

Brussels, 20 March 2013

ENP Country Progress Report 2012 – Georgia

The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 20 March 2013 the annual “neighbourhood package”, consisting of a joint communication (“Towards a Stronger Partnership”) making an assessment of the ENP implementation in 2012, a report on the “Partnership for Democracy and Shared prosperity” with Southern Mediterranean, an Eastern Partnership progress report, 12 country reports (on developments in 2012 and with a set of recommendations for the future), including one on Georgia, and a statistical annex.

There was intense EU-Georgia political dialogue in 2012. Negotiations on an EU-Georgia Association Agreement, including a Deep and Comprehensive Free Trade Area, made significant progress during the year. Georgia also advanced in implementing the Visa facilitation and readmission agreements. Progress was registered in fighting corruption and in deepening freedoms of assembly and association. October 2012 elections marked a genuinely democratic transfer of power. Concerns persisted about judicial reform and the media sector.

Georgia acted on most of the key recommendations in the last year's ENP progress report. It ensured broadly free and fair parliamentary elections. It also strengthened the freedom of expression and opinion; continued to reform the justice system and advanced sectoral reforms and regulatory approximation to the EU acquis. It actively participated in the Geneva discussions and took measures to improve the living conditions of internally displaced persons (IDPs), with the support of the EU; it also renewed its commitment to a genuine engagement with the breakaway regions. Progress also needs to be made on the remaining key recommendations. On the basis of this year's report and with a view to sustained implementation of the ENP Action Plan in 2013¹, Georgia is invited to:

- address shortcomings in the electoral law as identified by the OSCE Office for Democratic Institutions and Human Rights (ODIHR), ahead of the 2013 Presidential election and 2014 local elections;
- ensure respect for the roles of the Prime Minister and President under the constitution; ensure that constitutional amendments, if contemplated, are subject to

¹ The Action Plan should be replaced by the Association Agenda in the course of 2013.

comprehensive consultation domestically and with the Council of Europe's Venice Commission, to ensure that they stand the test of time;

- reform the justice system to ensure the full independence of the judiciary, bringing criminal justice policies and practices into line with Council of Europe standards; revise rules on administrative detention in compliance with fair trial norms; and take the recommendations of the Public Defender's Office into account in policy-making;
- ensure that criminal prosecutions are conducted in a transparent and impartial manner, free of political motivation, in order to avoid any perception of selective justice;
- increase the accountability and democratic oversight of law enforcement agencies;
- conduct a thorough, transparent, independent investigation into the use of torture and ill treatment in the penitentiary system; implement structural reforms to prevent future abuse; ensure effective internal and external monitoring of the penitentiary system for the early detection and prevention of abuse and ill-treatment;
- maintain and improve Georgia's constructive participation in the Geneva International Discussions;
- enhance Georgia's engagement policy towards the breakaway regions and improve reconciliation/conflict resolution by finding ways to cooperate with the *de facto* authorities providing financial resources for engagement; take pragmatic and constructive steps (less focused on form and more on content) to encourage trade, travel and investment across the administrative boundary line; review the Law on Occupied Territories;
- continue to strengthen media pluralism and independence, and the freedom of expression and opinion; implement the law on transparency of media ownership; formally extend the duration of the 'must-carry/must-offer' principle;
- continue and intensify dialogue and partnership with the International Labour Organisation (ILO), and build on specific co-operation with the ILO, the business community and trade unions in preparing amendments to the labour code, leading to improvements in labour rights and enhanced social dialogue;
- adopt comprehensive anti-discrimination legislation; ensure that the rights of minorities, including religious minorities, are respected;
- continue to advance sectoral reforms and ensure good quality approximation to the EU *acquis*, in order to pave the way for finalisation of the Association Agreement, including the DCFTA.

Reforms initiated, carried out successfully, or delayed during 2012 in the different areas of cooperation between the EU and Georgia are described in the annual country report. Some of the issues reported deserve special attention. In the political area, the October parliamentary **elections** marked the first democratic transfer of power in the country's history. Concerns persisted about the pace of judicial reform. The country continued to make progress in fighting **corruption**. Concerning economic and social reform, **labour rights** have been identified as one of the

principal challenges, but an encouraging start has been made in approximating with international standards. As regards trade, the EU **launched negotiations on a Deep and Comprehensive Free Trade Area (DCFTA)**. A Dialogue on **Visa Liberalisation** also started (leading to the delivery of a Visa Liberalization Action Plan in February 2013). An increasing number of Georgian students and researchers benefited from different European programmes in the **education** area.

EU–Georgia – BACKGROUND

THE POLICY

The **European Neighbourhood Policy** governs the relations between the EU and Georgia. Since 2009 the EU implements the **Eastern Partnership**, the Eastern dimension of the ENP framework, aiming at substantially upgrading engagement with the six Eastern neighbours via:

- a Bilateral track, whose objectives include the establishing of Association Agreements with Deep and Comprehensive Free Trade Areas, once conditions have been met, as well as progress on visa and mobility issues, and
- a Multilateral track (i.e. intergovernmental platforms and Flagship Initiatives).

This approach allows for gradual political association and deeper economic integration.

FACTS AND FIGURES

1999: Entry into force of the EU-Georgia Partnership and Cooperation Agreement.

2005: Approval of the EU-Georgia Action Plan.

2008: August 2008 war with Russia. It was stopped thanks to the EU mediation. The EU set up civilian monitoring mission (340 observers) and provided a post-conflict assistance package of up to EUR 500 million from its budget. The EU's Civil Protection Mechanism (MIC) was mobilised in the aftermath of the conflict and facilitated the arrival and use of the civil protection assistance provided by the EU Member States.

2008-2009: An 18-months Stand-By Arrangement was approved by the International Monetary Fund, in August 2009 extended until June 2011 and increased to EUR 835.7 million. In addition the EC provided a grant of EUR 46 million of Macro Financial assistance.

2007-2010: the ENPI² envelope for Georgia stands at EUR 120.4 million.

2009: Neighbourhood Investment Facility - one project was approved (Tbilisi Railway Bypass Environmental Clean-up), committing EUR 8.5 million in grants and expected to leverage EUR 253.5 million.

2010: Launch of the Association Agreement negotiations with the EU.

2011-2013: The new National Indicative Programme (NIP) 2011-13 for Georgia was adopted in May 2010 and has a budget of EUR 180.3 million. The programme is

² the European Neighbourhood Partnership Instrument

geared towards supporting the achievement of key policy objectives as outlined in the EU-Georgia Action Plan (AP) and pursues four priorities: (1) support for democratic development, rule of law and governance; (2) support for economic development and ENP AP implementation; (3) poverty reduction and social reforms and (4) support for peaceful settlement of Georgia's internal conflicts.

2011: Entry into force of visa facilitation and readmission agreements.

2011: One-year extension of the mandate of the EUMM

2012: Launch of negotiations on the Deep and Comprehensive Free Trade Area (DCFTA).

More info at:

http://ec.europa.eu/world/enp/documents_en.htm

http://eeas.europa.eu/georgia/index_en.htm

http://eeas.europa.eu/enp/index_en.htm