000);
- STARLINK (Security, Transparency, Accountability and Reform: linking the security sectors of Georgia, Moldova and Ukraine to the Euro-

### ***of stability and peace:***

The Netherlands have supported initiatives on both multilateral and bilateral level aimed to lead to peaceful and sustainable solution of the conflicts in Georgia. In 2006 as well as 2007 delegated support was provided to UN-OMIG and Conciliation Resources to strengthen dialogue between parties and social rehabilitation for and in Abkhazia. In addition, the Embassy contributed EUR 50.000 to the OSCE - Needs Assessment Study for social rehabilitation and economic development in South Ossetia.

### ***Ad. 2.5. Support to Civil Society Initiatives***

Under the budget line for small projects aimed to strengthen civil society initiatives, the Embassy has allocated EUR 60.000 in 2007. In January 2006, Georgia became eligible for the MATRA programme that aims to support social transformation. Whereas the MATRA programme has various instruments, MATRA KAP is geared towards strengthening small civil society initiatives. At the end of 2006, EUR 17.000 was allocated to Georgian NGOs. In 2007, this sum will reach EUR 80.000. Total contribution to small civil society initiatives in 2007 was EUR 140.000.

pean Mainstream. Implemented by the Centre for European Security Studies, max. € 645.220).

Apart from support from the Ministry of Foreign Affairs, additional TA is provided for by other Dutch Ministries, notably:

- Small scale strategic activities by the Ministry of Finance (MINFIN) as part of its constituency relationship;
- TA by a dutch team / Ministry of Defense towards the Geo Ministry of Defence (training in area of budget planning and preparations, MTEF and life-cycle span)
- Assistance by Ministry for Housing, Spatial Planning and Environment (VROM) to various environmental counterparts in Georgia.

Economic/ business support programmes are being conducted by several Dutch agencies and Dutch available instruments, notably: CBI, NMCP/ PUM, Ecorys, FMO by means of instruments such as PESP and PSOM. At present, two ORET programmes are under implementation. For a complete overview of these instruments, reference is made to website: [www.dutchembassy.ge](http://www.dutchembassy.ge)



**TOTAL OVERVIEW OF DELEGATED (ODA) ACTIVITIES**

2.2. Stimulating the transition towards a democratic form of government with a particular focus on the PFM and fighting corruption

Title of Project and Implementing body	Project Contribution	Duration	Status
Support to Public Sector Financial Management Reform Project <i>Pooled financing with WB, DfID, SIDA and the Ministry of Finance.</i>	€ 1.800.000	2006 -2010	<u>Location:</u> Georgia <u>Main Objectives:</u> Implementation of the PFM Strategy / Action Plan by the GoG. <u>Components:</u> Strengthening management capacity and increasing accountability
Modernisation of the financial system, phase 2 <i>UNDP</i>	\$ 700.000	May 2005 – April 2007	<u>Location:</u> Georgia <u>Main Objectives:</u> Improved system of public finance, administration and management within Ministry of Finance <u>Components:</u> Strengthening management capacity and development HR
Strengthening Georgian Parliament in Public Finance Management issues. <i>East West Parliamentary Practice project (EWPPP).</i>	€ 335.000	July 2005 – October 2007.	<u>Location:</u> Georgia <u>Main Objectives:</u> Strengthen accountability and oversight capacity of the Parliament in PFM related issues <u>Components:</u> capacity building
Assistance to conduct integrated household surveys by SDS <i>UNDP</i>	\$ 194.000	January 2004 – January 2007	<u>Location:</u> Georgia <u>Main Objectives:</u> integrated and qualitative household surveys <u>Components:</u> training & capacity building within SDS, technical
Strengthening capacity government in the implementation of the Anti Corruption Strategy / Action Plan <i>Council of Europe</i>	€ 700.000	September 2007 – August 2009	<u>Location:</u> Georgia <u>Main Objectives:</u> implementation of Anti Corruption Strategy <u>Components:</u> capacity building

2.3 Reinforcing international legal order and protection of human rights / improvement of rule of law

Title of Project and Implementing body	Project Contribution	Duration	Status
Support to Juvenile Justice System via <i>UNICEF</i>	€ 750.000	July 2007- July 2010	<u>Location:</u> Georgia <u>Main Objectives:</u> drafting an action-plan for juvenile justice and new juvenile justice code. <u>Components:</u> institutional and HR capacity building + diversion and alternative sentencing programmes

2. 4 More security and stability through promotion of initiatives of (international) organisations in the field of stability and peace:

Title of Project and Implementing body	Project Contribution	Duration	Status
Support to Conciliation Resources activities aimed to strengthen peace dialogue between parties <i>Conciliation Resources</i>	£ 68.000	1 May 2005 – 30 April 2007	<u>Location:</u> Georgia <u>Main Objectives:</u> Dialogue between political and civic leaders and conflict education with youth groups <u>Components:</u> several workshops and visits (f.e. to Northern Ireland, Brussels). The different youth groups will have joint meetings and discussions.
Trust fund confidence building <i>UNOMIG</i>	€ 100.000	September 2006 – September 2008)	<u>Location:</u> Georgia <u>Main Objectives:</u> Rehabilitate infrastructure <u>Components:</u> Support to Quick Impact Trustfund



## POLAND

In 2007, the Polish-Georgian cooperation covered the following areas: central administration reform, development of local self-governance in rural areas, including agricultural tourism.

In the framework of the Polish external assistance in 2007 4 million. PLN (1,43 million. USD) were allocated for cooperation with Georgia. This is twice as much as the amount allocated in 2006 -1,6 million PLN (0,6 million USD).

### External assistance projects implemented in Georgia In 2007

#### *Purchase of access permits to the data-base of periodicals and research publications for the Parliament of Georgia and the Library of Parliament*

Similarly to 2006, in 2007 the Polish Foreign Ministry funded the purchase of access permits to the data-base of periodicals and research publications about EU-related political and economic issues for the Parliament of Georgia and the Library of Parliament.

Access to databases is a component of a wider EU-funded project *Support to the reform of the Georgian Parliament* under which a EU Information and Documentation Centre (EUIDC) was set up. The aim of the Centre is to promote EU and disseminate information on EU activities among MPs, civil servants, business circles as well as the media and students. The Centre provides up-to-date, balanced information about the EU to all the interested parties; it promotes the role of the Parliament in the development of EU-Georgia relations, offers free access to EU-related information and organises trainings and seminars.

In the framework of assistance project funded by Poland, 15 internet accounts were purchased (the annual cost of accounts is 95,000 PLN, 1 EUR – 3,8 PLN)

The initial assesment made in 2007 was positive, confirming the need to access electronic publications as well as as other data bases.

#### *'Nobody will do it for us' – Sharing Polish experience in the development of the Georgian local governance*

The *Civil Activities' Foundation* together with the Georgian *Atinati*, implemented a project entitled *'No-one will do it for us' – Sharing Polish experience in the development of the Georgian local governance*. In the framework of the project, Polish and Georgian local communities tried to solve problems facing them by experience-sharing and using the capacity of their members – NGOs, parents, teachers, young people and government representatives.

The number of projects implemented through cooperation between the Embassy of Poland, Polish NGOs, central administrative agencies, self-governance bodies and their Georgian counterparts in 2007 have amounted to 25 totaling 2,98 PLN. (1,06 million USD). In 2006, 14 projects were implemented amounting to 1,01 million PLN (0,36 million USD).

1 USD – 2,8 PLN.

The main result of the project was the first exhibition in Zugdidi entitled „Extraordinary exhibition” where every citizen of Western Georgia had an opportunity to present his/her initiative, activitiy, work or anything that was to benefit the development of the local community.

#### *Promoting agrotourism and regional produce in Georgia as an opportunity to develop rural areas*

Development of tourism is an opportunity ensuring Georgia's fast regional development. *Promoting agrotourism and regional products in Georgia as an opportunity to develop rural areas* is a project impelmented by Kshizhova foundation, in cooperation with agricultural association *Elakana*, and aims at sharing knowledge and experience with the Georgian partners in such areas as cultivation of environmentally safe products and eco-tourism. Through the funding, it became possible to refurbish several production farms and increase their production standards. During the workshops held with the participation of farmers and representatives of local authorities and local organisations, Polish and Georgian experts shared their experience in agrotourism and promotion of local produce. The main stakeholders in the project were local administration and government representatives, representatives of NGOs working in agrotourism and rural development as well as farmers engaged in agricultural tourism or productions of local and regional produce.

#### *Development and promotion of agrotourism in Pankisi*

Pankisi – a region in South-East Georgia – deserves special attention due to its difficult economic situation and ethnic composition. During 2006-2007, the International Education Foundation impelmented a project for Kists (ethnic group residing in Pankisi) who take interest in agrotourism. The project was entitled *Agrotourism for Pankisi Gorge Kists*. The Foundation held a series of seminars and workshops in Poland on setting up agrotouristic sites and farms as well as on the functioning and



management of NGOs. Polish experts, together with the Georgian organisation *Marshua Kavkaz* made an inventory of cultural and natural resources, collected information on the touristic potential and worked out several touristic routes. All of this material is posted on a special web-page.

### ***Strategy for promoting Tbilisi***

Tbilisi, the capital of Georgia is a fast-growing entity. During the last few months a new airport was opened, the quality of roads as well as the sanitary services have improved. Tbilisi is rich in sites and offers many attractions to the visitors – the old city, various historic monuments etc., however, infrastructure as well as the quality of management needs to be improved and promoted. *The Robert Schumann Foundation – Poland*, together with the Municipality of Tbilisi and Association *Satma*, in cooperation with *Eskadra Group*, implemented a project entitled *Strategy for promoting Tbilisi*. A group of local authorities' representatives went on a study tour to Poland. The visitors familiarised themselves with the techniques of promoting Polish cities as well as their negative and positive experience in drafting development plans.

### ***Twinning Georgia Project***

*Twinning Georgia* project was implemented by association *Partners for local governance* and was aimed at the development of local governance institutions. Meetings and sharing experience as well as contacts between the Polish and Georgian local governance institutions were undertaken in the framework of the project. The Association experts held presentations and a series of workshops on the following themes: local self-governance, notably financial management, open and transparent management, public participation and examples of transparent and effective problem-solving. A Manual for the Georgian Local Self-Governance drafted under the project, comprises information on the participation of citizens in decision-making process and public control over self-governance. The Manual also contains five examples of successful experience of Polish self-governance bodies participating in the project in

the fields of public participation and transparency of local self-governance.

### ***Without Corruption – public monitoring of the local authorities***

The Foundation of Polish-Czech-Slovak solidarity, jointly with *Transparency International-Georgia* implemented a project entitled *Without Corruption – Public monitoring of the local authorities*. The project gave the opportunity to the Georgian authorities, NGOs and journalists to meet their Polish counterparts active in the fight against corruption. Special attention was given to the following issues: transparency of public institutions, competition, the role of citizens, NGOs and the media in the monitoring of the authorities. The Polish experience may be used in Georgia. The Legionova example of anticorruption measures was also shared in the framework of the project.

### ***Impact of educational policy of local government institutions on schools' self-governance***

The project is targeted at governance agencies and school directors. Under the project, a conference with the participation of Polish and Georgian local self-governance representatives, NGOs and schools were held in the following areas: schools and the role of schools in the development of civil society and the impact of educational policy of local government institutions on schools' self-governance. A number of visits to various public and private institutions in Poland were also organised.

### ***Caucasus House – Agreement on Cooperation between the Peoples of the Caucasus***

This is implemented by association *The Caucasus House in Poland*. An internet site [www.domkaukaski.org](http://www.domkaukaski.org) was opened to serve as a common space for the Caucasian peoples. The five-language site (English, Georgian, Azeri, Armenian and Polish) aims at promoting cooperation among the young leaders of local organisations in the Caucasus. The site also serves as a platform for cooperation and collaboration for private individuals, research institutions and cultural/educational institutions taking interest in the integration of the Caucasian peoples.

## **Funds contributed by Poland to international foundations and organisations implementing projects in Georgia**

### **OSCE**

Since 2004 Georgia has been implementing a number of reforms which aims at good governance standards. The OSCE programme amounting to EUR 191 000 is aimed at the support of structural transformation of the Georgian police, increasing its professionalism and independence from politics, as well as better cooperation with the civil society. The programme also contributes to the fight against corruption in the police. In 2007, Poland contributed EUR 50 000 to this project.

### **IOM**

As a result of the reforms in the Interior, Defence and Justice sectors, the number of staff in the law-enforcement have been cut down. In 2007, Poland contributed to the project which aimed at the reintegration of the laid-off personnel. This was a joint initiative of the Government of Georgia and IOM. A project entitled *Reintegration assistance to the redundant personnel of the Ministries of Defence, Interior and Justice* was implemented through cooperation with the Government and international do-



nors. The project amounting to USD 5 million and with a duration of 30 months, started in January 2007. An information centre was to assist redundant personnel with retraining or start of independent economic activities.

#### Polish NGOs:

1. Caucasus House - cooperation between nations of the Caucasus Region – 55.500,00 USD
2. Fellowship Program for Georgian Public Policy Analysts – 39.000,00 USD
3. No corruption. Civic control of local authorities – 26.500,00 USD
4. A local newspaper – a guide to local government. A contribution of local press to the development of civil society in Georgia – workshops and training for journalists from the Georgian local press – 50.500,00 USD
5. Nobody will do it for us... Polish-Georgian experience of local self Government Development – 82.000,00 USD
6. Promotion strategy of Tbilisi – 29.000,00 USD
7. Georgia Twinning – 74.000,00 USD
8. Development and promotion of agro tourism in Pankisi – 52.000,00 USD
9. School autonomy and education policy of local authorities. A conference with the participation of Georgian and Polish local authorities representatives, non-governmental organizations and school representatives – 30.000,00 USD
10. Promocja agroturystyki i produktów regionalnych szansą rozwoju terenów wiejskich w Gruzji – 47.000,00 USD

#### Polish Public Administration:

11. Training of specialist staff through participation in SENSE simulation – 561.000,00 USD
12. Lublin for Zugdidi - sharing police knowledge and experience – 18.700,00 USD
13. Szkolenia wspomagające modernizację Policji Granicznej Gruzji – 21.200,00 USD

The project also offers specific funds for reintegration, through which their training or economic initiatives are funded. The cost of the project was 140,000 PLN (USD 50,000).

#### Local Governance:

14. Development of the local partnership in border regions of Georgia – 68.300,00 USD

#### Embassy of the Republic of Poland:

15. Study visit of diplomats from Georgia – 2.995,00 USD
16. Public Monitoring of the Presidential Election 2008 – 4.050,00 USD
17. Web page subscriptions for Georgian Parliament (January-December, 2008) – 40.000,00 USD
18. Public awareness rising with regard to the Georgia's foreign policy priorities and enhancing civic participation in the formulation of the respective priorities – 11.000,00 USD
19. Minorities in Georgia: from confrontation to dialogue – 4.900,00 USD
20. Table tennis as means for multinational integration – 6.000,00 USD
21. Establishment of EU Information Centre in the Supreme Council of the Autonomous Republic of Adjara – 7.770,00 USD
22. The digitalization of the Polonica (documents referring to Poland and Polish Affairs) and other important materials; Polish-Georgian cultural heritage: present day and prospects for future cooperation – 33.025,00 USD
23. Support for tourism development in Svaneti region – 12.300,00 USD
24. Support for tourism development in Kazbegi – 25.405,00 USD
25. Support for penitentiary system throughout dogs training to use in a system of prison organization – 35.398,00 USD
26. Preparing refugee children for winter – 20.962,00 USD





**I Projects funded by the Foreign Ministry of Poland in 2006:**

Under the Call for public administrative bodies the following projects were funded:

Applicant	Title	country	USD
Central Penitentiary Agency	Support to the penitentiary system in Georgia	Georgia	7 450,00
Border Police	Trainings aimed at modernising the Georgian Border Police	Georgia	15 900,00
Foreign Ministry, EU Department	Study tour for public administration staff in order to develop effective relations with the EU	Georgia	2 900,00
National Ministry of Defence, Budgetary Department	Workshops in the Ministry of Defence for the Financial Officers of the Georgian Ministry of Defence	Georgia	8 600,00

Total 34 850.00 USD

**Under the Call for NGOs the following projects were funded:**

Organisation	Project title	Country
Partners for self-governance	Well informed citizens- better relations of the government with the local population	Georgia
CASE – Centre for public and economic analysis	Support for the local civil society groups through training of local self-governance representatives	Georgia
Foundation for intercultural education	Agrotourism in Pankisi	Georgia
Civil Activism foundation	Support to civil institutions in Georgia	Georgia
Robert Schumann Foundation	Let's put Georgia in order – environment protection in a big city	Georgia
Democratic Union <i>The East</i>	Good experience in dealing with the minorities and conflict resolution – Polish experience	Georgia
The Josef Tishner European High School	Civil Caucasus	Georgia

**II Funds allocated by Poland for the provision of foodstuffs in 2006**

Projects and activities:

PRO 10211.0 – Protracted Relief and Recovery Operations  
Beneficiary: 230.000 (predominantly small farmers and those affected by military operations)

Total cost 24.5 m USD

Implementation period: 3 years (2003 – 2006)

**A - WFP Institutional Feeding** - assistance to the population in shelters with soup and foodstuffs (flour, oil and beans) predominantly in Telavi area.

**B - Refugee Assistance** – assistance to refugees from Chechnya.

**C - Food – for – Work (FFW)** - food assistance to the victims of natural disasters

**D - WFP Food – for – Education (FEE)** - assistance

to 240 schools aimed at encouraging children to stay in school and continue learning

Allocation: 300.000 USD

**E – Reintegration Assistance to the Redundant Personnel of the Ministries of Defence,**

**Internal Affairs and Justice** – reintegration programmed for the ex-staff of the Ministries

Polish allocation: 127.000 UUSD

**F - Parliament of Georgia** – on the request of the Speaker, the Ministry of Foreign Affairs transferred Euros 40 000 for the electronic publications on the EU

**G - Small grants of the Embassy of Poland - Radio GIPA project** – refurbishment of offices and purchase of equipment for the Zhvania Institute for Public Affairs

Allocation: 29.815 USD



## ROMANIA

During 2006 - 2007 there have been trade exchanges between Romania and Georgia

Romanian – Georgian trade exchanges for the year 2006 and partially the year 2007 (January – September 2007) – in millions USD:

Period	Export to Georgia	Import from Georgia	Total
2006	197.834	7.561	205.395
2007 (January – September)	98.109	0.432	98.541



## SWEDEN

The Swedish strategy for cooperation with South Caucasus 2006-2009 defines two principle sectors of concentration for Swedish International Development Cooperation Agency (SIDA) activities in Georgia: a) strengthened democracy and increased respect for human rights, and b) economic development in the area of agriculture. In addition, the strategy allows for environmental initiatives to be funded through the EBRD. The strategy aims at a concentration of the previously scattered support to Georgia.

The European Neighbourhood Policy, ENP, will be guiding Swedish development cooperation according to the strategy. The ENP action plan for Georgia outlines prior-

### Democratic governance and human rights

The largest part of the Sida project portfolio is in the sector broadly defined as democratic governance and human rights.

Sida has joined other donors (WB, DfID and the Netherlands) in a major programme to support the government's Public Financial Management Reform. Donors are pooling resources which are transferred through the treasury account. It is envisaged that the programme will facilitate the future provision of budget support from donors. Sida also contributes, as silent partner, funds to a related DfID managed project to promote government transparency and the PFM watch dog capacity of the civil society.

Sida funds two initiatives supporting the implementation of the Criminal Justice Reform Action Plan. The Swedish Prison and Penitentiary Administration<sup>1</sup>, together with Estonian and Lithuanian counterparts, cooperate with the Ministry of Justice in the development of a penitentiary training centre. Sida's long-running support of the Public Defender's Office through the Raoul Wallenberg Institute/UNDP continues. Following an evaluation in 2006, the support to the PDO has been reoriented with a stronger focus on building institutional capacity.

<sup>1</sup> also manages a related EC funded penitentiary programme

### Economic development in the agricultural sector

Sida's largest project in Georgia is "Support to the Milk and Dairy Sector", a programme that assists small farmers to set up milk collection centres and sell their milk to private dairy producers. The project originally operated in one region and expanded into two more, including South Ossetia, in 2006. The project also deals with food safety,

ity areas which to a large extent correspond to those of the current Sida programme.

A sharp increase in assistance is envisaged in the strategy with disbursements amounting to 100 MSEK (appr. 11 MEUR) annually towards the end of the strategy period. During the previous strategy period 2003-2005 some 85 MSEK (appr. 9 MEUR) were disbursed in total for Georgia. Disbursements in 2006 and 2007 amounted to approximately 70 MSEK (appr. 8 MEUR) per year. An amount of 90 MSEK (appr. 10 MEUR) is envisaged for 2008. A large share of regional programmes, not included in above figures, also benefits Georgia.

Support is provided to support reform efforts in the areas of property registration and the child welfare system.

A Conflict Prevention and Integration Programme is implemented by the OSCE High Commissioner OSCE High Commissioner on National Minorities in the Samtskhe-Javakheti Region.

Support has been provided to the establishment of the International School of Economics of the Tbilisi University (ISET), modeled on similar Swedish-supported institutions in Kiev and Moscow.

Swedish funds are provided to the Media Development Loan Fund to support the development of independent and commercially viable media.

Included in a larger Governance Programme implemented by UNDP, are projects to support the government's decentralization reform on a strategic policy level and direct assistance to elected local governments in one region.

The Sida programme in Georgia always had a prominent gender profile, including a number of targeted interventions. The third phase of a large regional programme supporting women's NGOs mainly in Georgia started in January 2007.

one of the priorities of the Government and the ENP AP.

Sweden contributes, together with a number of other donors, to the OSCE programme to support economic development in the conflict area of South Ossetia. The Swedish funds are entirely intended for agricultural development.



## Environmental initiatives

Sida has contributed grant financing to soften EBRD credits for investments to improve drinking water supply in the cities of Kutaisi and Poti. In addition, there is a regional<sup>2</sup>

2 South Caucasus, Central Asia and Moldova

trust fund of some 30 MSEK (appr. 3 MEUR) for technical assistance in connection with EBRD investments, a large portion of which benefits Georgia<sup>3</sup>.

3 Not included in the disbursement forecasts above.

## Conflict Management

The selection of projects and targets areas is guided by a conflict prevention perspective. A number of projects are active in regions assessed as potentially volatile due to a large minority population (Kvemo Kartli and Samtskhe

Javakheti) and in the conflict area of South Ossetia. Some limited humanitarian support is provided to Georgia through the Red Cross.

## Regional initiatives

Sida has decided to cut back the number of regional projects in South Caucasus as experience has shown that results are mainly reached at the national levels also in regional programmes and that voluntary exchange is limited. Current regional activities are in the fields of gender and conflict prevention.

Exchange and Masters' programmes administered by the Swedish Institute as well as International Training Programmes (ITP) financed by Sida are open to Georgian nationals. In 2007, 11 Georgian women and men participated in ITP.

## Sida-FUNDED REGIONAL PROJECTS IN THE SOUTH CAUCASUS

### Ongoing Projects

<b>Project Title:</b>	<b>Women in South Caucasus Phase III</b>
<b>Period/Contribution No:</b>	January 2007- December 2009
<b>Sector:</b>	HR / Conflict Resolution
<b>Countries:</b>	Georgia, Armenia, Azerbaijan
<b>Implementing Agency:</b>	Kvinna till Kvinna
<b>Sida Commitment:</b>	SEK 30,000,000 (appr. MEUR 3.2)
<b>Project Brief:</b>	The programme supports women's NGO projects in the South Caucasus, primarily in Georgia. The overall objective is to promote women's self-confidence, psychosocial and/or physical health and in other ways facilitate women's participation in the development of a democratic civil society. The programme operates in conflict areas.
<b>Project Title:</b>	<b>Open Fun Football Schools in South East Europe and South Caucasus</b>
<b>Period/Contribution No:</b>	June 2005- July 2008 (2005-002163)
<b>Sector:</b>	HR / Conflict Resolution
<b>Countries:</b>	Georgia, Armenia, Azerbaijan, Bosnia, Croatia, Macedonia, Serbia, Montenegro.
<b>Implementing Agency:</b>	Cross Cultures Project Association
<b>Sida Commitment:</b>	SEK 21,020,000 of which SEK 9,000,000 (appr. MEUR 1.0) for South Caucasus
<b>Project Brief:</b>	Promotion of tolerance, peaceful coexistence and social cohesion through democratic football in the form of Open Fun Football Schools for children from communities in conflict/post conflict areas. The project entails capacity building of local organisations, training of trainers and leaders and organisation of the football schools.



## Sida-FUNDED PROJECTS IN GEORGIA

## Ongoing Projects

<b>Project Title:</b>	<b>Core support to Eurasia Partnership Foundation in Georgia</b>
<b>Period /Contribution No:</b>	December 2007 - June 2011 (76003712)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agency:</b>	Eurasia Partnership Foundation in Georgia
<b>Sida Commitment:</b>	SEK 18,900,000 (appr. MEUR 2.0)
<b>Project Brief:</b>	Sida is providing core support to the newly established Eurasia Partnership Foundation which is locally led and managed, with an international Board of Trustees. The aim of the support is to strengthen the Civil Society in Georgia. Among the activities are grants programmes, assisting grant applicants on project design and implementation schedules and operating programmes where EPF acts as a convener among stake holders on a particular issue.
<b>Project Title:</b>	<b>Civil Society Public Policy Reform Project</b>
<b>Period /Contribution No:</b>	March 2007 – December 2008 (76003750)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agency:</b>	Adam Smith Institute
<b>Counterpart:</b>	Various civil society representatives
<b>Sida Commitment:</b>	SEK 2,670,000 (appr. MEUR 0.3)
<b>Project Brief:</b>	The project aims at increasing public participation in Public Financial management and policy making. The project will build capacity of civil society to make effective use of budgetary information to promote better pro-poor governance. Sida is silent partner to DFID in this project.
<b>Project Title:</b>	<b>Rehabilitation and Economic Development in the Zone of the Georgian-Ossetian Conflict</b>
<b>Period /Contribution No:</b>	March 2007 – June 2009 (76003774)
<b>Sector:</b>	Economic Development/Conflict Prevention
<b>Implementing Agency:</b>	OSCE mission to Georgia
<b>Counterpart:</b>	Joint Control Commission
<b>Sida Commitment:</b>	SEK 9,200,000 (appr. MEUR 1.0)
<b>Project Brief:</b>	In the context of finding a solution for the Georgian-Ossetian conflict economic development was identified as a priority by both parties involved. A programme based on a needs assessment conducted by OSCE was presented at a donor conference in June 2006 to raise funds. Swedish support is directed to agricultural projects included in the second of the three components making up the programme: Rehabilitation of basic infrastructure; Economic Development; and Confidence Building.
<b>Project Title:</b>	<b>Democratic Governance Programme in Georgia</b>
<b>Period /Contribution No:</b>	January 2007 – December 2008 (76003710)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agency:</b>	UNDP
<b>Counterpart:</b>	Various ministries and public bodies
<b>Sida Commitment:</b>	SEK 29,100,000 (appr. MEUR 3.1)
<b>Project Brief:</b>	The overall goal is to strengthen the effectiveness, efficiency and accountability of the government at national, regional and local levels. A large share of the programme concerns decentralisation and local self governance. Assistance is further provided to the Parliament, towards demand driven capacity building in support of reforms and promotion of women's participation in politics, through an extension of the, previously regional, Gender and Politics Programme.



<b>Project Title:</b>	<b>Support to Poti and Kutaisi Water Supply Projects</b>
<b>Period /Contribution No:</b>	August 2006 - December 2009 (76003748, 76003749)
<b>Sector:</b>	Environment
<b>Implementing Agency:</b>	EBRD, Municipal Development Fund Georgia
<b>Counterpart:</b>	Kutaisi and Poti Municipalities
<b>Sida Commitment:</b>	SEK 40,850,000 (appr. MEUR 4.4)
<b>Project Brief:</b>	The objective is to restore reliable, good quality water supply to the population of the municipalities, through rehabilitation of water infrastructure. Sida grant financing complements investment loans from EBRD.
<b>Project Title:</b>	<b>Media Development Loan Fund Seed Fund Program in Georgia</b>
<b>Period /Contribution No:</b>	July 2006- July 2009 (76003094)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agency:</b>	Media Development Loan Fund
<b>Counterpart:</b>	Local radio and printed media
<b>Sida Commitment:</b>	SEK 4,300,000 (appr. MEUR 0.5)
<b>Project Brief:</b>	The objective is to support development of independent and commercially sustainable media companies with the capacity to use loans as means to their long-term independence and to create models of successfully functioning independent media from which other companies would be able to learn.
<b>Project Title:</b>	<b>Training Centre for Penitentiary and Probation</b>
<b>Period /Contribution No:</b>	March 2006- August 2008 (76003581)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agencies:</b>	Swedish Prison and Probation Administration, Ministry of Justice of Estonia, Lithuanian Prison Department, UNDP
<b>Counterpart:</b>	Ministry of Justice
<b>Sida Commitment:</b>	SEK 7,590,000 (appr. MEUR 0.8)
<b>Project Brief:</b>	The project supports the establishment of a Training Centre for the prison and probation system under the Ministry of Justice. The Swedish Prison and Probation Administration is the lead project partner in a team including experts from Estonia and Lithuania. UNDP is contracted to undertake procurement of the equipment and development of printed material.
<b>Project Title:</b>	<b>Public Sector Financial Management Reform Support Project (PSFMR-SP)</b>
<b>Period /Contribution No:</b>	March 2006 – March 2010 (76003582)
<b>Sector:</b>	Democratic Governance
<b>Implementing Agency:</b>	Ministry of Finance, World Bank
<b>Counterpart:</b>	Ministry of Finance
<b>Sida Commitment:</b>	SEK 37,000,000 (appr. MEUR 4.0)
<b>Project Brief:</b>	The project will assist to: (i) strengthen planning and budgeting capacity through support to the Medium Term Expenditure Framework; (ii) introduce more effective systems for tracking the use of public resources through and expended Treasury management system; (iii) improve management of the civil service size, composition and cost; (iv) increase accountability through strengthened external oversight capacities, by the Chamber of Control, and the provision of timely, transparent information to Parliament and civil society groups. The programme is supported through a pooled fund of USD 15 made up by a WB IDA credit and grant contributions from DFID, the Netherlands and Sida.



<b>Project Title:</b>	<b>International School of Economics at Tbilisi State University (ISET)</b>
<b>Period /Contribution No:</b>	February 2006- June 2011 (76003713)
<b>Sector:</b>	Democratic Governance
<b>Implementing Agency:</b>	World Bank, Partnership for Economic Education and Research (PEER)
<b>Counterpart:</b>	Tbilisi State University, ISET
<b>Sida Commitment:</b>	SEK 15,700,000 (appr. MEUR 1.7)
<b>Project Brief:</b>	ISET aims to create a new generation of economists for the South Caucasus, build sustainable local capacity for economic research and training and foster cross-border communication and cooperation. The teaching program will consist of two-year academic curriculum, comparable to that of leading Western universities and taught in English by an international faculty. The curriculum will be supplemented by internships and faculty-led research projects.
<b>Project Title:</b>	<b>Support to the Interministerial Commission for Joint Action on Child Welfare</b>
<b>Period /Contribution No:</b>	December 2005 - March 2009 (76003091)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agency:</b>	UNICEF Georgia
<b>Counterpart:</b>	Interministerial Commission for Joint Action on Child Welfare
<b>Sida Commitment:</b>	SEK 3,400,000, of which SEK 1,600,000 for an extension January 2008 to March 2009 (appr. MEUR 0.4)
<b>Project Brief:</b>	The objective is enhanced capacity of the government to coordinate the reform of the child welfare system across public and private stakeholders. The project serves as a secretariat to the Government Commission, providing expertise and capacity building.
<b>Project Title:</b>	<b>Conflict Prevention and Integration Programme for Samtskhe- Javakheti Region</b>
<b>Period /Contribution No:</b>	November 2005 - December 2009 (76003583)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agency:</b>	OSCE High Commissioner on National Minorities
<b>Sida Commitment:</b>	SEK 6,600,000 (appr. MEUR 0.7)
<b>Project Brief:</b>	The aim of the programme is to reduce ethnic tensions in Samtskhe-Javakheti and to help neutralise potential conflict factors by supporting political and civic integration of Armenian minorities into Georgian society.
<b>Project Title:</b>	<b>Support to the Milk and Dairy Sector in Georgia</b>
<b>Period /Contribution No:</b>	November 2005 - October 2009 (76003442)
<b>Sector:</b>	Economic Development
<b>Implementing Agency:</b>	OPTO International AB
<b>Counterpart:</b>	Ministry of Agriculture
<b>Sida Commitment:</b>	SEK 44,850,533 (appr. MEUR 4.8)
<b>Project Brief:</b>	The project aims to reduce rural poverty through increasing income for women and men engaged in milk production on small and mid-sized farms in Kakheti, Kvemo Kartli and South Ossetia. This is done by developing sustainable milk production and milk collection points and the development of dairy markets in Georgia. The project also supports the development of dairy food safety standards. The budget has been increased once to allow for a regional expansion and the addition of community mobilisation expertise..



<b>Project Title:</b>	<b>Disseminating The UN Guiding Principles in Georgia and Human Rights Education</b>
<b>Period /Contribution No:</b>	October 2005 - March 2008 (76003093)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agency:</b>	Norwegian Refugee Council
<b>Sida Commitment:</b>	SEK 3,900,000 (appr. MEUR 0.4)
<b>Project Brief:</b>	Training in the UN Guiding principles and Georgian legislation will be conducted for IDPs, local and central officials as well as local NGOs and international agencies concerned with IDP issues. Disseminating the Guiding Principles aims to increase understanding and competence on IDPs rights and how to promote them. The Human Rights education is a continuation of a previous project supported by Sida and includes components of drama education, HIV/AIDS and gender.
<b>Project Title:</b>	<b>Management and Training Support Project for Registration and Cadastre</b>
<b>Period /Contribution No:</b>	January 2005- May 2008 (76003225)
<b>Sector:</b>	Economic Development
<b>Implementing Agency:</b>	Swedesurvey
<b>Counterpart:</b>	National Agency of Public Registry, Ministry of Justice
<b>Sida Commitment:</b>	SEK 15,174,000 (appr. MEUR 1.6)
<b>Project Brief:</b>	This second project of cooperation between Swedesurvey and NAPR, comprises the development of a computer system for database management centres, establishment of procedures for data exchange with district offices, training of staff at all levels and introduction of modern managerial methods.
<b>Project Title:</b>	<b>Strengthening of the Public Defender's Office – Phase III</b>
<b>Period /Contribution No:</b>	September 2003- June 2008 (76002820)
<b>Sector:</b>	Democratic Governance / HR
<b>Implementing Agency:</b>	Raoul Wallenberg Institute, UNDP
<b>Counterpart:</b>	Public Defender's Office
<b>Sida Commitment:</b>	SEK 15,557,000 (appr. MEUR 1.7)
<b>Project Brief:</b>	The project aims at promoting knowledge and respect for human rights in Georgia. It consists of four components: Human Rights Training for PDO staff; Establishment of a Human Rights library; Translation and publication of human rights documentation and training materials; and Strengthening management and administration of the PDO.





## THE UNITED KINGDOM

### General framework

The UK and Georgia established diplomatic ties in 1992 and the UK has since become an active friend and partner of Georgia assisting, for example, with the development and promotion of human rights, good governance and the rule of law.

Cooperation in the development sphere is the responsibility of the Department for International Development (DFID) the British government's department responsible for promoting development and the reduction of poverty. DFID seeks to work in partnership with governments, which are committed to the international targets, and seeks to work with businesses, civil society and the research community to encourage progress, and help

reduce poverty. In addition to its work as a bilateral donor to individual countries, 43% of total DFID development assistance goes through multilateral agencies including the World Bank, United Nations agencies and the European Commission.

In 2007 the UK will contribute £500,000 to support ongoing conflict resolution work in Abkhazia and South Ossetia through the *Global Conflict Prevention Pool*. The UK is supporting democracy building through the *Global Opportunity Fund (reuniting Europe strand)*. The UK supports human rights development through the *Global Opportunity Fund*

### Implementation background

Georgia is one of the focal countries for DFID's work in the South Caucasus and Central Asian region. DFID budget for programmatic work for 2005-06 is £3 million and the main activities to which this is allocated are:

#### 1) Health and Welfare

In October 2003 DFID launched the Primary Health Care (PHC) Project II that has been built upon the previous DFID support to the Health Sector. WB, EC/Tacis, DFID and the Ministry of Labour, Health and Social Affairs signed a memorandum of Partnership in support of the PHC reform. DFID project provides Technical Assistance in the following areas: Organisational Development and institutional strengthening of the Ministry of Labour, Health and Social Affairs, Primary Health Care implementation, Improving Healthcare Financing System, Health workforce development.

#### 2) Sustainable Livelihoods

In October 2005 DFID launched SLAAR that is built upon the previous DFID support to Samtskhe-Javakheti region. The project expands its activities and supports socio-economic development in all six districts of Samtskhe-Javakheti. The project assists to develop the Regional Development Plan (RDP) and improve the socio-economic infrastructure through better access to financial and legal services, training, small grants and other possible aid.

#### 3) Good Governance

*Technical Assistance to the Ministry of Finance* - A short-term Technical Assistance to the Ministry of Finance of Georgia started in January 2004 to support Medium-

Term Expenditure Framework. DFID is going to build on the success of this assistance and further support Public Finance Management reform. DFID assistance to Public Finance Management reform in Georgia is provided within the framework of a Public Sector Reform Support Programme (PSRSP) that is financed by the World Bank, DFID, and the Dutch and Swedish governments. The project has four components:

- Medium-Term Expenditure Framework (MTEF).
- Establishment of a Personnel Management Information System (PMIS).
- Modernisation and expansion of the Treasury System.
- Improved public accountability and oversight of the public financial management by Parliament and Chamber of Control (External Oversight)

#### • *Public Policy Reform Support project*

In the area Accountability and Transparency of Public Finance, DFID together with SIDA will facilitate effective civil society engagement in public finance issues to support government to be more accountable for the use of public spending towards poverty reduction and economic and social development.

#### • *Assistance to the Reform of Civil Registration and Identity* –

Together with other donors DFID project contributes to the Government's Civil Registry Reform and lays foundation for the effective functioning of the civil registration system through developing adequate IT design for the registry system, legal framework, raising public awareness.



- **Long-term Adviser to the State Minister for European and Euro-Atlantic Integration**

DFID supports strengthening of the State Minister's office of European and NATO integration. An international advisor provides advice on policy making, roles and responsibilities and internal coordination and communication with Parliament, civil society.

- **Civil Sector Participation in the dialogue on European Integration – a regional project**

DFID promotes civil sector participation in the dialogue on European Integration to strengthen capacity among the South Caucasus region's public policy organisations to promote harmonisation of domestic legislation and policy with European and international standards and improve journalists and the

public's understanding of a targeted set of policy issues through articles and broadcasts prepared by participating journalists from all three countries of the South Caucasus.

**4) DFID in Georgia also supports:**

- Peaceful resolution of conflicts through Global Conflict Prevention Pool (GCPPP);

**5) DFID Strategic Fund** is designed to take forward small strategic initiatives identified and to respond to proposals from government, other donors, civil society organisations, including academic bodies and the private sector from within the country. The fund does not support proposals from individuals and international organisations. Nor does it fund activities of those organisations that lack legal status in the country.

## OVERVIEW OF UK PROJECTS

Title of Project and Implementing body	Project Cost £	Duration	Status
<b>DFID</b>			
Georgia Primary Health Care Project II  <i>Oxford Policy Management (OPM)</i>	5 million	2003 – 2008	<u>Beneficiary:</u> Ministry of Labour, Health and Social Affairs (MOLHSA) <u>Main Objectives:</u> to improve national and local capacity to provide basic social services to poor; strengthen institutional capacity of the Ministry, Assist the Ministry to co-ordinate and drive internal and external resources allocated for PHC reform
Sustainable Livelihoods in Adigeni and Adjacent Rayons – Extension phase (SLAAR2EP)  <i>Care International</i>	2.6 million	2005-2008	<u>Beneficiaries:</u> Rural households of Samtskhe-Javakheti region, local and central authorities <u>Main Objectives:</u> to facilitate development of plans for social and economic benefits in the rayon/region with local participation and ownership; to ensure rayon/region development plans are established and consistent with national development plans; strengthen the Government both at local and central level to manage internal and external resources; encourage other donors and IFIs to harmonise their development plans and activities.
Public Sector Financial Management Reform Support Project (PSFMRSP)  <i>Ministry of Finance</i>	4.5 million	2006– 2010	<u>Beneficiary:</u> Government of Georgia <u>Main Objectives:</u> to promote effective and transparent financial management, improve government's capacity for planning and implementation, linking up policy [National Development Plan] to the state budget and resource allocation; contribute to anti-corruption efforts through supporting Chamber of Control and other public expenditure accountability mechanisms.
Effective Civil Society Engagement for Accountability and Transparency of Public Finance  <i>Adam Smith Institute</i>	400,000	2006-2008	<u>Beneficiaries:</u> Ministry of Finance, Civil Society, <u>Main Objectives:</u> to strengthen governance and poverty reduction through improving the effectiveness, efficiency and accountability of public resource management.



<p>Assistance to the Reform of Civil Registration and Identity – Phase 1 and 2</p> <p><i>OSCE/phase 1</i> <i>UNDP/Phase 2</i> <i>Ministry of Justice</i></p>	419.000	2006-2008	<p><u>Beneficiaries:</u> Ministry of Justice, all citizens of Georgia</p> <p><u>Main Objectives:</u> to set up an electronic, unified, centralised, and multifunctional civil registration system to enable the country to maintain population information necessary for providing public services.</p>
<p>Long-term Adviser for the State Minister's office for European and Euro-Atlantic Integration</p> <p><i>CPM Consulting Group Ltd.</i></p>	90.000	2007-2008	<p><u>Beneficiary:</u> State Ministry of European and Euro-Atlantic Integration</p> <p><u>Main Objectives:</u> Provide advice on drawing up a monitoring and evaluation framework for reporting against the ENP Action Plan; Provide capacity building to the staff of the State Minister's office to develop monitoring, reporting progress related to the Action Plan and enhancing communication skills; Share best practice on information collection from and coordination with individual line ministries; Provide guidance on developing a communications strategy and improving communications to disseminate policy papers, plan future actions and disseminate information on progress to date</p>
<p>Promoting Civil Sector Participation in the dialogue on European Integration</p> <p><i>Eurasia Foundation</i></p>	104.000	2006-2008	<p><u>Beneficiaries:</u> Civil Society and Governments of Georgia, Armenia and Azerbaijan</p> <p><u>Main Objectives:</u> to promote harmonisation of domestic legislation and policy with European and international standards in the South Caucasus; to improve journalists' and the public's understanding of a targeted set of policy issues; to establish and deepen cooperative relationships within the South Caucasus region</p>
<p>Strategic Fund</p>	100.000	2007-2008	<p><u>Beneficiaries:</u> various</p> <p><u>Main Objectives:</u> Support youth and opinion formers to drive change, encourage parliament and public participation in anti-corruption work; Support work on ENP and EU integration process in-country and across the region; Support national experts/think tanks for better analysis and evidence based policy making</p>
<b>GCPP Funding</b>			
<p>Promoting conflict transformation and peace building in the Georgian-Abkhaz conflict</p> <p><i>Conciliation Resources</i></p>	200,000	2006-2008	<p><u>Beneficiaries:</u> various</p> <p><u>Main Objectives:</u> To help develop track II diplomacy in Abkhazia in support of ongoing conflict resolution efforts</p>
<p>Advocating for human security through civic initiatives</p> <p><i>International Alert</i></p>	64,776	2006-2008	<p><u>Beneficiaries:</u> various</p> <p><u>Main Objectives:</u> Developing civic awareness and actions to support human security in Abkhazia</p>
<p>Defusing ethnic tensions through responsible reporting <i>Thomson Foundation</i></p>	45,000	2006 completed	<p><u>Beneficiaries:</u> various</p> <p><u>Main Objectives:</u> To ensure responsible, fair, accurate and balanced reporting by the media covering the conflict situations in South Ossetia and Abkhazia</p>



Civil Society Participation in the European Neighbourhood Policy (ENP) – A regional Approach to Conflict Resolution  <i>Crisis Management Initiative</i>	194,000	2006-2009	Beneficiaries: various Main Objectives: <ul style="list-style-type: none"> <li>• Creating a regional network of civil society organisations in conflict resolution and crisis management;</li> <li>• Creating national expert councils;</li> <li>• Promoting regional cooperation of civil society in finding a European approach towards conflict resolution.</li> </ul>
Support to the Economic rehabilitation of South Ossetia  <i>OSCE</i>	125,000	2006 - 2008	<u>Beneficiaries:</u> various <u>Main Objectives</u> To support the OSCE led initiative to improve living standards and economic opportunities in South Ossetia in order to help ongoing conflict resolution efforts.
Supporting regional media  <i>BBC World Service Trust</i>	44,740	2006 Completed	<u>Beneficiaries:</u> various <u>Main Objectives:</u> To ensure responsible, fair, accurate and balanced reporting by the media covering issues in the predominantly Armenian populated areas.
Abkhazia Household Survey: Baseline for Future Programmes  <i>Caucuses Research Resource Centers (CRRC)</i>	£30,767	2007-2008	To prepare (phase 1) and implement (phase 2) a comprehensive, high-quality household survey in Abkhazia that serves to chart the main economic and social developments, so as to serve as a baseline for a better understanding of the situation and future FCO programming in Abkhazia.
Advancing livelihood opportunities through economic cooperation across the conflict divide  International alert	£28,313	2007-2008	To increase numbers of peace stakeholders among Small and Medium Entrepreneurs from all sides of the conflict divide (Georgia- Abkhazia and Georgia-South Ossetia)
<b>GOF Funding</b>			
Accountability and transparency of Government: training Majoritarian MPs  <i>Transparency International</i>	161,000	2005-2008	<u>Beneficiaries:</u> Majoritarian MPs <u>Main Objectives:</u> To support the work of the Majoritarian MPs through training. Helping to develop an understanding of the role and responsibility to electorate. Providing support and training to the MP's bureau staff
Capacity building for government officials to combat trafficking in persons and smuggling of migrants  <i>International Organisation for Migration</i>	£98,014	April 07-Sep 08	To enhance the knowledge and operational capacity of Geo. Gov. officials in law enforcement agencies, judiciary structures and consular offices to contribute to the combat of trafficking in persons and smuggling of migrants in Georgia, in accordance with the country's action plan, bilateral and regional agreements as well as standards required by the EU
Initiating Dialogue Between Policy Makers and Civil Society on European Integration Process  <i>European Integration Forum - Civic Dialogue &amp; Consulting (NGO)</i>	£29,720	12 months April, 07- March 08	To involve civil society in European integration process
Scoping visit for the Georgian High School of Justice  <i>Supreme Court of Georgia, High school of Justice with the assistance of the UK Min. of Justice</i>	£20,000	June, 2007	To map out future UK assistance in judicial reform in Georgia; scoping visit was intended to lead to an implementation plan which will deliver longer term impact



# COOPERATION REPORT

GEORGIA  
2007



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