



Evaluation of the European Union's co-operation with Georgia (2007-2013)

Final Report
Volume I
May 2015

Evaluation carried out on behalf of
the European Commission

Development
and
Cooperation
EuropeAid



Consortium composed by
LA, Particip, ECDPM, Ecorys
Leader of the Consortium: Lattanzio Public Sector Advisory SpA (LA)
Contact: info@lattanziogroup.eu

Contract No EVA 2011/Lot 4
Specific contract No 2013/331560

Evaluation of the European Union's co-operation with Georgia (2007-2013)

**This evaluation was commissioned by the Evaluation Unit
of the Directorate General for Development and
Cooperation – EuropeAid (European Commission)**

This report has been prepared by



Merzhauser Str. 183
79100 Freiburg, Germany
Phone: +49 761 790 740
E-mail: info@particip.de
Web: www.particip.de

*The opinions expressed in this document represent the authors' points of view
which are not necessarily shared by the European Commission
or by the authorities of the countries involved.*

Evaluation of the EU's co-operation with Georgia (2007-2013)

Final Report

This report consists of three volumes:

Volume I: Main Report

Volume II: Detailed information matrix

Volume III: Annexes

VOLUME I: MAIN REPORT

- 1. INTRODUCTION**
- 2. KEY METHODOLOGICAL ELEMENTS**
- 3. CONTEXT**
- 4. OVERALL ASSESSMENT OF THE EU SUPPORT TO GEORGIA**
- 5. MAIN SECTOR FINDINGS**
- 6. CONCLUSIONS**
- 7. RECOMMENDATIONS**

VOLUME II: DETAILED INFORMATION MATRIX

- 1. EQ 1 Criminal Justice**
- 2. EQ 2 Public Finance Management**
- 3. EQ 3 Agriculture, Rural and Regional Development**
- 4. EQ 4 Civil Society**
- 5. EQ 5 Conflict Affected Populations**
- 6. EQ 6 Conflict Resolution**
- 7. EQ 7 Modalities and Instruments**
- 8. EQ 8 Relevance and Flexibility**
- 9. EQ 9 Coordination and Complementarity**

VOLUME III: ANNEXES 1 TO 9

- 1. Annex 1: Terms of Reference**
- 2. Annex 2: Inventory of country level EU support to Georgia**
- 3. Annex 3: List of documents consulted**
- 4. Annex 4: List of people interviewed**
- 5. Annex 5: Focus Group Discussions**
- 6. Annex 6: Intervention sample**
- 7. Annex 7: Context**
- 8. Annex 8: Seminar - Minutes**
- 9. Annex 9: Seminar - Slide Presentation**

Table of Contents

Executive Summary	viii
რეზიუმე	xvi
1 Introduction	1
1.1 Objectives, scope and coverage of the evaluation	1
1.2 Organisation of the evaluation	1
1.3 Structure of the Report.....	2
2 Key methodological elements	2
2.1 Overall approach	2
2.2 Data collection and analyses	3
2.3 Sampling	4
2.4 Challenges and limitations.....	4
3 Context	5
3.1 National context.....	5
3.2 Historical background	6
3.3 Development co-operation context	6
3.4 EU support to Georgia.....	7
4 Overall assessment of the EU support to Georgia	8
4.1 Europe’s strategic approach to the Neighbourhood East	9
4.2 Overall assessment of the EU strategy	10
4.3 Closing comment: policy commitments and concrete results	19
5 Main sector findings	20
5.1 Criminal Justice.....	20
5.2 Public Finance Management.....	24
5.3 Agriculture, Rural and Regional development.....	29
5.4 Civil Society	36
5.5 Internally Displaced Persons	39
5.6 Conflict Resolution.....	43
6 Conclusions	47
6.1 On the global strategy	47
6.2 On strategy implementation.....	50
6.3 Sector specific aspects	53
7 Recommendations	57
7.1 On the global strategy	57
7.2 Strategy implementation	58
7.3 Sector specific recommendations.....	60

List of tables

Table 1	Evaluation questions.....	2
Table 2	Mix of tools and methods per evaluation question	4

List of figures

Figure 1	Timeline of the national context of Georgia.....	6
Figure 2	Mapping of activities implemented during the period 2007-2013.....	8
Figure 3	EU-Georgia dialogue structures.....	16
Figure 4	PFM performance changes based on PEFA assessments	26
Figure 5	Share of agriculture in GDP	32

List of boxes

Box 1	Key findings of the inventory.....	8
Box 2	Overview of main inputs (Criminal Justice)	20
Box 3	Overview of main inputs (PFM).....	24
Box 4	Overview of main inputs (Agriculture, Rural and Regional Development)	30
Box 5	Overview of main inputs (Civil Society)	37
Box 6	Overview of main inputs (IDPs)	40

List of acronyms and abbreviations

AA	Association Agreement
AAP	Annual Action Plan
AASC	Ajara Agro Service Centre
ABA	American Bar Association
ACF	Action Contre la Faim
ADB	Asian Development Bank
ADR	Alternative dispute resolution
AF	Action Fiche
AIC	Abkhazintercont
AP	Action Plan
ARSC	Advisory Rural Service Centre
ASC	Agro Service Centre
AYEG	Association of Young Economists of Georgia
BDD	Basic Data and Directions
BS	Budget Support
CB	Capacity Building
CBA	Capacity Building Agriculture
CBC	Cross-border Co-operation
CBO	Community based organisation
CBSS	Country Based Support Schemes
CCJE	Consultative Council of European Judges
CD	Capacity development
CDP	Community development project
CfP	Common Foreign Policy
CFSP	Common Foreign and Security Policy
CIB	Comprehensive Institution Building
CIDA	Canadian International Development Agency
CIHEAM	Centre International de Hautes Etudes Agronomiques Méditerranéennes
CJRS	Criminal Justice Reform Strategy
COBERM	Confidence Building Early Response Mechanism
COC	Chamber of Control
CoE	Council of Europe
COPS	EU Political and Security Committee
CPC	Criminal Procedure Code
CPI	Corruption Perception Index
CPPB	Conflict Prevention and Peace Building
CPT	European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment
CRA	Civil Registry Agency
CRIS	Common RELEX Information System
CS	Country Strategy
CSDP	Common Security and Defence Policy
CSE	Country Strategy Evaluation
CSF	Civil Society Fund
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DANIDA	Danish International Development Agency
DCFTA	Deep and Comprehensive Free Trade Areas
DCG	Donor Coordination Group

DCI	Development Co-operation Instrument
DEA	Association of Disabled Women and Mothers of Disabled Children
DFG	Donor Framework Group
DFID	Department for International Development
DG DEVCO	Directorate General for Development Co-operation
DHS	Durable housing solution
DMFAS	Debt Management and Financial Analysis System
DOJ	Department of Justice
DPO	Development Policy Operation
DRC	Danish Refugee Council
EAGGF	European Agricultural Guarantee and Guidance Fund
EAMRs	External Assistance management reports
EaP	Eastern Partnership
EaPIC	Eastern Partnership Integration and Co-operation
EASA	European Aviation Safety Agency
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECAA	European Common Aviation Area
ECFIN	Directorate-General for Economic and Financial Affairs
ECHO	Humanitarian Aid and Civil Protection (European Commission)
ECHR	European Court of Human Rights
ECPDM	European Centre for Development Policy Management
ECtHR	European Court of Human Rights
EEAS	European External Action Service
EIDHR	European Instrument for Democracy and Human Rights
ENP	European Neighbourhood Policy
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
ENPI	European Neighbourhood and Partnership Instrument
EPA	Economic Partnership Agreements
EQ	Evaluation Question
ERW	Explosive Remnants of War
ESDP	European Security and Defence Policy
EU	European Union
EUD	Delegation of the European Union
EUJUST	EU Rule of Law Mission to Georgia
EUMM	European Union Monitoring Mission
EUR	Euro (currency)
EUSR	EU Special Representative
FA	Financing Agreement
FAO	Food and Agriculture Organization of the United Nations
FDC	Financial Development Council
FDI	Foreign Direct Investment
FMC	Financial Management Control
FMD	Foot-and-Mouth Disease
FoI	Freedom of Information
FSP	Food Security Programme
FTA	Free Trade Agreement
FWC	Framework Contract
GBA	Georgian Bar Association
GBS	General Budget Support
GCRT	Georgian Centre for Psychosocial and Medical Rehabilitation of Torture Victims

GDP	Gross Domestic Product
GEA	Georgia Employers Association
GEL	Georgian Lari
GFA	Georgia Farmer Association
GFS	Government Finance Statistics
GIP	Global Initiative on Psychiatry
GoG	Government of Georgia
GSP	General System of Preferences
GTUC	Georgia Trade Union Confederation
GTZ/GIZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HCoJ	High Council of Justice
HoD	Head of Delegation
HQ	Headquarters
HR	Human Resource
HRM	Human Resource Management
HRMIS	Human Resource Management Information System
ICC	Interagency Coordination Council
ICCMS	Integrated Criminal Case Management System
ICRC	International Committee of the Red Cross
IDC	Infectious Diseases Consortium
IDFI	Development of Freedom of Information
IDP	Internally Displaced Person
IF	Identification Fiche
IFRC	International Federation of Red Cross and Red Crescent
IfS	Instrument for Stability
IL	Intervention Logic
ILO	International Labour Organization
IMF	International Monetary Fund
INGO	International Non-Governmental Organisations
IO	International Organisation
IOM	International Organisation for Migration
IPPC	International Plant Protection Convention
IPR	Intellectual property rights
IPRM	Incident Prevention and Response Mechanism
IPSAS	International Public Sector Accounting Standards
IRC	International Rescue Committee
IRI	International Republican Institute
IRMP	Integrated Resources Management Plan
IRP	Individual Reintegration Planning
ISSAI	International Standards of Supreme Audit Institutions
IT	Information Technology
JAMR	Judicial Administration and Management Reform
JC	Judgement Criterion
JRI	Judicial Reform Index
KfW	Kreditanstalt für Wiederaufbau
LAS	Legal Aid Service
IDP	Internally displaced person
LEPL	Legal entities of public law
LGBT	Lesbian, gay, bisexual, and transgender
LPRI	Legal Profession Reform Index
LRRD	Linking Relief, Rehabilitation and Development

MDF	Municipal Development Fund
MFA	Ministry of Foreign Affairs
MFN	Most Favoured Nation
MIA	Ministry of Internal Affairs
MoA	Ministry of Agriculture
MoF	Ministry of Finance
MoJ	Ministry of Justice
MoLHSA	Ministry of Labour, Health and social Affairs
MoR	Minister of Georgia
MoU	Memorandum of Understanding
MRA	Ministry of Refugees and Accommodation
MRDI	Ministry of Regional development and Infrastructure
MS	(EU) Member State
MTEF	Medium Term Expenditure Framework
MTR	Mid-term Review
NAPR	National Agency of Public Registry
NASA	National Aeronautics and Space Administration
NATO	North Atlantic Treaty Organization
NCU	National Coordinating Unit
NFA	National Food Agency
NGO	Non-Governmental Organisation
NIF	Neighbourhood Investment Facility
NIP	National Indicative Programme
NORLAG	Norwegian Mission of Rule of Law Advisers to Georgia
NPA	National Probation Agency
NPI	The Rural Non-Farm Economy in Georgia
NPM	National Preventive Mechanism
NRC	Norwegian Refugee Council
NRI	Natural Resources Institute
NSA	Non-State Actor
NSAPVD	Non-State Actors and Local Authorities in Development
NTM	Non-tariff measures
NVETC	National VET Council
ODIHR	Office for Democratic Institutions and Human Rights
OECD	Organisation for Economic Co-operation and Development
OIE	World Organisation for Animal Health
OSCE	Organization for Security and Co-operation in Europe
OSGF	Open Society Georgia Foundation
PAF	Performance Assessment Framework
PCA	Partnership and Co-operation Agreement
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PFPR	Preliminary Field Plan Review
PHC	Primary Health Care
PIFC	Public Internal Financial Control
PIM	Public Investment Management
PiN	People in Need
PMP	Provisional Management Plan
PRAG	Practical guide to contract procedures for EU external actions
PRI	Penal Reform International
PSA	Public Service Announcement

PSD	Payment Services Directive
PSDA	Public Service Development Agency
PSP	Policy Support Programme
PTTC	Penitentiary and Probation Training Centre
RCT	Rehabilitation Centre for Victims of Torture
RDFG	Rural Development for Future Georgia
RG	Reference Group
RoL	Rule of Law
ROM	Results Oriented Monitoring
RPV	Reform Policy Vision
RRM	Rapid Reaction Mechanism
RSC	Rural Service Centre
RSP	Regional Strategy Paper
RUB	Russian rubble
SALW	Small Arms and Light Weapons
SAO	Supreme Audit Institution
SAOG	State Audit Office of Georgia
SBS	Sector Budget Support
SBSP	Sector Budget Support Programme
SDC	Swiss Agency for Development and Co-operation
SIDA	Swedish International Development Co-operation Agency
SIGMA	Support for Improvement for Governance and Management
SME	Small and Medium Enterprise
SoE	State-owned Enterprise
SOP	Standard Operational Procedure
SPFM	Support to Public Finance Management
SPS	Sanitary and Phyto-Sanitary
SPSP	Sector Policy Support Programme
SSRD	State strategy for Regional development
STTD	State Strategy for Regional development
SWD	Staff working document
TA	Technical Assistance
TACIS	Technical Aid to the Commonwealth of Independent States
TAIEX	Technical Assistance and Information Exchange
TAPs	Technical and administrative provisions
TBT	Technical barriers to trade
TCJ	Training Centre of Justice
TL	Team Leader
ToR	Terms of Reference
TSA	Treasury Single Account
UK	United Kingdom
UN	United Nations
UNCRC	United Nations Convention on the Rights of the Child
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Emergency Fund
UNM	United National Movement
UNOMIG	United Nations Observer Mission for Georgia
US	United States
USAID	United States Agency for International Development

USDOJ	United States Department of Justice
USG	University System of Georgia
WASH	Water, Sanitation and Hygiene
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation
WTO	World Trade Organisation

Executive Summary

Objectives of the evaluation

The *Evaluation of the European Union's (EU) co-operation with Georgia* was commissioned by the DG DEVCO Evaluation Unit and was implemented between January 2014 and April 2015. Covering the period 2007-2013, the evaluation's objectives were:

- To identify key lessons and to produce recommendations in order to improve the current and future EU's strategies for, and programmes and actions in Georgia.
- To provide the relevant services of the EU and the wider public with an overall independent assessment of the EU's co-operation with Georgia.

Context

Situated at the strategically important cross-roads where Europe meets Asia, Georgia shares its borders with Russia to the North, Turkey and Armenia to the South, the Black Sea to the West and with Azerbaijan to the South-east. Georgia is a lower-middle income country, with a GDP of USD 16.14 billion and a population of 4.5 million people.

A pivotal event in post-Soviet development history is The Rose Revolution that took place at the end of 2003. Nevertheless, the democratic tendencies of the Rose Revolution were nuanced with authoritarian ones from the very start. Important demonstrations in late 2007 led to the declaration of a state of emergency. In August 2008, Georgia launched a military offensive in the breakaway region of South Ossetia.

The strategic framework for EU support to Georgia was the Eastern Neighbourhood Policy (ENP), which strengthened and focused specifically on the Neighbourhood East by the Eastern Partnership initiated in 2010-11. EU support has been financed via a variety of instruments including: the European Neighbourhood and Partnership Instrument, the Instrument for Stability, the Instrument for Democracy and Human

Rights, thematic programmes and other programmes under the Development Cooperation Instrument.

Methodology

The methodology is based on the DG DEVCO evaluation guidelines. The study was conducted in four main phases: inception, desk, field, and synthesis.

Throughout these phases, a mixed-methods approach to data and information collection was used. In total, the team has conducted over 180 interviews and, after careful analysis, it carried out the site visits to Tbilisi, to six out of nine regions of Georgia as well as to the Autonomous Republic of Adjara and Abkhazia. Four focus group discussions have been organised in the sectors of Criminal Justice, Agriculture, Civil Society and IDPs. In addition, the information has been collected through documentary review and direct observation.

Overall assessment

Viewed as a component of the ENP, the EU support placed great emphasis on political aspects related to human rights, conflict resolution, the rule of law, civil society, etc. It also stressed approximation as a means of promoting European principles, standards, procedures, and approaches. While more, largely economic sectors such as Public Finance Management and Agriculture were not neglected, these were development-oriented islands in a broader and more political and value-contested sea.

At the sector level, there was progress in every area. However, excluding Agriculture and Regional Development, problems and constraints in the form of weak political will and limited capacity were encountered. As a result, advances in policy frameworks, commitments, and engagements were more impressive than concrete results resulting from implementation of sector policies.

Main conclusions

Conclusions are grouped into three clusters: the overall strategy; the implementation of the strategy; and specific sector aspects.

Cluster 1: On the global strategy

The EU strategy was reasonably effective in pursuing the main goals of the ENP, namely reducing poverty, enhancing the potential for economic integration and promoting European values.

Despite some of the weaknesses and limitations described below, the EU strategy advanced ENP goals. The EU responded flexibly and at scale to needs that arose following the August 2008 War. It contributed to strengthening Civil Society. Budget support in Criminal Justice improved compliance with international standards and there were documented improvements in PFM. The impact of the sector strategies supported by the EU (Agriculture and Regional Development) cannot be seen so far because these are of recent vintage, but in Agriculture, projects helped to tackle poverty at local level.

The focus on the broader and more political aspects of the ENP reform agenda (promoting European standards, practices, and approaches, particularly through approximation) led to decreased attention to actual sector outcomes and, in some cases, weaker strategic monitoring.

EU attention focused on political aspects related to EU values, human rights, conflict resolution and rule of law whilst overlooking sector-wide outcomes somewhat (for example in PFM, where monitoring focused on specific functions, or in criminal justice, where progress was uneven). In IDPs, general references to policy developments outweigh specific references to sector outcome achievements.

EU support needed to respond to the needs of a developing country with large numbers of persons living in poverty, as well as the needs of a fairly developed one challenged by its post-Soviet legacy. Having started as a programme largely to deal with the first, the EU's co-operation programme became increasingly concerned with the second.

In some areas, approximation has been a strong framework for co-operation, in other areas it has been less effective.

The most striking example of good results of the approximation is in food safety. There was likewise progress in PFM and Justice, approximation largely overlapped with the international commitments. However, many sectors (for example, Agriculture) remain far from achieving approximation. European economic integration and approximation are hard to promote outside of capital-based elites.

EU "development co-operation" in Georgia is involved in a wider and complex co-operation and political framework. Yet, it appears to have run largely in isolation.

Although EU support was embedded in a geopolitical struggle for political and commercial interest, particularly after 2008, the co-operation programme shared most of the characteristics of a programme carried out in a typical (albeit post-conflict) developing country. The focus was largely on ENPI bilateral assistance. The EUD was not "in the loop" on the involvement of multiple Brussels DGs in, for instance, PFM. While DCFTA is largely the purview of DG Trade, there was little trade expertise at the EUD. While IDPs and Conflict Resolution was highly political and cut across all sectors of co-operation, the political section at the EUD was too small to keep on top of the large and broad co-operation programme.

Cluster 2: On strategy implementation

A wide range of instruments were employed and effectively combined to fill gaps, achieve complementarity, and exploit synergies, although the coordination of regional and bilateral programmes was not optimal.

In many cases a wide range of instruments were creatively used (for example, United Nations and INGO IDP projects were financed under the Instrument for Stability immediately after the August 2008 conflict and Eastern Partnership resources were used to fund CSOs under More for More). Budget support and projects were in a number of instances well combined. However, there is an apparent lack of connection between bilateral and regional instruments.

Budget support was appropriately used and, with some exceptions, was successfully combined with policy dialogue and complementary capacity development measures. However, the success of budget support operations in certain areas was contingent on the level of interest shown by national partners.

Representing about half of total co-operation support and 80% of bilateral ENPI funds, budget support led to major advances in all sectors. In Criminal Justice, it is doubtful if any progress would have been made in its absence. In Agriculture, it has been crucial to the start-up of ENPARD and, in Regional Development, to the development of a national strategy and action plan. In PFM, it has contributed to significant improvements in PEFA assessments. In IDPs, it has made a tangible difference in peoples' lives by supporting durable housing solutions and, more recently, livelihoods. Among success factors (and accounting for the weaknesses that have been found, as well) were having the right partner ministry, providing sufficient TA, and political will.

At a number of points, a stronger combination of political dialogue and co-operation would likely have yielded better results.

Two areas where a stronger political voice could have leveraged EU support's potential into better results are IDPs, where shoddy construction was a stubborn problem; and Conflict Resolution / Confidence Building, where the EU could have more aggressively promoted people-centred development projects, specifically in Abkhazia.

EU support strengthened Civil Society, leading to increased involvement with co-operation programme design, implementation, and monitoring.

The EU is a valued partner of Civil Society in Georgia and is credited with having created a political and policy space for NGOs to operate in. Civil Society is now comprehensively involved in the monitoring of, for example, IDPs and prison conditions, but it is still not very strong at monitoring PFM. While a tranche of second-tier NGOs has been strengthened, civil society remains very weak at a grass-roots level, especially in minority regions.

A genuine EU-wide approach was not adopted in areas such as Conflict Resolution and Confidence Building and possible opportunities were missed.

While EU support in these areas had many positive impacts, in some ways it represented a basket of projects rather than an integrated strategy. EU's actions did not maximize its potential collective added value. Despite some good relationships and collaborations and innovative features, the collective weight of the EU's non-financial instruments (political dialogue, EUSR, EUMM) and financial instruments and engagement of EUD operations / DEVCO (ENPI, IfS, EIDHR) did not add up to more than the sum of their parts. With no collective strategic purpose or effective mechanisms involving EU actors, effectiveness and impact were overall undermined.

Cluster 3: On sector-specific aspects

The EU has made tangible contributions to strengthening the rule of law and improving access to Justice.

This was mainly achieved through capacity building, TA and budget support that made it possible for the EU to develop a long-term strategic plan of sector engagement. Although there is a clear evidence of institutional strengthening, the impact of EU support was weakest with regard to transparency, accountability and effectiveness of the penitentiary system and the procuracy. This can be ascribed to a lack of sufficient political will to change.

EU support to justice sector reforms has improved compliance with international standards and conventions. However, difficulties have been experienced in effecting positive changes for the end users of the criminal justice sector.

The TA and capacity building efforts have been well complemented by budget support and EaPIC grant projects implemented by CSOs. Some areas of support have seen better coordination of these efforts, for example juvenile justice and probation.

The strength of political will, as reflected in the budget support policy matrix, was the most important factor in determining the extent of real change achieved.

EU support has facilitated government monitoring of PFM reforms

implementation at the activities level, but has been less successful in facilitating the monitoring of the extent to which the overall objectives of the PFM Reform Strategy are being achieved.

Improvement of PFM in many areas was demonstrated by the 2008 and 2011 PEFAs. Yet, while the monitoring of PFM reform implementation is in principle well established, with ownership and leadership of the MoF, it is challenged by the lack of a sector-wide results-based focus. A related deficiency was the dearth of analysis of the broad factors responsible for PFM weaknesses, especially capacity constraints. As a result, the reform measures were to a large extent technical solutions envisaging new tools, systems and procedures without necessarily addressing capacity deficiencies at individual, institutional and enabling environment levels.

EU support to the agricultural sector has been critical and instrumental in assisting the GoG to prioritize agriculture in order to reduce poverty and serve as a vehicle to enhance economic development in the long term.

EU technical support was critical to informing and reinforcing the GoG's policy shift prioritizing Agriculture sector development and putting in place a long-term strategy. Since sector support began only in 2012, it is too early to look for large-scale impact on poverty. Full development of the agriculture sector's potential will require a long-run process. As part of developing the sector strategy, and as stopgap anti-poverty measures, the EU implemented a number of agriculture projects through FAO and NGOs.

EU support to Regional Development has had some effects at the national level, through institutional and planning mechanisms, but meaningful impact at the regional level must await the adoption and implementation of action plans and a corresponding allocation of adequate resources at the sub-national level. Approximation is held back by the fact that the European administrative definition of region is inappropriate to Georgia.

A number of Regional Development plans have been developed, but no corresponding action plans. This is partly due to change in

local governance and partly due to the lack of a comprehensive methodology to develop and implement the action plans. Further capacity at a regional level needs to be developed along with concrete resourced action plans to bring this forward.

EU support has contributed significantly to the development of Civil Society as a force in Georgian politics and society, but the development has been lopsided, with capital- and secondary-city based organisations attaining considerable influence and sustainability while grass-roots organisations remain weak.

At the middle of the evaluation period, assessments of the strength of Georgian Civil Society were fairly critical. The situation has since improved. In addition, the conditions for Civil Society as a force for participatory democratic governance at the top and second-rank levels are reasonably good. However, civil society is weak at the grass-roots, especially in minority regions. The main problem is the disconnect between citizens and government at all levels, leading them to fail to see how civil society and civic engagement can lead to improvements in their lives.

The EU mounted a multifaceted response to the challenges posed by conflict-affected populations. It was timely and rapid, and the EU made the right strategic choices. However, the effectiveness of the support was challenged by some difficulties associated with the use of budget support and the heavily politicised environment around the issue of IDPs.

The EU choice to align, via budget support, and work with the GoG strategically was correct. TA and policy dialogue linked to budget support was relatively successful (for example in encouraging the GoG to think about promoting sustainable livelihoods for IDPs and privatisation) but progress was slow. The EU was only partially able to alleviate the problem of shoddy refugee housing construction, mainly due to the fact that the interlocutor for policy dialogue was the MRA (with relatively weak capacity), and the agency actually implementing the construction programme was the MDF.

While the EU's response to supporting Conflict Resolution and Confidence

Building in the breakaway regions was valuable, it suffered from the lack of a joined-up approach and placed too much of a burden on the co-operation programme and EUD alone.

This support was constrained by GoG and de facto authority conditions (particularly in South Ossetia) complicated by the role of Russia. Had there been a more integrated approach involving EUMM, EUSR, EUD, and Brussels itself, these limitations might have been tested and the scope of actions broadened.

Main recommendations

As of 1st January 2015 the new DG Neighbourhood and Enlargement negotiations, DG NEAR, has taken over the current responsibilities of DG Enlargement and some on-going evaluations of DG DEVCO concerning the Neighbourhood Regions, Unit A.3 should identify evaluation follow-up actions having regard to the following recommendations.

Cluster 1: On the global strategy

Continue to focus financial assistance on the reforms initiated (Justice, PFM, Public administration, IDPs, etc.) but address persisting challenges by holding GoG to account for sector-wide reform results. Going forward, attention should be paid to identifying shared goals and areas where the EU can add value in the context of Association.

While the evaluation has found progress in all sectors and non-sector areas, often there was progress where the GoG desired it and little progress where it did not. A stronger-sector wide results focus can help, for example. (i) build awareness of budget support and the role of policy dialogue in areas (like IDPs) where it is weak, (ii) focus policy matrices on actual outcomes and results, and (iii) focus on broad sector-wide reform rather than technical fixes at sub-sector level. However, budget support conditionality needs to be accompanied by strong dialogue to identify areas where there are shared goals and where the EU can add value. This requires that, both in

political dialogue and programming, more account be taken of the fact that association is a weaker incentive than enlargement.

When pursuing the approximation agenda, better communicate the broad benefits of Europe, especially outside Tbilisi.

The EU should stress the social advantages of approximation – human rights, better consumer and environmental protection, more transparent and accountable government, etc. – more than the strictly economic ones. These, it is suggested, will be a stronger “selling point” for association than economic gains. This could be done for example through taking concrete steps to help GoG and Civil Society communicate the broad benefits of Europe, especially outside the capital.

Better embed the co-operation programme in the broader framework of multiple EU-Georgia dialogues and processes.

The EU should simultaneously leverage sector experts’ expertise, in the form of lessons learned, and increase their effectiveness, by forming closer links with the political section as well as with other EU entities (for example, EUMM, EUSR) and responsible staff from non-DEVCO DGs in Brussels. By implementing this recommendation, the EU would explicitly recognise the political dimension of the co-operation programme. It would also go hand in hand with the recommendation made below that political dialogue be more boldly used to promote results in sector reform co-operation.

Cluster 2: On strategy implementation

Increase coordination between EU stakeholders while better recognising the role of development assistance in the wider EU co-operation strategy.

The EU should adopt a “Whole EU” strategy, with the EUD as the focal coordination point at its centre, in communication with the GoG regarding co-operation. To start, specific processes and procedures, such as those involved in the ENP revision process, could be examined to see if there is scope for a unified approach. It is recommended that, while supporting the PAO as needed, an assessment be made of the needs of the new Development Cooperation Unit (the

likely GoG interlocutor), which is still in its infancy and likely requires strengthening. It is noted that DG NEAR/A.3 will set-up an Evaluation network associating the Delegations and, in the case of Georgia, strengthening the EUDGEIO Monitoring and Evaluation strategy which aims to include the cooperation counterpart, namely the PAO under the State Ministry on European and Euro-Atlantic Integration. It is also noted that this aspect is already reflected in the Ex-Ante Evaluation for the establishing a Monitoring and Evaluation System in Georgia which is expected to be launched in May 2015.

Continue using budget support as the main modality, in combination with other specific measures.

It is recommended to continue relying on budget support appropriately combined with TA, Twinning, capacity building, policy dialogue, and grants making. However, it needs to be certain that the interlocutor for budget support is responsible for the entire scope of the reform supported, or can effectively deal with the range of institutions that are in place. If weak will to change results exists, specific measures involving Civil Society are called for. Complementary measures need to continue to be developed. It should also be recognised that budget support is a slow-moving vehicle.

Take advantage of political dialogue to further enhance results perspectives of development co-operation.

It is recommended that, going forward, the EU more closely align co-operation and political dialogue, especially in sectors such as Justice, IDPs and Conflict Resolution/Confidence Building. This should begin at EUD level but also involve Brussels as appropriate

Develop and implement a “Whole EU” approach to Conflict Resolution and Confidence Building – covering all relevant actors, and in a broad dialogue with GoG and the de facto authorities on possibilities for action.

Maintaining a diversity of implementing partners in relation to conflict issues and to other issues within Abkhazia (and where possible South Ossetia) is recommended. Promotion of European values, Civil Society

oversight, sharing of European expertise, breaking the isolation of the breakaway regions, promoting human rights standards, encouraging professional standards, providing alternative ideas for resolution based on sector analysis, and promoting people-centred development also merit more attention. It should be robustly explained by the EU that this approach is actually in the interests of all stakeholders. 6-month project actions (as financed in COBERM-II) should be replaced where possible with longer-term interventions that build relationships in addition to financing short-term activities.

Cluster 3: On sectors specific aspects

Continue to provide support to the rule of law reforms broadly defined, by deepening engagement with those institutions that demonstrate credible will to reform and putting more emphasis on issues of transparency, accountability, and (where applicable) independence.

The EU should broaden its support to the rule of law and focus not only on Criminal Justice, but also on civil and administrative justice. The EU's recent engagement with the judiciary and the imminent change in judicial leadership in February 2015 provides the EU with the opportunity to engage with the judicial system to not only ensure its institutional independence, but also support efforts to enhance its transparency, accountability and impartiality of individual judges. EU support should go to those institutions only that show real willingness to reform and do not just seek one-off capacity building and experience-sharing opportunities.

Adopt a strategic approach to enhance the capacity of justice sector beneficiaries to influence criminal justice policy making and implementation.

The EU should look into developing a more strategic approach to enhancing the capacity of justice sector beneficiaries (physical and legal persons, majority and minority groups) to influence policy making and implementation. The recommended strategic approach should also ensure countrywide mobilization of Civil Society actors, including the media, to monitor the performance of various justice sector institutions against international standards

and practice, as well as against the conditions for budget support.

Further strengthen support to the implementation of the PFM reforms by more systematic capacity development efforts.

The EU should support the development of a comprehensive PFM capacity development strategy informed by the objectives and desired results expressed in the PFM reform strategies and an assessment of existing capacity gaps, or capacity needs for the implementation of the respective reform measures.

Continue to support a long-term two-track strategic vision in which Agriculture is commercialised via cooperative development while being integrated into a broad vision of rural socio-economic development.

The EU should continue to support a fully GoG-backed long-term strategic vision in which the key Agriculture pillar plays both commercial and wider socio-economic development roles. EU support should ensure that i) cooperative development is viewed in the long term and that expectation in the short are realistic and measured; ii) linking co-operative development to value chain processors and end markets, monitoring and enhancing capacity of co-operatives is monitored and enhanced, and iii) ensuring that co-operatives are viewed as viable partners for the agro-processing sector and become part of their supply chain and or are able to evolve into other aspects of the value chain. All this should be considered as part of a wider Rural Development approach.

Regional Development strategies and action plans need to be reviewed and updated, and there is an urgent need for capacity building at regional level. Particularly in view of capacity constraints, the appropriateness of basing the strategy on administrative regions should be studied and discussed in policy dialogue.

Regional Development strategies should be revisited and updated to ensure full consideration of all stakeholders. These strategies need to be followed by concrete plans matched with associated resource allocations that reflect and address real

needs and problems. Specific steps include implementing, where appropriate, a process whereby solicitation of all relevant stakeholders' inputs to the revised strategy can be received and strengthening the capacity of regional authorities. The appropriateness of using administrative regions as a basis for Approximation, especially in view of capacity constraints at regional level, should be examined and taken up in policy dialogue

Continue to support national CSOs but emphasise the broadening of CSO support to grass-roots organisations in line with the Civil Society Roadmap 2014-2017, especially to deal with the challenge in minority-populated regions.

A multi-pronged approach is recommended. This should consist of vertical and horizontal networks, including sub-granting in the first case, and mainstreaming local Civil Society into other interventions. The EUDGE Civil Society Facility offers some hints as to approaches. Gains in Civil Society involvement in PFM and Justice should be extended to the regional and local level. Minority regions suffer the most from marginalisation and accordingly need to be prioritised. Without running afoul of government language policy, the EU should take firm measures to help in breaking down the language barrier that keeps linguistic minority populations in isolation. Capacity building for grassroots NGOs should be emphasised and their role in policy dialogue supported.

While continued dedicated support to IDPs may be needed, the EU should integrate support to IDPs into its broader co-operation programme in areas such as agriculture, civil society, economic development, and rule of law.

The EU should develop a comprehensive transition strategy for its work with IDPs. As the EU aligns itself with GoG/MRA sector strategies, the strategy being proposed here should be an EU plan for the mainstreaming of appropriate IDP elements within other areas of EU support and policy dialogue. This is already underway -- the policy matrix being currently reviewed by the compliance team makes provisions for mainstreaming IDPs and ensuring that MRA would take the necessary steps to shift from the status base to needs base. Key to this work should

be analysis of the incentives and disincentives for IDPs to make the best use of any opportunities that may be provided. To be effective, designing the EU's mainstreaming strategy cannot be the responsibility of the specific EUD task manager for IDPs in the EUD alone, but has to be understood across the EUD's operations and at times political sections and with desks in Brussels.

Develop a more broadly joined-up policy in Conflict Resolution and Confidence Building, with a deeper appreciation of the long-term contribution of development co-operation.

Conflict resolution should remain a key component of the EU strategy for Georgia. EEAS Services, the Commission, EUSR and to some extent EU Member States should look to develop a clearer and collectively shared strategic logic informed by a joint analysis for EU engagement in conflict issues in Georgia and the wider Caucasus. This is not a new idea and there is a need for recognition why this collective EU approach has been so difficult to achieve in the past by all EU stakeholders and what sort of incentives can be put in place to change the dynamics. It is recommended that the EUD with EUSR and with support from EEAS enter into a dialogue with all stakeholders about how people-centred development components can be developed for Abkhazia. It is also important to continue to search for all creative ways to continue to engage in South Ossetia.

რეზიუმე

შეფასების მიზნები

ევროკავშირის (EU) საქართველოსთან თანამშრომლობის შეფასების დავალება გაიცა განვითარებისა და თანამშრომლობის გენერალური დირექტორატის (DG DEVCO) შეფასების განყოფილების მიერ და განხორციელდა 2014 წლის იანვარსა და 2015 წლის აპრილს შორის პერიოდში. შეფასების, რომელიც 2007-2013 წლებს მოიცავს, მიზნებს შედგენდა:

- ძირითადი გაკვეთილების იდენტიფიცირება და რეკომენდაციების შემუშავება საქართველოში ევროკავშირის მიმდინარე და სამომავლო სტრატეგიის და პროგრამების და ქმედებების გაუმჯობესების მიზნით.
- ევროკავშირის შესაბამისი სამსახურების და ფართო საზოგადოების ევროკავშირის საქართველოსთან თანამშრომლობის საერთო მიუკერძოებელი შეფასებით უზრუნველყოფა.

კონტექსტი

საქართველოს, რომელიც მდებარეობს ევროპისა და აზიის სტრატეგიულად მნიშვნელოვანი გადაკვეთის წერტილში, საერთო საზღვრები გააჩნია რუსეთთან ჩრდილოეთით, თურქეთთან და სომხეთთან სამხრეთით, შავ ზღვასთან დასავლეთით და აზერბაიჯანთან სამხრეთ-აღმოსავლეთით. საქართველო დაბალი საშუალო შემოსავლის მქონე ქვეყანაა, მისი მშპ 16,14 მილიარდ აშშ დოლარს და მოსახლეობა 4,5 მილიონ ადამიანს შეადგენს.

პოსტ-საბჭოთა განვითარებაში ცენტრალური ადგილი 2003 წლის ბოლოს მომხდარ ვარდების რევოლუციას

უკავია. მიუხედავად ამისა, ვარდების რევოლუციის დემოკრატიული ტენდენციები თავიდანვე ავტორიტარულ ელფერსაც შეიცავდა. 2007 წლის ბოლოს ჩატარებულ მნიშვნელოვან დემონსტრაციებს მოყვა საგანგებო მდგომარეობის გამოცხადება. 2008 წლის აგვისტოში საქართველომ დაიწყო სამხედრო შეტევა სეპარატისტულ რეგიონზე სამხრეთ ოსეთში.

ევროკავშირის საქართველოს მხარდაჭერის სტრატეგიულ ჩარჩოს ევროპის სამეზობლო პოლიტიკა (ENP) შეადგენდა, რომელიც აღმოსავლეთ პარტნიორობის 2010-11 წლების ინიციატივის ფარგლებში გაძლიერდა და კონკრეტულად მიმართულია აღმოსავლეთ სამეზობლოზე. ევროკავშირის მხარდაჭერის დაფინანსება მრავალფეროვანი ინსტრუმენტების მეშვეობით ხორციელდებოდა, მათ შორის: ევროპის სამეზობლო და პარტნიორობის ინსტრუმენტით, სტაბილურობის ინსტრუმენტით, დემოკრატიისა და ადამიანის უფლებების ინსტრუმენტით, თემატური და სხვა პროგრამებით განვითარების სფეროში თანამშრომლობის ინსტრუმენტის ფარგლებში.

მეთოდოლოგია

მეთოდოლოგია ეფუძნება განვითარებისა და თანამშრომლობის გენერალური დირექტორატის (DG DEVCO) შეფასების პრინციპებს. კვლევა ჩატარდა ოთხ ძირითად ეტაპად: საწყისი, სამაგიდო, ადგილზე და სინთეზი.

მოცემულ ეტაპებზე გამოყენებული იქნა მონაცემების და ინფორმაციის შეგროვების შერეული მეთოდების მიდგომა. საერთო ჯამში, ჯგუფმა 180-ზე მეტი გასაუბრება ჩაატარა და, ზედმიწევნითი ანალიზის შემდეგ, განახორციელა ვიზიტები თბილისში,

საქართველოს ცხრა რეგიონიდან ექვს რეგიონში, აგრეთვე აფხაზეთისა და აჭარის ავტონომიურ რესპუბლიკებში. ორგანიზებული იყო სისხლის სამართლის, სოფლის მეურნეობის, სამოქალაქო საზოგადოების და იძულებით გადაადგილებული პირების სექტორების განხილვები ოთხი ფოკუს ჯგუფის ფრგლებში. გარდა ამისა, ინფორმაცია შეგროვდა დოკუმენტების განხილვისა და პირდაპირი დაკვირვების მეშვეობითაც.

საერთო შეფასება

ევროკავშირის მხარდაჭერაში განსაკუთრებული ყურადღება ადამიანის უფლებების, კონფლიქტების მოგვარების, კანონის უზენაესობის, სამოქალაქო საზოგადოების და ა.შ. პოლიტიკურ ასპექტებს ეთმობა, რადგან ისინი ევროპის სამეზობლო პოლიტიკის კომპონენტებად განიხილება. ასეთივე მნიშვნელობა ენიჭება დაახლოებას, როგორც ევროპული პრინციპების, სტანდარტების, პროცედურების და მიდგომების დანერგვის ხელშეწყობსა და უზრუნველყოფას. მიუხედავად იმისა, რომ უფრო მსხვილ ეკონომიკურ სექტორებს, როგორცაა სახელმწიფო ფინანსების მართვა და სოფლის მეურნეობა, ყურადღება დაეთმო, ისინი განვითარებაზე ორიენტირებულ კუნძულებად განიხილებოდა უფრო ფართო, პოლიტიკურ და სადავო ღირებულებების მქონე ზღვაში.

სექტორულ დონეზე, პროგრესი ყველა სფეროში შეინიშნებოდა. თუმცა, სოფლის მეურნეობისა და რეგიონული განვითარების სფეროების გარდა, ადგილი ქონდა პრობლემებს და შეზღუდვებს სუსტი პოლიტიკური ნების და დაბალი შესაძლებლობების სახით. შედეგად, მიღწევები პოლიტიკური ჩარჩოს, ვალდებულებებისა და ჩართულობის ფარგლებში უფრო შთამბეჭდავი იყო, ვიდრე სექტორული პოლიტიკის განხორციელების კონკრეტული შედეგები.

ძირითადი დასკვნები

დასკვნები დაჯგუფებულია სამ ჯგუფად: საერთო სტრატეგია; განხორციელების სტრატეგია; და კონკრეტული სექტორის ასპექტები.

ჯგუფი 1: საერთო სტრატეგიის შესახებ

ევროკავშირის სტრატეგია ევროპის სამეზობლო პოლიტიკის ძირითადი მიზნების, კერძოდ, სიღარიბის შემცირება, ეკონომიკური ინტეგრაციის პოტენციალის გაძლიერება და ევროპული ღირებულებების განმტკიცება, გატარების თვალსაზრისით გონივრულად ეფექტური აღმოჩნდა.

ქვემოთ აღწერილი ზოგიერთი სისუსტეების და შეზღუდვების მიუხედავად, ევროკავშირის სტრატეგიამ ხელი შეუწყო წინსვლას ENP მიზნების მიღწევაში. ევროკავშირმა მოახერხა მოქნილი და შესაბამისი მასშტაბის საპასუხო რეაგირების უზრუნველყოფა 2008 წლის აგვისტოს ომით გამოწვეულ საჭიროებებზე. მან ხელი შეუწყო სამოქალაქო საზოგადოების გაძლიერებას. სისხლის სამართლის სფეროში გაწეულმა საბიუჯეტო დახმარებამ გააუმჯობესა საერთაშორისო სტანდარტების დაცვა, და გამოიწვია დოკუმენტურად დადასტურებული გაუმჯობესება სახელმწიფო ფინანსების მართვის (PFM) სფეროში. ევროკავშირის მიერ მხარდაჭერილი სექტორული სტრატეგიის (სოფლის მეურნეობისა და რეგიონული განვითარების) გავლენა ჯერჯერობით არ ჩანს, რადგან ეს უკანასკნელი შედარებით ახალია, თუმცა სოფლის მეურნეობის სფეროში განხორციელებულმა პროექტებმა თავისი წვლილი შეიტანეს ადგილობრივ დონეზე სიღარიბის დაძლევაში.

ევროპის სამეზობლო პოლიტიკის რეფორმების დღის წესრიგში უფრო ფართო და პოლიტიკური ასპექტების აქცენტირებამ (ევროპული სტანდარტების, პრაქტიკის და მიდგომების, განსაკუთრებით დაახლოების კონტექსტში, ხელშეწყობა)

გამოიწვია ფაქტობრივ სექტორალურ შედეგებზე ყურადღების შემცირება და, ზოგიერთ შემთხვევაში, სუსტი სტრატეგიული მონიტორინგი.

ევროკავშირმა ყურადღება გაამახვილა ევროკავშირის ღირებულებებთან დაკავშირებულ პოლიტიკურ ასპექტებზე - ადამიანის უფლებები, კონფლიქტების მოგვარება, კანონის უზენაესობა, და გარკვეულწილად უგულვებელყო სექტორული შედეგები (მაგალითად სახელმწიფო ფინანსების მართვა, სადაც მონიტორინგი ორიენტირებულია კონკრეტულ ფუნქციებზე, ან სისხლის სამართალი, სადაც პროგრესი არათანაბარი იყო). იძულებით გადაადგილებულ პირებთან მიმართებაში, ზოგადად, პოლიტიკის შემუშავების აქცენტებმა გადაწონეს სპეციფიკური სექტორული შედეგების მიღწევის აუცილებლობები.

ევროკავშირის მხარდაჭერის გამოწვევებს შეადგენდა მოსახლეობის დიდი ნაწილის სიღარიბეში მცოვრები, აგრეთვე პოსტ-საბჭოთა მემკვიდრეობით დამძიმებული განვითარებადი ქვეყანის საჭიროებებზე სათანადო რეაგირების გაწევა. ევროკავშირის თანამშრომლობის პროგრამა თავიდან პირველი პრობლემის მოგვარებით დაიწყო, თუმცა შემდგომ პერიოდში უფრო მეტად მეორეზე გადაერთო.

ზოგან, დაახლოება თანამშრომლობის უფრო მყარ ჩარჩოს შეადგენდა, სხვა სფეროებში, იგი უფრო ნაკლებად ეფექტური გამოდგა.

დაახლოების კარგი შედეგების ყველაზე ნათელი მაგალითია სურსათის უვნებლობის სფერო. ანალოგიურად, პროგრესი სახელმწიფო ფინანსების მართვის და იუსტიციის სფეროებშიც შეიმჩნევა, აქ დაახლოება დიდწილად საერთაშორისო ვალდებულებების შესრულებასთან იყო შერწყმული. თუმცა, ბევრი სექტორი (მაგ. სოფლის მეურნეობა) ჯერ კიდევ შორს არის დაახლოებისგან. ევროპული ეკონომიკური ინტეგრაციის და

დაახლოების პოპულარიზაცია დედაქალაქის მიღმა მცხოვრებ მოსახლეობაში საკმაოდ რთულია.

ევროკავშირი, „განვითარების სფეროში თანამშრომლობის“ ფარგლებში, საქართველოსთან ჩართულია ფართო და კომპლექსურ თანამშრომლობასა და პოლიტიკურ ჩარჩოში. მაგრამ, როგორც ჩანს, ეს დიდწილად განყენებულად წარმოებს.

მიუხედავად იმისა, რომ ევროკავშირის მხარდაჭერა, განსაკუთრებით 2008 წლის შემდეგ, მოიცავდა პოლიტიკური და კომერციული ინტერესებისთვის გეოპოლიტიკურ ბრძოლას, თანამშრომლობის პროგრამა შეიცავდა ყველა იმ მახასიათებლებს, რომლებიც ხორციელდება განვითარებადი ქვეყნის (თუმცა პოსტ-კონფლიქტური) ტიპური პროგრამის ფარგლებში. ძირითადი აქცენტი ENPI-ის ფარგლებში ორმხრივ დახმარებას ეთმობოდა. თუმცა გაფართოებული და ყოვლისმომცველი თავისუფალი სავაჭრო სივრცე (DCFTA) დიდწილად ვაჭრობის გენერალური დირექტორატის სფეროს წარმოადგენს, ევროკავშირის დელეგაციასთან მიმართებაში საკმაოდ მცირე იყო სავაჭრო ექსპერტიზის მხარდაჭერა. მიუხედავად იმისა, რომ იძულებით გადაადგილებულ პირთა და კონფლიქტის მოგვარების თემა პოლიტიკური თვლასაზრისით პრიორიტეტული იყო და ყველა სექტორში თანამშრომლობაზე ვრცელდებოდა, ევროკავშირის დელეგაციის პოლიტიკური დეპარტამენტი ძალზედ მცირე აღმოჩნდა დიდი და ფართო მასშტაბიანი თანამშრომლობის პროგრამის გასაძლელად.

ჯგუფი 2: სტრატეგიის განხორციელების შესახებ

ინსტრუმენტების ფართო არჩევანი იყო ჩართული და ნაკლოვანებების შესავსებად ეფექტურად კომბინირებული, კომპლემენტარობის და სინერჯის მისაღწევად, მიუხედავად

ამისა, რეგიონული და ორმხრივი პროგრამების კოორდინაცია არ იყო ოპტიმალური.

ხშირ შემთხვევაში შემოქმედებითად იქნა გამოიყენებული ინსტრუმენტების ფართო სპექტრი (მაგალითად, 2008 წლის აგვისტოს კონფლიქტის შემდეგ სტაბილურობის ინსტრუმენტით დაუყოვნებლივ დაფინანსდა გაერთიანებული ერების ორგანიზაციის და საერთაშორისო არასამთავრობო ორგანიზაციების დევნილთა პროექტები, ხოლო აღმოსავლეთ პარტნიორობის რესურსები გამოყენებული იქნა „More for More“-ის ფარგლებში სამოქალაქო საზოგადოების ორგანიზაციების დასაფინანსებლად). რიგ შემთხვევებში კარგად იყო შერწყმული საბიუჯეტო მხარდაჭერა და პროექტების დაფინანსება. თუმცა, არსებობს აშკარა ნაკლოვანება ორმხრივ და რეგიონალურ ინსტრუმენტებს შორის კავშირში.

საბიუჯეტო მხარდაჭერა სათანადოდ იქნა გამოყენებული და, ზოგიერთი გამონაკლისის გარდა, წარმატებით ერწყმოდა პოლიტიკურ დიალოგსა და დამატებითი შესაძლებლობების განვითარების ზომებს. თუმცა, საბიუჯეტო მხარდაჭერის გარკვეულ სფეროებში წარმატება დამოკიდებული იყო ადგილობრივი პარტნიორების მიერ გამოხატულ დაინტერესებაზე.

შეადგინა რა საერთო თანამშრომლობის მხარდაჭერის დაახლოებით ნახევარი და ორმხრივი ENPI თანხების 80%, საბიუჯეტო მხარდაჭერამ საგრძნობი წინსვლა ყველა სექტორში გამოიწვია. მის გარეშე სისხლის სამართლის სფეროში რაიმე პროგრესის მიღწევა საეჭვო იქნებოდა. სოფლის მეურნეობის სფეროში მან გადამწყვეტი მნიშვნელობა შეასრულა ENPARD-ის დანერგვაში, ხოლო რეგიონული განვითარების სფეროში - განვითარების ეროვნული სტრატეგიისა და სამოქმედო გეგმის შემუშავებაში. სახელმწიფო ფინანსების მართვის (PFM) სფეროში მან ხელი შეუწყო სახელმწიფო ხარჯების

შეფასების სისტემის (PEFA) შეფასებების მნიშვნელოვან გაუმჯობესებას. იძულებით გადაადგილებული პირების სფეროში მან ხელშესახები განსხვავება შექმნა მათი საცხოვრებელი პირობების მხრივ მდგრადი საცხოვრებლის და, სულ ახლახანს, საარსებო პირობების მხარდაჭერის მეშვეობით. წარმატების ფაქტორებს შორის (აღრიცხვისას აღმოჩენილი სუსტი მხარეების გათვალისწინებით) დაფიქსირდა პარტნიორი სამინისტროს სწორი არჩევა, რამაც სათანადო ტექნიკური დახმარება (TA) და პოლიტიკური ნება უზრუნველყო.

ზოგ შემთხვევაში, პოლიტიკური დიალოგისა და თანამშრომლობის უფრო ძლიერი კომბინაცია სავარაუდოდ უკეთეს შედეგებს მოიტანდა.

ორი მიმართულება, სადაც უფრო ძლიერ პოლიტიკურ ხმას შეეძლო ევროკავშირის მხარდაჭერის პოტენციალის ათვისებასთან მიმართებაში უკეთესი შედეგების მომტანი ბერკეტის როლი შეესრულებინა, მოიცავდა იძულებით გადაადგილებულ პირთა სფეროს, სადაც დაბალხარისხიანი მშენებლობა პრობლემას შეადგენდა; და კონფლიქტების მოგვარების/ნდობის აღდგენის სფეროს, სადაც ევროკავშირის შეეძლო უფრო აგრესიულად წეხალისებინა ხალხზე ორიენტირებული განვითარების პროექტები, კერძოდ, აფხაზეთში.

ევროკავშირის მხარდაჭერამ გააძლიერა სამოქალაქო საზოგადოება, რამაც გაზარდა მისი ჩართულობა თანამშრომლობის პროგრამის შექმნას, განხორციელებასა და მონიტორინგში.

ევროკავშირი საქართველოში სამოქალაქო საზოგადოების ღირებული პარტნიორია, მის წვლილად ითვლება არასამთავრობო ორგანიზაციების მუშაობისთვის პოლიტიკური სივრცის შექმნა. სამოქალაქო საზოგადოება ამჟამად სრულყოფილად არის ჩართული, მაგალითად, იძულებით გადაადგილებულ პირთა და ციხის

პირობების მონიტორინგში, მაგრამ სახელმწიფო ფინანსების მართვის სფეროს მონიტორინგში ის ჯერ ვერ არის საკმაოდ ძლიერი. მიუხედავად იმისა, რომ მეორე დონის მრავალი არასამთავრობო ორგანიზაცია გაძლიერდა, სამოქალაქო საზოგადოება კვლავაც ძალიან სუსტი რჩება თვითმმართველობის (მოსახლეობის) დონეზე, განსაკუთრებით უმცირესობებით დასახლებულ რეგიონებში.

ევროკავშირის ფართო მიდგომა სრულყოფილად არ იყო მიღებული ისეთ სფეროებში, როგორცაა კონფლიქტის მოგვარება და ნდობის აღდგენა, შესაბამისად ხელიდან იქნა გაშვებული გარკვეული შესაძლებლობები.

მიუხედავად იმისა, რომ ევროკავშირის მხარდაჭერას ამ სფეროებში ბევრი დადებითი შედეგი მოყვა, ის გარკვეულწილად ერთ კალათაში თავმოყრილ პროექტებს უფრო წარმოადგენდა, ვიდრე ინტეგრირებულ სტრატეგიას. ევროკავშირის ქმედებები არ იყო მიმართული გაერთიანებული დამატებითი ღირებულების პოტენციალის მაქსიმალიზაციაზე. კარგი ურთიერთობების, თანამშრომლობისა და ინოვაციური თვისებების მიუხედავად, ევროკავშირის არა-ფინანსური ინსტრუმენტების (პოლიტიკური დიალოგი, ევროკავშირის სპეციალური წარმომადგენელი, EUMM) და ფინანსური ინსტრუმენტების და ევროკავშირის დელეგაციის/DEVCO-ს ქმედებების ჩართულობის (ENPI, IFS, EIDHR) საერთო წონამ მისი შემადგენელი ნაწილების უბრალო დაჯამებას ვერ გადაამეტა. კოლექტიური სტრატეგიული მიზანის და ევროკავშირის მხარის ეფექტური ჩართვის მექანიზმების გარეშე ზოგადი ეფექტურობა და გავლენა დაზარალდა.

ჯგუფი 3: სპეციფიური დარგობრივი ასპექტების შესახებ

ევროკავშირმა ხელშესახები წვლილი შეიტანა კანონის უზენაესობის

განმტკიცებისა და მართლმსაჯულების ხელმისაწვდომობის გაუმჯობესების საქმეში.

ამის მიღწევა ძირითადად შესაძლებლობების გაძლიერების, ტექნიკური დახმარებისა (TA) და საბიუჯეტო მხარდაჭერის მეშვეობით მოხერხდა, რამაც საშუალება მისცა ევროკავშირის შეემუშავებინა სექტორების ჩართულობის გრძელვადიანი სტრატეგიული გეგმა. თუმცა, არსებობს ინსტიტუციური გაძლიერების ნათელი დადასტურება, ევროკავშირის მხარდაჭერის გავლენა სუსტი იყო გამჭვირვალობის, ანგარიშვალდებულებისა და სასჯელალსრულების სისტემისა და პროკურატურის ეფექტურობის თვალსაზრისით. ეს შეიძლება დაბრალდეს ცვლილებების განხორციელების მიმართულებით საკმარისი პოლიტიკური ნების უქონლობას.

სამართლის სექტორის რეფორმებაში ევროკავშირის დახმარებამ გააუმჯობესა საერთაშორისო სტანდარტებთან და კონვენციებთან შესაბამისობა. თუმცა, ადგილი ჰქონდა სირთულეებს სისხლის სამართლის სფეროში მომხმარებლისთვის სასიკეთო ცვლილებების დანერგვის საქმეში.

ტექნიკურ დახმარებას (TA) და ინსტიტუციონალურ განვითარებას კარგად შეეთავსა საბიუჯეტო მხარდაჭერა და სამოქალაქო საზოგადოების ორგანიზაციების მიერ განხორციელებული EaPIC საგრანტო პროექტები. ზოგიერთ სფეროში ამ მხარდაჭერას უკეთესი კოორდინაცია ჩაუტარდა, მაგალითად არასრულწლოვანთა მართლმსაჯულების და პრობაციის სფეროში.

ძლიერი პოლიტიკური ნება, როგორც ეს საბიუჯეტო მხარდაჭერის პოლიტიკის მატრიცაში აისახა, იყო ყველაზე მნიშვნელოვანი ფაქტორი, რომელმაც განსაზღვრა რეალურად მიღწეული ცვლილების დონე.

ევროკავშირის მხარდაჭერამ ხელი შეუწყო ხელისუფლების მხრიდან საქმიანობის დონეზე PFM-ის რეფორმების განხორციელების მონიტორინგს, მაგრამ ნაკლებად წარმატებული აღმოჩნდა PFM რეფორმის სტრატეგიით განსაზღვრული ზოგადი მიზნების მიღწევის დონის მონიტორინგის ხელშეწყობის მხრივ.

სახელმწიფო ფინანსების მართვის (PFM) ბევრ სფეროში გაუმჯობესება აღინიშნა 2008 და 2011 წლების PEFA შეფასებაში. თუმცა, PFM რეფორმის განხორციელების მონიტორინგი ზოგადად კარგად არის ჩამოყალიბებული, ფინანსთა სამინისტროს მხრიდან მისი საკუთრების და გაძღვლის პრინციპზე დაფუძნებით, მასში შეინიშნება სექტორის მასშტაბით შედეგებზე დაფუძნებული აქცენტის ნაკლებობა. ამ მიმართებაში აღსანიშნავია PFM სუსტი მხარეების გამომწვევი ფაქტორების, განსაკუთრებით შეზღუდული ინსტიტუციონალური შესაძლებლობების, ფართო ანალიზის ნაკლებობა. შედეგად, რეფორმის გატარება მეტწილად ტექნიკური გადაწყვეტილებების შემუშავებით შემოიფრგლა, რომელიც ითვალისწინებს ახალი ინსტრუმენტების, სისტემების, პროცედურების შემოღებას ინდივიდუალურ, ინსტიტუციურ და ხელსაყრელი გარემოს დონეზე არსებული ხარვეზების გათვალისწინების გარეშე.

ევროკავშირის დახმარება სოფლის მეურნეობის სექტორში კრიტიკულ ხასიათს ატარებდა და მნიშვნელოვნად შეუწყო საქართველოს მთავრობას ხელი სოფლის მეურნეობის სფეროს პრიორიტეტულ მიმართულებებში შესატანად, რაც სიღარიბის შემცირებასა და გრძელვადიანი ეკონომიკური განვითარების ზრდას ემსახურება.

ევროკავშირის ტექნიკურმა დახმარებამ მნიშვნელოვანი როლი ითამაშა საქართველოს მთავრობის პოლიტიკის ცვლილების ინფორმირებისა და

გაძლიერების მიმართულებით, რომელსაც შედეგად მოყვა სოფლის მეურნეობის სექტორის განვითარების პრიორიტეტულ მიმართულებად აღიარება და ამ სფეროს გრძელვადიანი სტრატეგიის შემუშავება. რადგან სექტორის მხარდაჭერა მხოლოდ 2012 წელს დაიწყო, ჯერ ადრეა მისი სიღარიბეზე მასშტაბურ გავლენაზე საუბარი. სასოფლო-სამეურნეო სექტორის პოტენციალის სრულ განვითარებას ხანგრძლივი პროცესი დასჭირდება. როგორც სექტორის განვითარების სტრატეგიის და სიღარიბის საწინააღმდეგო დროებითი ღონისძიებების ნაწილი, ევროკავშირმა FAO-ს და არასამთავრობო ორგანიზაციების მეშვეობით მთელი რიგი სასოფლო-სამეურნეო პროექტები განახორციელა.

ევროკავშირის დახმარებამ რეგიონულ განვითარებაში გარკვეული ზეგავლენა იქონია ქვეყნის დონეზე, ინსტიტუციონალური და დაგეგმვის მექანიზმების გამოყენების მეშვეობით, მაგრამ რეგიონულ დონეზე მნიშვნელოვანი გავლენის მისაღებად საჭიროა შესაბამისი სამოქმედო გეგმის შემუშავება და განხორციელება და ქვე-ეროვნულ დონეზე ადეკვატური რესურსების სათანადო განაწილება. დაახლოების პროცესი ფერხდება იმის გამო, რომ ევროპული რეგიონის ადმინისტრაციული განმარტება შეუსაბამოა საქართველოსთვის.

შემუშავდა რამოდენიმე რეგიონული განვითარების გეგმა შესაბამისი სამოქმედო გეგმების გარეშე. ეს მოხდა ნაწილობრივ ადგილობრივი თვითმმართველობის დონეზე ცვლილებებისა და ნაწილობრივ სამოქმედო გეგმების ყოვლისმომცველი მეთოდოლოგიის შემუშავების და განხორციელების უქონლობის გამო. საჭიროა რეგიონულ დონეზე ინსტიტუციონალური შესაძლებლობების შემდგომი განვითარება და ამის განსახორციელებლად კონკრეტული

რესურსებით უზრუნველყოფილი სამოქმედო გეგმების შემუშავება.

ევროკავშირის დახმარებაში მნიშვნელოვანი წვლილი შეიტანა სამოქალაქო საზოგადოების, როგორც ძალის განვითარებაში ქართულ პოლიტიკასა და საზოგადოებაში, მაგრამ ეს განვითარება ცალმხრივი აღმოჩნდა: დედაქალაქსა და დიდ ქალაქში მოქმედმა ორგანიზაციებმა უფრო მნიშვნელოვნად იგრძნეს მისი გავლენა და გაიუმჯობესეს მდგრადობა, ხოლო თვითმმართველობის დონეზე მოქმედი ორგანიზაციები კვლავაც სუსტი დარჩა.

შეფასების პერიოდის შუაში საქართველოს სამოქალაქო საზოგადოების სიძლიერის შეფასებები საკმაოდ კრიტიკული იყო. მას შემდეგ სიტუაცია საგრძნობლად გამოსწორდა. გარდა ამისა, სამოქალაქო საზოგადოების, როგორც დემოკრატიული მმართველობის ზედა და მეორე დონეზე მონაწილეობით ძალის პირობები გონივრულად კარგია. თუმცა, სამოქალაქო საზოგადოება სუსტია თვითმმართველობის დონეზე, განსაკუთრებით უმცირესობებით დასახლებულ რეგიონებში. მთავარ პრობლემას წარმოადგენს ყველა დონეზე მოქალაქეებსა და ხელისუფლებას შორის კავშირის არ არსებობა, რაც ხელს უშლის სამოქალაქო საზოგადოებისა და სამოქალაქო ჩართულობის როლის დანახვას მათი ცხოვრების გაუმჯობესებაში.

ევროკავშირმა კონფლიქტის შედეგად დაზარალებული მოსახლეობის გამოწვევების საპასუხოდ მრავალწახნაგიანი რეაგირების პროგრამა შეიმუშავა. იგი დროულად და სწრაფად დაინერგა, ამასთან ევროკავშირმა სწორი სტრატეგიული არჩევანი გააკეთა. თუმცა, მხარდაჭერის ეფექტურობა გარკვეული სირთულეების წინაშე აღმოჩნდა, რომლებიც საბიუჯეტო მხარდაჭერის გამოყენებას და იძულებით გადაადგილებულ პირთა საკითხის გარშემო ძლიერ პოლიტიზირებულ გარემოს უკავშირდება.

ევროკავშირის არჩევანი, საბიუჯეტო მხარდაჭერის მეშვეობით, საქართველოს მთავრობასთან შეთანხმებისა და თანამშრომლობის შესახებ სტრატეგიულად სწორი იყო. საბიუჯეტო დახმარებასთან შერწყმული ტექნიკური დახმარება (TA) და პოლიტიკური დიალოგი საკმაოდ წარმატებული იყო (მაგ.საქართველოს მთავრობის წახალისება, იძულებით გადაადგილებულ პირთათვის მდგრადი საარსებო პირობებისა და პრივატიზაციის საკითხების ხელშესაწყობად), მაგრამ პროგრესი იყო ნელი. ევროკავშირმა შეძლო მხოლოდ ნაწილობრივ შეემსუბუქებინა ლტოლვილთათვის დაბალხარისხიანი საბინაო მშენებლობის პრობლემა, ძირითადად, იმის გამო, რომ პოლიტიკური დიალოგის მონაწილე მხარედ ლტოლვილთა და განსახლების სამინისტრო (შედარებით სუსტი ინსტიტუციური სიმძლავრის მქონე) გამოდიოდა, ხოლო მშენებლობის პროგრამის განმახორციელებელ სააგენტოდ - მუნიციპალური განვითარების ფონდი.

მიუხედავად იმისა, რომ ევროკავშირის რეაგირება სეპარატისტულ რეგიონებში კონფლიქტების მოგვარებისა და ნდობის აღდგენის მხარდაჭერის კუთხით ღირებული იყო, იგი გაერთიანებული მიდგომის უქონლობის გამო დაზარალდა და ზედმეტად დიდ ტვირთად დააწვა მხოლოდ თანამშრომლობის პროგრამასა და ევროკავშირის დელეგაციას.

ეს მხარდაჭერა შეიზღუდა საქართველოს მთავრობასა და დე ფაქტო ხელისუფლებას შორის (განსაკუთრებით სამხრეთ ოსეთში) არსებული პირობების გამო, რასაც რუსეთის როლიც ართულებდა. უფრო ინტეგრირებული მიდგომა რომ ყოფილიყო, მათ შორის ევროკავშირის სადამკვირვებლო მისიას, ევროკავშირის სპეციალურ წარმომადგენლს, ევროკავშირის დელეგაციას და თავად ბრიუსელს შორის, შესაძლებელი იქნებოდა ამ შეზღუდვების გამოცდა და ქმედებების ფარგლების გაფართოვება.

ძირითადი რეკომენდაციები

ჯგუფი 1: საერთო სტრატეგიის შესახებ

გაგრძელდეს ფინანსური დახმარების ფოკუსირება ინიცირებულ რეფორმებზე (იუსტიციის, სახელმწიფო ფინანსების მართვის, საჯარო ადმინისტრაციის, იძულებით გადაადგილებულ პირთა და სხვა სფეროებში), მაგრამ მოუგვარებელი გამოწვევების დასარეგულირებლად სექტორის მასშტაბით რეფორმის შედეგებზე საქართველოს მთავრობის ანგარიშვალდებულების გაზრდის გზით. მომავალში, ყურადღება უნდა მიექცეს საერთო მიზნების და სფეროების იდენტიფიცირებას, სადაც ევროკავშირის შექმნა და მატებითი ღირებულების შექმნა ასოცირების კონტექსტში.

მიუხედავად იმისა, რომ შეფასებამ პროგრესი ყველა სექტორში და არა-სექტორულ სფეროში აღმოაჩინა, ხშირად ეს პროგრესი საქართველოს მთავრობის სასურველ სფეროებში უფრო ვლინდებოდა, ხოლო სადაც მთავრობის მხრიდან ნება დაბალი იყო, პროგრესიც მცირედ გამოვლინდა. მიზანშეწონილია, უფრო დიდი აქცენტი გაკეთდეს სექტორის მასშტაბით შედეგების მიღწევაზე, მაგალითად, (i) გაიზარდოს ცნობიერება საბიუჯეტო დახმარებისა და პოლიტიკური დიალოგის როლის შესახებ ისეთ სფეროებში (როგორც იძულებით გადაადგილებული პირები), სადაც ის სუსტია, (ii) პოლიტიკური მატრიცები წარიმართოს ფაქტობრივი შედეგების მიღებაზე და (iii) აქცენტი გაკეთდეს სექტორის მასშტაბით რეფორმაზე, ვიდრე ტექნიკურ შესწორებებზე ქვე-სექტორის დონეზე. თუმცა, საბიუჯეტო დახმარების ვალდებულებების ნაწილი საჭიროებს დიალოგის გაძლიერებას საერთო მიზნის და ევროკავშირის მხრიდან დამატებითი ღირებულების შემოტნის სფეროების იდენტიფიცირების მიზნით. ამისთვის, პოლიტიკური დიალოგის და პროგრამირების დროს, გასათვალისწინებელია ის ფაქტი, რომ

ასოცირება უფრო ნაკლებად მიმზიდველია ვიდრე გაფართოება.

დაახლოების დღის წესრიგის განხორციელებისას მიზანშეწონილია ევროპული უპირატესობების უკეთ კომუნიკაცია, განსაკუთრებით თბილისის გარეთ.

ევროკავშირმა, ეკონომიკურ უპირატესობებზე მეტად, უნდა აღვნიშნოს დაახლოების სოციალური უპირატესობები - ადამიანის უფლებები, უკეთესი სამომხმარებლო და გარემოს დაცვა, უფრო გამჭვირვალე და ანგარიშვალდებული მთავრობა, და სხვა. ნავარაუდებია, რომ ეს იქნება ასოცირების უფრო ძლიერი "გასაყიდი მომენტი", ვიდრე ეკონომიკური მიღწევები. ამის მიღწევა შესაძლებელია, მაგალითად, საქართველოს მთავრობისა და სამოქალაქო საზოგადოების მიერ ევროპული უპირატესობების ფართო პოპულარიზაციის მიმართულებით კონკრეტული ნაბიჯების გადადგმისას, განსაკუთრებით დედაქალაქის გარეთ.

თანამშრომლობის პროგრამა უკეთ უნდა აისახოს საქართველო-ევროკავშირის მრავალმხრივ დიალოგსა და პროცესებში.

ევროკავშირმა ამავედროულად უნდა გააუმჯობესოს სექტორალური ექსპერტების გამოცდილება, მიღებული გამოცდილების გამოყენებით, და გაზარდოს მათი ეფექტურობა ევროკავშირის პოლიტიკურ განყოფილებასთან და სხვა ერთეულებთან (მაგალითად, ევროკავშირის სადამკვირვებლო მისიასთან, ევროკავშირის სპეციალურ წარმომადგენელთან) და ბრიუსელში განვითარებისა და თანამშრომლობის გენერალური დირექტორატის მიღმა მოღვაწე პასუხისმგებელ პერსონალთან მჭიდრო კავშირების ფორმირების მეშვეობით. ამ რეკომენდაციის განხორციელებით, ევროკავშირი ცალსახად აღიარებს თანამშრომლობის პროგრამის პოლიტიკურ განზომილებას. ეს აგრეთვე შეესატყვისება ქვემოთ

მოცემულ რეკომენდაციას, უფრო აქტიურად იქნას გამოყენებული პოლიტიკური დიალოგი სექტორალური რეფორმის კუთხით თანამშრომლობის შედეგების პოპულარიზაციისას.

ჯგუფი 2: სტრატეგიის განხორციელების შესახებ

გადლიერდეს ევროკავშირის მხარეებს შორის, ამასთან მეტად იქნას აღიარებული დახმარების როლი ევროკავშირის თანამშრომლობის უფრო ფართო სტრატეგიაში.

ევროკავშირმა უნდა მიიღოს "ინტეგრირებული ევროკავშირის" სტრატეგია, რომლის ცენტრალურ ნაწილშიც ევროკავშირის დელეგაცია საკოორდინაციო ერთეულის როლს შეასრულებს საქართველოს მთავრობასთან თანამშრომლობის კუთხით კომუნიკაციაში. დასაწყისისთვის, უნდა გადაისინჯოს სპეციფიკური პროცესები და პროცედურები, მაგ. რომლებიც ჩართულია ENP-ს გადასინჯვის პროცესში, ერთიანი მიდგომისთვის სივრცის აღმოსაჩენად. მიზანშეწონილია, რომ, პროგრამების ადმინისტრირების სამსახურის (PAO) სათანადო მხარდაჭერის ფონზე, განისაზღვროს განვითარების მიზნით თანამშრომლობის ახალი ერთეულის (სავარაუდოდ, საქართველოს მთავრობასთან საკონტაქტო ერთეულის) შექმნის საჭიროება, რომელიც ჯერ კიდევ ადრეულ ეტაპზეა და სავარაუდოდ მოითხოვს გაძლიერებას.

გაგრძელდეს საბიუჯეტო მხარდაჭერის, როგორც ძირითადი მეთოდის გამოყენება, სხვა კონკრეტულ ზომებთან კომბინაციაში.

მიზანშეწონილია, გაგრძელდეს საბიუჯეტო დახმარებაზე დაყრდნობა, სათანადოდ ტექნიკური დახმარების (TA), ტვინინგის (Twinning), ინსტიტუციური განვითარების, პოლიტიკური დიალოგის და გრანტების

გაცემის მეთოდებთან შეთავსებით. თუმცა, მკვეთრად უნდა განისაზღვროს, რომ საბიუჯეტო დახმარების კუთხით საკონტაქტო ერთეულმა სრულად აიღოს პასუხისმგებლობა მხარდაჭერილი რეფორმების განხორციელებაზე ან მათში ჩართულ მთელ რიგ დაწესებულებებთან ნაყოფიერ თანამშრომლობაზე. თუ შედეგების შეცვლის ნება სუსტი იქნება, ჩასატარებელი იქნება კონკრეტული ზომები სამოქალაქო საზოგადოების ჩართულობის კუთხით. უნდა გაგრძელდეს დამატებითი ზომების შემუშავება. ასევე აღიარებულ უნდა იქნას, რომ საბიუჯეტო დახმარება ნელა მოძრავი მექანიზმია.

განვითარების თანამშრომლობის შედეგების გაძლიერების პერსპექტივების გასაუმჯობესებლად გამოყენებულ იქნას პოლიტიკური დიალოგის მექანიზმი.

მიზანშეწონილია, რომ, წინსვლისას, ევროკავშირმა კიდევ უფრო მჭიდროდ დააკავშიროს თანამშრომლობისა და პოლიტიკური დიალოგის ინსტრუმენტები, განსაკუთრებით ისეთ სექტორებში, როგორცაა მართლმსაჯულება, იძულებით გადაადგილებული პირები და კონფლიქტის მოგვარება/ნდობის აღდგენა. ეს უნდა დაიწყოს ევროკავშირის დელეგაციის დონეზე, თუმცა გულისხმობს ბრიუსელის სათანადო ჩართვასაც.

შემუშავდეს და განხორციელდეს, "ინტეგრირებული ევროკავშირის" მიდგომა კონფლიქტების მოგვარების და ნდობის აღდგენის მიმართ - ყველა შესაბამისი სუბიექტის მოცვით და საქართველოს მთავრობასა და დე ფაქტო ხელისუფლებისთან შესაძლო კმედებების ფართო განხილვის ფორმატში.

რეკომენდირებულია, შენარჩუნდეს განმახორციელებელი პარტნიორების მრავალფეროვნება კონფლიქტისა და აფხაზეთში სხვა საკითხებთან დაკავშირებით (და, სადაც შესაძლებელია სამხრეთ ოსეთში). მეტი

ყურადღებაა მისაქცევი ევროპული ღირებულებების პოპულარიზაციის, სამოქალაქო საზოგადოების მხრიდან ზედამხედველობის, ევროპული გამოცდილების გაზიარების, სეპარატისტული რეგიონების იზოლაციის შეწყვეტის, ადამიანის უფლებათა სტანდარტების ხელშეწყობის, პროფესიული სტანდარტების შემოღების, სექტორის ანალიზზე დაფუძნებული ალტერნატიული იდეების ფორმირების და ხალხზე ორიენტირებული განვითარების ხელშეწყობის საკითხებზე. ევროკავშირმა მკაფიოდ უნდა განმარტოს, რომ ეს მიდგომა რეალურად მხარეთა ინტერესებში შედის. 6-თვიანი პროექტები (რომლებიც COBERM-II-ის ფარგლებში დაფინანსდა), შეძლებისდაგვარად, უნდა შეიცვალოს გრძელვადიანი ჩარევით, რომელიც მოკლევადიანი ღონისძიების დაფინანსების პარალელურად ურთიერთობების დამყარებას შეუწყობს ხელს.

ჯგუფი 3: სპეციფიური დარგობრივი ასპექტების შესახებ

გააგრძელდეს მხარდაჭერის უზრუნველყოფა კანონის უზენაესობის რეფორმირების სფეროში ფართო გაგებით, იმ უწყებებთან თანამშრომლობის გაღრმავებით, რომლებმაც რეფორმირების სათანადო ნება გამოავლინეს და გამჭვირვალობის, ანგარიშვალდებულების და (საჭიროების შემთხვევაში) დამოუკიდებლობის საკითხების სათანადოდ გაზრდილი აქცენტირებით.

ევროკავშირმა უნდა გააფართოვოს მხარდაჭერა კანონის უზენაესობის სფეროში და ყურადღება გაამახვილოს არა მხოლოდ სისხლის სამართალზე, არამედ სამოქალაქო და ადმინისტრაციულ სამართალზეც. ევროკავშირის მიმდინარე ჩართულობა სასამართლოს რეფორმირებაში და 2015 წლის თებერვალში მომხდარი სასამართლო სისტემის ხელმძღვანელობის ცვლილება

საშუალებას აძლევს ევროკავშირს, ჩაერთოს სასამართლო სისტემის რეფორმირებაში, არა მხოლოდ მისი ინსტიტუციონალური დამოუკიდებლობის უზრუნველყოფის კუთხით, არამედ მისი გამჭვირვალობის, ანგარიშვალდებულების და მოსამართლეების მიუკერძოებლობის გაზრდის ძალისხმევის მხარდაჭერის მიმართულებითაც. ევროკავშირის მხარდაჭერა უნდა წარიმართოს მხოლოდ იმ დაწესებულებებში, რომლებმაც რეფორმირების რეალური ნება გამოხატეს და არ ეძებენ უბრალოდ ერთჯერად ინსტიტუციური განვითარებისა და გამოცდილების გაზიარების შესაძლებლობებს.

მიღებულ იქნას სტრატეგიული მიდგომა სისხლის სამართლის პოლიტიკის შემუშავებასა და განხორციელებაში სამართლის სექტორის ბენეფიციართა გავლენის გაძლიერების კუთხით.

ევროკავშირმა უნდა ჩამოაყალიბოს უფრო სტრატეგიული მიდგომა მართლმსაჯულების სექტორის ბენეფიციარების (ფიზიკური და იურიდიული პირების, უმრავლესობისა და უმცირესობის ჯგუფების) მიმართ პოლიტიკის შემუშავებასა და განხორციელებაში მათი ზეგავლენის გაძლიერების კუთხით. რეკომენდებული სტრატეგიული მიდგომა ასევე უნდა უზრუნველყოფდეს ქვეყნის მასშტაბით სამოქალაქო საზოგადოების, მათ შორის, მედიის წარმომადგენლების მობილიზაციას, სამართლის სექტორის სხვადასხვა ინსტიტუტების საერთაშორისო სტანდარტებისა და პრაქტიკასთან მიმართებაში, ასევე საბიუჯეტო დახმარების პირობების შესრულების მონიტორინგის მიზნით.

გაძლიერდეს სახელმწიფო ფინანსების მართვის (PFM) რეფორმირების მხარდაჭერა ინსტიტუციური განვითარების უფრო სისტემატური ძალისხმევის მეშვეობით.

ევროკავშირმა მხარი უნდა დაუჭიროს სახელმწიფო ფინანსების მართვის

ინსტიტუციური განვითარების ყოვლისმომცველი სტრატეგიის შემუშავებას, რომელიც დაეყრდნობა PFM რეფორმის სტრატეგიასა და ინსტიტუციური განვითარების მოთხოვნათა შეფასებით გამოაშკარავებულ მიზნებს და სასურველ შედეგებს, ან რეფორმის შესაბამისი ზომების განხორციელებისათვის ინსტიტუციური განვითარების საჭიროებებს.

გაგრძელდეს გრძელვადიანი ორ-მიმართულებიანი სტრატეგიული ხედვის მხარდაჭერა, რომლის მიხედვითაც სოფლის მეურნეობის სექტორის კომერციალიზაცია მიიღწევა კოოპერატიული განვითარების მეშვეობით, ამასთან ინტეგრირებული იქნება სოფლად სოციალურ-ეკონომიკური განვითარების უფრო ფართო ხედვაში.

ევროკავშირმა მხარი უნდა დაუჭიროს მთავრობის გრძელვადიან სტრატეგიულ ხედვას, რომელშიც სოფლის მეურნეობა კომერციული და ფართო სოციალურ-ეკონომიკური განვითარების საყრდენის როლს ასრულებს. ევროკავშირის მხარდაჭერამ უნდა უზრუნველყოს: i) გრძელვადიანი კოოპერატიული განვითარების ხედვის და რეალისტური და გაზომვადი მოკლევადიანი მოლოდინების არსებობა; ii) კოოპერატიული განვითარების კავშირი ღირებულების ჯაჭვის პროცესებსა და საბოლოო ბაზრებთან, მონიტორინგთან და კოოპერატივების შესაძლებლობების ზრდის მონიტორინგი და გაძლიერება, და iii) კოოპერატივების აგრო-გადამამუშავებელი სექტორის სრულფასოვან პარტნიორებად და მათი მიწოდების ქსელის ნაწილად აღქმა და/ან ღირებულების ჯაჭვის სხვა ასპექტებად ჩამოყალიბების შესაძლებლობა. ყოველივე ეს უნდა განიხილებოდეს, როგორც სოფლის მეურნეობის განვითარების უფრო ფართო მიდგომის ნაწილი.

საჭიროა რეგიონული განვითარების სტრატეგიისა და სამოქმედო გეგმების

გადახედვა და განახლება, ამასთან არსებობს რეგიონულ დონეზე ინსტიტუციონალური შესაძლებლობების განვითარების გადაუდებელი აუცილებლობა. განსაკუთრებით, თუ მხედველობაში მივიღებთ ინსტიტუციონალური შესაძლებლობების ხარვეზებს, მიზანშეწონილია, გადაიხედოს სტრატეგიის ადმინისტრაციულ რეგიონებთან მიზმა და განხილულ იქნას პოლიტიკური დიალოგის ფარგლებში.

რეგიონული განვითარების სტრატეგიები უნდა გადაიხედოს და განახლდეს ყველა დაინტერესებული მხარის გათვალისწინების უზრუნველსაყოფად. სტრატეგიები უზრუნველყოფილი უნდა იქნას კონკრეტული გეგმებით, რომლებიც რეალური საჭიროებების და პრობლემების გადასაჭრელად შესაბამისი ასიგნებებით იქნება გამაგრებული. კონკრეტული ნაბიჯები მოიცავს, საჭიროების შემთხვევაში, ისეთი პროცესების წარმართვას, რომლის დროსაც შესაძლებელი იქნება გადასახედი სტრატეგიისთვის ყველა დაინტერესებული მხარის მოსაზრების მიღების შუამდგომლობა და რეგიონული ხელისუფლების შესაძლებლობების გაძლიერება. დაახლოების საფუძველად ადმინისტრაციული რეგიონების გამოყენების მიზანშეწონილობა უნდა გადაიხედოს, განსაკუთრებით რეგიონულ დონეზე შეზღუდული ინსტიტუციონალური შესაძლებლობების თვლსაზრისით, და განხილულ იქნას პოლიტიკური დიალოგის ფორმატში.

გაგრძელდეს სამოქალაქო საზოგადოებრივი ორგანიზაციების (სსო) მხარდაჭერა ეროვნულ დონეზე, ამასთან სათანადო ყურადღება უნდა დაეთმოს, 2014-2017წლების სამოქალაქო საზოგადოების განვითარების გეგმის შესაბამისად, თვითმმართველობის დონეზე არსებული სსო-ების მხარდაჭერას, განსაკუთრებით ეთნიკური უმცირესობებით კომპაქტურად დასახლებულ რეგიონებში

არსებულ გამოწვევებზე რეაგირების მიზნით.

რეკომენდირებულია მრავალმხრივი მიდგომის გამოყენება. იგი უნდა შედგებოდეს ვერტიკალური და ჰორიზონტალური ქსელებისგან, მათ შორის პირველ რიგში ქვე-გრატების გაცემისგან და ადგილობრივი სამოქალაქო საზოგადოების სხვა ჩარევებში ჩართვისგან. სახელმწიფო ფინანსების მართვასა და სამართლდაცვის სფეროში სამოქალაქო საზოგადოების ჩართულობის მიღწევები უნდა გავრცელდეს რეგიონულ და ადგილობრივ დონეზე. უმცირესობებით დასახლებული რეგიონები ყველაზე მეტად განიცდიან მარგინალიზაციას და შესაბამისად პრიორიტეტულობა უნდა მიენიჭოთ. მთავრობის ენობრივ პოლიტიკასთან წინააღმდეგობაში მოსვლის გარეშე, ევროკავშირმა მტკიცე ნაბიჯები უნდა გადადგას ენობრივი ბარიერის მოშლის დახმარების მიმართულებით, რაც ენობრივ უმცირესობებს იზოლაციაში ამყოფებს.

მიუხედავად იმისა, რომ იძულებით გადაადგილებულ პირებთან მიმართებაში შეიძლება იარსებოს მიზანმიმართული მხარდაჭერის აუცილებლობამ, ევროკავშირმა უნდა მოახდინოს იძულებით გადაადგილებულ პირთა მხარდაჭერის ინტეგრირება თანამშრომლობის უფრო ფართო პროგრამაში ისეთ სფეროებში, როგორცაა სოფლის მეურნეობა, სამოქალაქო საზოგადოება, ეკონომიკური განვითარება და კანონის უზენაესობა.

ევროკავშირმა უნდა შეიმუშავოს იძულებით გადაადგილებულ პირებთან მუშაობის ყოვლისმომცველი გარდამავალი სტრატეგია. მის ძირითად ელემენტებს ევროკავშირის მხარდაჭერის სხვა სფეროებში და პოლიტიკურ დიალოგში დევნილთა შესაბამისი საკითხების შეტანა უნდა შეადგენდეს. ამ საქმიანობის ძირითად ასპექტს იძულებით გადაადგილებული

პირებისთვის წარმოქმნილ შესაძლებლობებში მონაწილეობის წამახალისებელი და შემაფერხებელი ფაქტორების ანალიზი უნდა წარმოადგენდეს. ეფექტურობის უზრუნველსაყოფად, გარდამავალი სტრატეგიის შემუშავება არ შეიძლება მხოლოდ ევროკავშირის დელეგაციის კონკრეტული თასქმენჯერის პასუხისმგებლობად ჩაითვალოს, არამედ სათანადოდ უნდა იქნას გააზრებული ევროკავშირის დელეგაციის ოპერაციების მთელი მასშტაბით, და გარკვეულ წილად პოლიტიკურ დეპარტამენტებსა და ბრიუსელის ოფისებში.

შემუშავდეს უფრო ფართო გაერთიანებული პოლიტიკა კონფლიქტების მოგვარების და ნდობის აღდგენის სფეროში, რომელიც უფრო ღრმად გაიაზრებს განვითარების თანამშრომლობის გრძელვადიან წვლილს.

კონფლიქტის მოგვარება უნდა დარჩეს ევროკავშირის საქართველოსთან თანამშრომლობის სტრატეგიის ძირითად კომპონენტად. ევროპის საგარეო საქმიანობის სამსახურმა (EEAS), ევროკომისიამ, ევროკავშირის სპეციალურმა წარმომადგენელმა და გარკვეულწილად ევროკავშირის წევრმა ქვეყნებმა უნდა შეიმუშავონ უფრო მკაფიო და გაერთიანებული სტრატეგიული ლოგიკა, რომელიც დაეფუძნება ევროკავშირის საქართველოსა და მთლიანად კავკასიაში კონფლიქტის საკითხებში ჩართულობის ერთობლივ ანალიზს. ეს არ არის ახალი იდეა და საჭიროა ევროკავშირის ყველა დაინტერესებული მხარის მიერ აღიარებულ იქნას ევროკავშირის ამგვარი კოლექტიური მიდგომის მიღწევის სირთულეები წარსულში და დინამიკის შესაცვლელად გამოსაყენებელი სტიმულები. მიზანშეწონილია, რომ ევროკავშირის დელეგაციამ, ევროკავშირის სპეციალურ წარმომადგენელთან ერთად და EEAS-ის მხარდაჭერით, გამართოს დიალოგი ყველა დაინტერესებულ მხარესთან

იმაზე, თუ როგორ უნდა შემუშავდეს
აფხაზეთისთვის ხალხზე
ორიენტირებული განვითარების
კომპონენტები. ასევე მნიშვნელოვანია,
გაგრძელდეს სამხრეთ ოსეთში
ჩართულობის ყველა შემოქმედებითი
გზის ძიება.

1 Introduction

1.1 Objectives, scope and coverage of the evaluation

This Final Report presents the results of the Evaluation of the European Union's co-operation with Georgia (2007-2013). The evaluation was commissioned by the DG DEVCO Evaluation Unit and was implemented between January 2014 and January 2015. As pointed out in the Terms of Reference (ToR), the main objectives of this evaluation are:

- To identify key lessons and to produce recommendations in order to improve the current and future European Union's strategies for, and programmes and actions in Georgia. In particular, the evaluation should provide lessons in order to inform the preparation of the programmes to be launched by the European Union (EU), under the new programming period (2014-2017);
- To provide the relevant external co-operation services of the European Union and the wider public with an overall independent assessment of the European Union's past and current co-operation with Georgia.

In terms of temporal scope the evaluation covers the EU's co-operation strategy with Georgia and its implementation during the period 2007-2013. In terms of legal framework, the overall engagement of EU in Georgia is taken into account, including agreements, the co-operation framework and any other official commitments. Regarding co-operation instruments, the scope includes: the European Neighbourhood and Partnership Instrument (ENPI), the Instrument for Stability (IfS), the European Instrument for Democracy and Human Rights (EIDHR) and different thematic programmes under the Development Co-operation Instrument (DCI). Thematically, the analysis focuses on five sectors, as identified in the ToR:

- Criminal Justice;
- Public Finance Management;
- Agriculture, Rural and Regional development;
- Civil Society;
- Confidence Building, Internally Displaced Persons and Conflict Settlement.

Based on the ToR requirements, the following criteria have been assessed:

- The relevance and coherence of the EU's co-operation strategy and programmes in the period 2007-2013, including the strategy's responsiveness to Georgian context, and the consistency between programming and implementation;
- The implementation of the EU's co-operation, focusing on impact, sustainability, effectiveness and efficiency for the period 2007 – 2013, taking into account the new programming for the period 2014-2020;
- The value added of the EU's interventions (at strategic and implementation level);
- The 3Cs: co-ordination and complementarity of the EU's interventions with other donors' interventions (focusing on EU Member States); and coherence between the European Union's interventions in the field of development co-operation and other European Union policies that are likely to affect the country/region;
- The coordination and coherence of the various types of co-operation (bilateral, regional and thematic) and corresponding instruments.

1.2 Organisation of the evaluation

The DG DEVCO Evaluation Unit was responsible for the management and supervision of the evaluation. Evaluation progress was closely followed by a Reference Group (RG) chaired by the Evaluation Unit, and consisting of members of various EU institutions. The RG was constituted of members of all services of the European Commission and the EEAS, the EU Delegation to Georgia, the Embassy of Georgia in Belgium and the EU Assistance Coordination Department at the Office of the State Minister of Georgia on European and Euro-Atlantic Integration.

1.3 Structure of the Report

The Final Report consists of three volumes. This volume corresponds to the main report and includes the following elements:

- Section 1 - Introduction: gives an overall introduction to this report.
- Section 2 - Background and key methodological elements: presents the main methodological elements of the evaluation and details the approach adopted for the data collection and analysis in the desk phase.
- Section 3 - Georgia context: highlights the strategic and development context especially towards the EU's development and political goals.
- Section 4 - Overall assessment of the EU's co-operation with Georgia: presents a global synthesis of all EQs and transversal questions.
- Section 5 - Assessment of Evaluation Questions: provides answers to all EQs that have been developed, and investigated into, by the evaluation team with a reference to the judgement criteria.
- Section 6 - Conclusions: presents the main overall and sector-specific conclusions.
- Section 7 - Recommendations: presents the main overall and sector-specific recommendations.

Volume II presents the detailed evidence gathered at judgement criteria and indicator level. All annexes are compiled in Volume III.

2 Key methodological elements

2.1 Overall approach

The methodology applied for this evaluation is based on the methodological guidelines developed by the DG DEVCO Evaluation Unit.¹ The analytical framework consisted of nine evaluation questions (EQ). For each EQ a number of Judgement Criteria (JC) and indicators were defined to allow for a structured analysis and a gathering of information that can be reliably, validly and meaningfully analysed and compared. The six sectoral and three transversal EQs are presented in the table below.

Table 1 Evaluation questions

No.	Evaluation Question	
EQ 1	To what extent, and how, has the EU support to the Criminal Justice sector contributed to strengthening the rule of law in Georgia?	Sector results and impacts
EQ 2	To what extent, and how, has the EU support contributed to improve the PFM systems in Georgia?	
EQ 3	To what extent, and how, has the EU support to Agriculture, rural and Regional development contributed to improving living standards, especially in rural areas?	
EQ 4	To what extent, and how, has EU support to Civil Society strengthened participative democracy?	
EQ 5	To what extent, and how, has EU support contributed to timely and effective improvement of living conditions of conflict affected populations in Georgia?	
EQ 6	To what extent has EU action in conflict prevention and peacebuilding constituted an added value?	
EQ 7	To what extent was the mix of aid modalities and instruments used by the EU appropriate in the Georgian context?	Relevance, 3Cs and added value
EQ 8	To what extent was EU support strategy and implementation aligned with Government priorities and responded flexibly to changing needs over the evaluation period?	

¹ https://ec.europa.eu/europeaid/evaluation-methods_en

No.	Evaluation Question	
EQ 9	To what extent did EU support lead to strengthened national coordination of aid and contribute to donor complementarity and synergies?	

The evaluation has been conducted in four main phases, namely Inception Phase, Desk Phase, Field Phase and Synthesis Phase. The evaluation process adopted a systematic approach that used different building blocks to gradually construct an answer to the EQs and to formulate conclusions and recommendations. The various phases and subsequent 'stages' coincide with the different methodological steps undertaken within the framework of the evaluation:

- First, it was essential to have a clear understanding and overview of the object of the evaluation, by producing an inventory and intervention logic of country-level EU support to Georgia falling within the scope of the evaluation (for more details on the inventory, see Annex 2). Once this was available during the *inception stage*, the team built the methodological framework for the entire exercise.
- On the basis of the established methodological framework, data collection was carried out during the *desk study* and through country visit during the *field phase*.
- The *synthesis phase* was then devoted to constructing answers to the EQs and formulating conclusions and recommendations on the basis of the data collected throughout the process.
- A final step consists of a *dissemination seminar* in Tbilisi.

2.2 Data collection and analyses

The evaluation used a *mixed-methods approach*. The main data collection methods/tools consisted of:

- *Literature review* (see list of documents in Annex 3):
 - General review of literature relevant to the topics covered by the evaluation;
 - Systematic analysis and review of country and regional strategy documents, External Assistance Monitoring Reports;
 - For a selection of interventions (see details on sampling in section 2.3), systematic analyses of project documentation (e.g. project evaluations, mid-term reviews), Results-Oriented Monitoring (ROM) reports, evaluations covering the relevant main sectors of co-operation;
 - Analysis of Georgia national policy and strategy documents and other relevant studies in the main sectors of co-operation.
- *Semi-structured interviews* with key stakeholders, held both in Tbilisi and out of the capital². These interviews verified the preliminary observations and filled information gaps identified during the desk phase. Annex 4 presents the list of persons met.
- *Focus group discussions* organised in the sector of IDPs, Criminal Justice, Agriculture and Civil Society gathered the views of specific stakeholder groups, discussed issues of major importance for the evaluation and feedback to ensure diversity opinions, allowing a deeper analysis. Annex 5 presents a list of focus groups discussions.
- *Sites visits with direct observations* were conducted to six of the nine regions of the country (namely, Samegrelo-Zemo Svaneti, Guria, Imereti, Shida Kartli, Kvemo Kartli, Samtskhe-Javakheti) and to the Autonomous Republic of Adjara and Abkhazia. These sites visits were selected to ensuring the best balance between usefulness of a visit for the global analysis and feasibility of implementation. The team's selection was finalised with the support of the EUD.
- *Statistical analysis*: Descriptive statistics were made for the analysis of the EU portfolio.

² The interviews were also held in Rustavi, Gori, Kutaisi, Zugdidi, Ozurgeti, Batumi and Akhaltsikhe.

The table below gives an overview of the mix of tools and methods used for each EQ.

Table 2 *Mix of tools and methods per evaluation question*

Evaluation question	Documentary analysis	Semi-structured interviews	Statistical analysis (descriptive)	Field visit	Focus Group
EQ1 – Criminal Justice					
EQ2 – PFM					
EQ3 – Agriculture, rural and Regional development					
EQ4 – Civil Society					
EQ5 – IDPs					
EQ6 – Conflict Resolution					
EQ7 – Aid modalities					
EQ8 – Relevance and flexibility					
EQ9 – Coordination and complementarity					

2.3 Sampling

Given the number of interventions funded under the programme/thematic instruments in Georgia, only some of interventions have been selected for further investigation during the field phase. The sampling included the three following steps:

- Detailed *mapping of nearly 171 interventions* funded in the focal sectors, which was finalised at the beginning of the desk phase;
- *Selection of 63 interventions* on a basis of various criteria: volume funding, thematic focus and target beneficiaries, diversity of channels and instruments, temporal scope, geographical coverage and availability of documents and information.
- *Finalisation* of the sampling based on the experience of key resource persons (especially the EUD). The final list of selected interventions (39) was checked to ensure that they illustrate the diversity of EU-funded activities and have the potential to highlight interesting lessons learnt and recommendations.

The *number of sample interventions* depended on each sector. As a general principle, the team tried to limit the sample to a reasonable size (between seven and 17) in order to keep the evaluation work feasible. The full list of interventions falling within the scope of this evaluation and the list of sampled interventions are presented in Annex 6 (Volume III).

2.4 Challenges and limitations

Overall, the evaluation encountered no major problems as main documentary information was available, stakeholders fully accessible for interviews and meetings, and field work carried out with the full support of the EUD and local stakeholders. The evaluation still faced a few challenges:

- The quantity of information differed considerably from one sector to another and information available in EU databases was not always easily retrievable. This made the inventory exercises and other analyses relatively time-consuming. However, as the data collection started very early in the evaluation process, all the necessary information could eventually be fully retrieved before the synthesis phase. No major information gap remains.
- A strategy-level evaluation of this kind is a challenge *per se*. It goes beyond a mere summation of evaluations of multiple interventions and tackles high-level issues. It

also covers different periods, dimensions of co-operation, areas of support, financing instruments³, etc. As illustrated in the evaluation matrix used and the specific sector analyses carried out, this challenge has been addressed through a structured methodology and a careful selection of the most salient dimensions of co-operation to be analysed, with a focus on the main sectors of co-operation and key issues identified in the ToR. That said, the EU-Georgia co-operation is part of a broader and increasingly complex co-operation framework. This poses a twofold challenge:

- o First, the various forms of dialogue and informal exchanges at different levels are taking a growing importance in the co-operation framework. Yet, unlike project activities which are documented and analysed in a variety of reports, the contribution of the dialogue is not reported on in a systematic manner. This makes the “non-tangible” part of the co-operation difficult to identify and analyse. To tackle this, the evaluation team has developed a “mapping of dialogue” which helped better understand the various platforms of exchange in place and better identify the actors involved. Information available in the documentation was carefully screened and enriched through interviews. The list of people interviewed covers a wide range of stakeholders which allows capturing the various forms of dialogue which took place during the period and analyse the co-operation from different perspectives.
- o Second, the evaluation has looked broadly at the EU engagement in Georgia and the overarching co-operation framework, including its very recent evolutions (e.g. EU-Georgia Association Agreement). The EU engagement encompasses more and more a variety of dimensions of political and economic nature which go beyond the traditional concept of “development assistance”. The evaluation has taken into account this increasingly complex framework and the new issues at stake associated to it. However, by no means did this exercise have the ambition to “evaluate” all forms of EU engagement in Georgia. The focus has remained on the EU bilateral assistance provided to Georgia, notably through the financing instruments mentioned in the ToR (ENPI, IfS, EIDHR, DCI, etc.). In particular, while they were taken into consideration in the analysis, the actions directly managed by certain European Commission DGs (e.g. DG Trade, DG Budget, etc.) were not directly evaluated.

3 Context

Further details on the Georgia context and the EU-Georgia co-operation framework can be found in Annexe 7 (Volume III).

3.1 National context

Georgia is a lower-middle income country with a population of 4.5 million people, about 50% of whom are urban dwellers and 16% minorities. The country has a gross national income per capita of USD 3,136⁴ and ranks 72nd out of 194 countries/territories in the 2012 UN Human Development Index.

Georgia is a very mountainous country divided by the Likhi Range into eastern and western halves. The vast majority of the population lives below 800m. Population densities are relatively high but are less than those for Armenia and Azerbaijan.⁵ The provision of adequate infrastructure, services, and economic opportunities to those living in the upland mountainous regions is particularly challenging.

³ The inventory exercise identified no less than 15 financing instruments used to support the EU-Georgia co-operation; for eight financing instruments, there were more than EUR 2 million of contracted amounts.

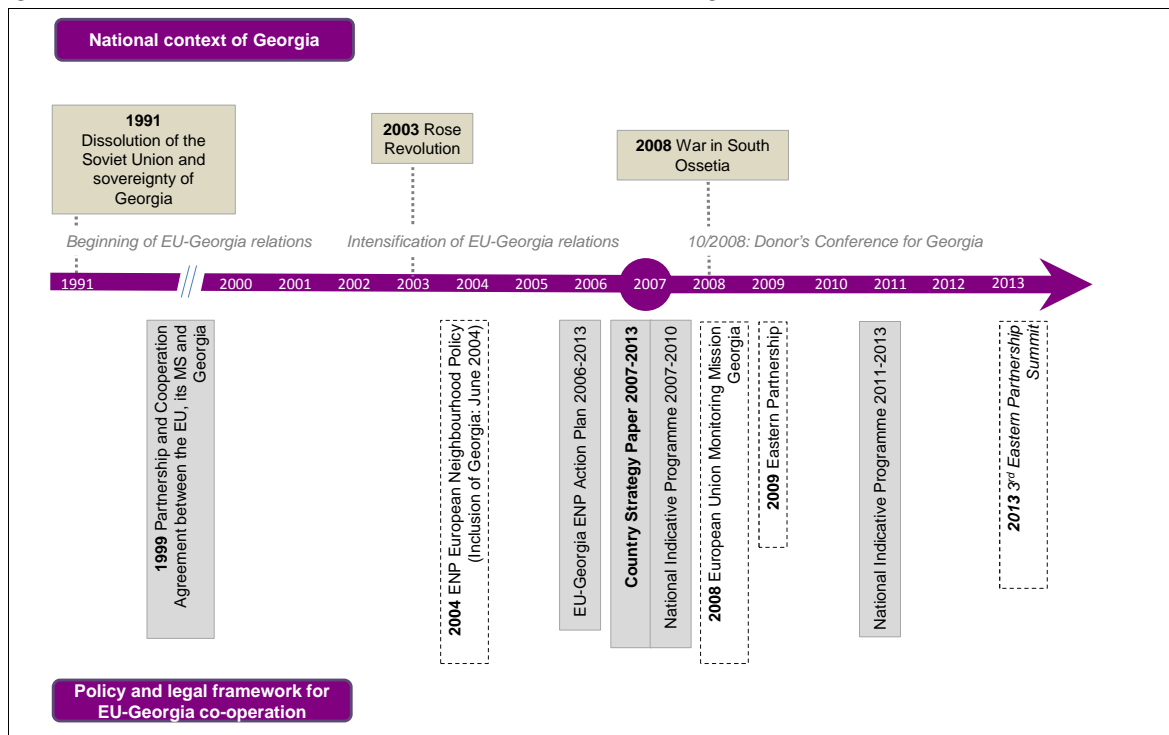
⁴ According to the National Statistics Office of Georgia the 2012 UN HDI shows a GNI per capita of USD 5,005 (purchasing power parity terms).

⁵ <http://www.britannica.com/EBchecked/topic/230186/Georgia/44304/Climate>

3.2 Historical background

The figure below summarises the major events related to the context of EU co-operation with Georgia since 1999.

Figure 1 Timeline of the national context of Georgia



Source: Particip GmbH analysis (2013)

3.3 Development co-operation context

Establishment of a democratic state based on the rule of law and the protection of human rights has always been one of the declared strategic objectives of every Georgian government since 1991. At the same time, the EU's strategic long-term interest was in seeing Georgia succeed in transition to democracy and market economy, which, in turn, was informed by the EU's broader interest in a stable neighbourhood, mutually beneficial political and economic relations, and in supporting development. Two government strategic documents covering the evaluation period allow some insight -- the Basic Data and Directions 2007-2010 and 2009-2013 documents. While these are a more general list of aspirations than a set of detailed sector plans, they do lay out the broad axes of policy and provide matrices of policy priorities for ministries. Detailed evaluation of government's policy plans with regard to the EU focal sectors identified in the Terms of Reference has been elaborated in the section 5.

In 2007-10, the fundamental goals were rather more political than economic: adequate defence and unification (a clear reference to the problems of Abkhazia and South Ossetia); transparency and developed Civil Society, an independent and impartial judicial system (the latter two probably reflecting an attempt to bolster legitimacy in the wake of the 2007 demonstrations); and finally prosperity. Specific reforms were proposed to improve state governance, maintain a high degree of economic freedom, improve the justice system including law enforcement, decentralize authority and responsibility, reduce extreme poverty and narrow regional disparities, and more specific goals in areas such as energy and education. The strategy called for progress on economic and cultural integration with the EU and the pursuit of NATO membership. The guiding principle of the strategy was identified as individual freedom, leading the drafters to call for limited government and expanded private ownership. To the extent that public assistance was to be available, the strategy called for it to be targeted to those in greatest need.

The 2009-2012 strategic documents, while maintaining an essentially liberal orientation, placed poverty reduction through expanded social programmes high on the agenda and maintained national security and restoration of territorial integrity as central goals. Also highlighted were closer relations with the EU, although significantly, the strategy also called for improved relations with Russia based on mutual understanding and respect. Apart from macroeconomic stability and growth, the remainder of the strategy consisted of a patchwork of goals – making Georgia an international financial centre, further privatization, improved protection of property rights, etc. In the social sector, specific proposals were made for expanded social pensions, improvements in health infrastructure and the availability of basic care in rural areas, institution of mandatory health insurance, and expansion of family allocations. The need for police and penitentiary reform was recognised. A number of proposals of the “knowledge economy” were also tabled – more competitive universities, greater penetration of computers, etc. The strategy called for the public sector to be run according to private sector principles.

After the 2012 elections, the new government's policy agenda became broadly oriented towards promoting more inclusive economic growth. Agriculture, neglected in the past, became a priority sector. Some of the social sector goals in the Basic Data and Direction 2009-2013 have been met.

The latest OECD-DAC aid statistics for 2011-12 place EU institutions at the top of the gross ODA donor list with an average for the two years of USD 174 million (which corresponds to an average of 26% of channelled aid to Georgia), followed closely by the U.S. with USD 154 and Germany with USD 105.⁶ Figures thereafter fall off rapidly, and only one other EU MS was significant, Sweden with average ODA over the two years of USD 20 million. Net ODA was estimated to total 4.2% of gross national income in each of the years. Measured in constant 2012 dollars, total aid disbursements, USD 261 million in 2007, ballooned to USD 604 in 2008 in the wake of political crisis and war, then subsided gradually to USD 472 million in 2009, and USD 312-372 in 2010-12.⁷

International assistance to Georgia is inextricably related to regional security issues. Prior to August 2008 Georgia was not a major recipient of foreign aid. In October 2008, a conference organised by the World Bank and EU in Brussels resulted in pledges of USD 4.5 billion (USD 1 billion of which from the U.S.), significantly higher than the sum that had been identified by the Joint Needs Assessment. Priorities were meeting emergency social needs, particularly of IDPs, rehabilitation of damaged infrastructure, providing budget support to the cash-strapped government, and financing investments in key sectors. Germany has been providing technical assistance (TA) for several years. A number of Baltic and Eastern European countries have been present, but the programmes are small. The U.S. is involved both through US AID and the Millennium Challenge Corporation. ENPI assistance has mainly taken the form of sector budget support supplemented with twinning and TAIX (see Annex 7 in the Volume III). Sector budget support began with public financial management and the justice system. It has now expanded to cover Agriculture and Regional development and will soon expand into vocational education and employment. Finally, among the development banks, the World Bank supports roads as well as participating in budget support. The European Bank for Reconstruction and Development (EBRD) has supported financial sector development and municipal infrastructure. The Asian Development Bank (ADB) is also present with large loans provided for infrastructure projects.

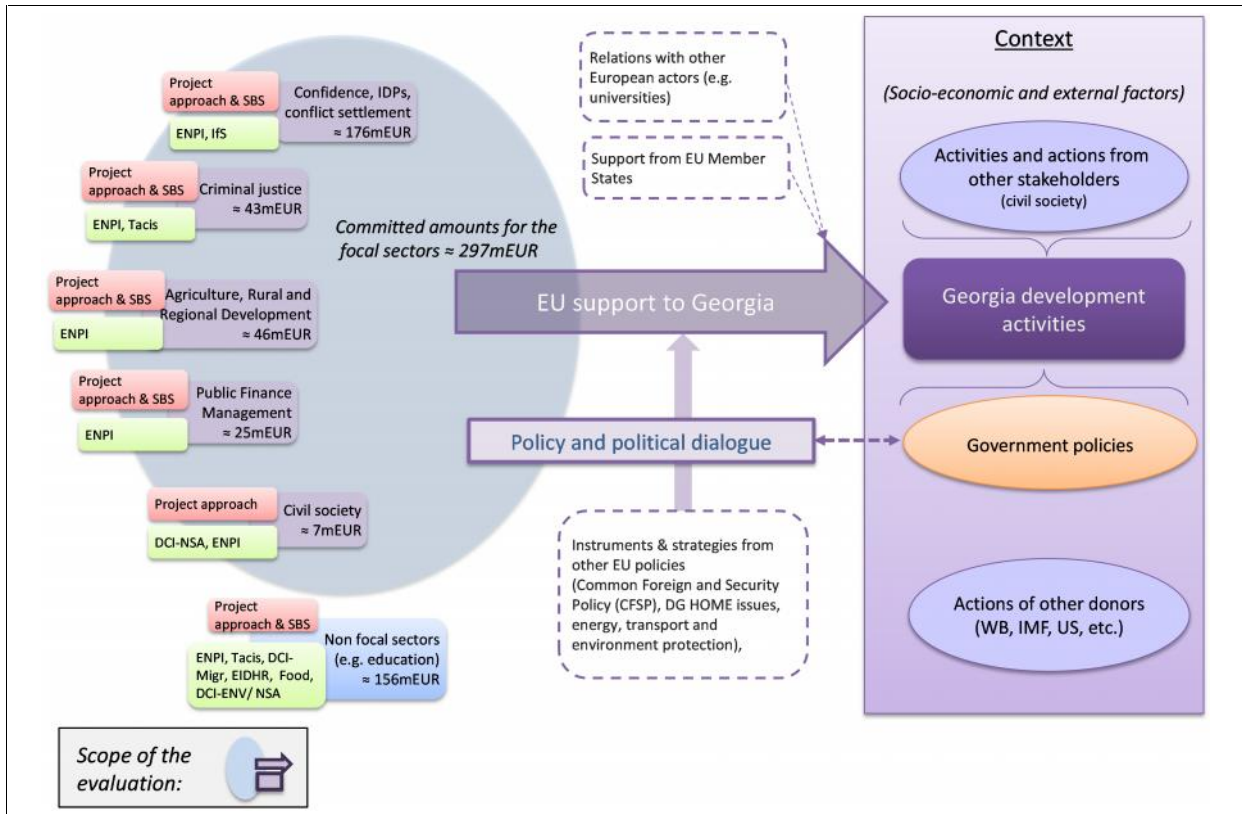
3.4 EU support to Georgia

The diagram below shows a mapping of all the activities that underpin the EU support to Georgia from 2007 to 2013. The diagram summarises the specific interventions funded by the EU and the various instruments used for financing. Further details on EU co-operation with Georgia can be found in Annexes 2 and 7 (Volume III).

⁶ <http://www.oecd.org/dac/stats/documentupload/GEO.JPG>

⁷ <http://stats.oecd.org/Index.aspx?datasetcode=TABLE2A>

Figure 2 Mapping of activities implemented during the period 2007-2013



Source: Particip GmbH

Indicated financial amounts correspond to contracted amounts during the evaluation period 2007-2013. The data is mainly based on the information available in the CRIS database. The detailed inventory covers all EU funding instruments and can be found in Annex 2 of the Volume III. Yet, some key findings of the inventory are summarised below.

Box 1 Key findings of the inventory

- The EU support to Georgia amounted to EUR 454 million (contracted amounts).
- Out of this, EUR 297 million were contracted for the **focal sectors of the evaluation**.
- For the interventions grouped under the focal sectors, government and government institutions were by far the most used **channel** (68%), followed by private sector (5%), Civil Society (11%), Non-EU development agency and other international organisations (15%) and EU Member States and EU MS institutions (1%).
- About half of the funds (53%) were delivered through **sector budget support**. While this may not seem a high proportion for a country at Georgia's level of development, budget support actually accounted for about 80% of ENPI funds available for bilateral programmes.
- The ENPI remains the main **financing instrument** for providing assistance with around EUR 236 million being provided for the focal sectors of the evaluation.

4 Overall assessment of the EU support to Georgia

The evaluation looks at the quality and success of the EU's development co-operation strategy in Georgia from 2007-2013. It provides a unique opportunity to assess the implementation of the Neighbourhood Policy in an Eastern country under difficult circumstances. Bounding the evaluation period almost as neatly as bookends are the outbreak of military conflict with Russian intervention in South Ossetia in August 2008 and the signing of the signature of the Association Agreement between the EU and Georgia in June 2014. The latter occasion was marred by Russian annexation of the Crimea, bitter

political struggle and military adventurism in Eastern Ukraine, and threats of economic retaliation against Ukraine, Moldova, and Georgia if they signed Association Agreements with the EU.

The first sub-section of this overall assessment summarises the challenges of the European Neighbourhood Policy in the East, building on the detailed Georgia context presented earlier. The second sub-section synthesises evaluation findings related to the adequacy of the strategy to overarching goals and its flexibility in adjusting to the evolving context and adjustment to needs. It also examines the adequacy of the mix of instruments and aid modalities used, especially the role of budget support, and analyses the EU added value in the Georgia donor landscape. The section ends with a discussion on how development co-operation interacted with policy and political dialogue with the Georgian government.

This overall assessment is followed by a summary of the main findings in each sector of co-operation (see section 5). The sector findings mainly relate to the EU contribution to the main evolutions observed in each sector: what changes were observed over the evaluation period, what changes in policy did they reflect, and in what ways did the EU contribute through its co-operation strategy.

4.1 Europe's strategic approach to the Neighbourhood East

The European Neighbourhood Policy (ENP) as it played out in the East was an attempt to recognise both challenges that needed to be met in countries of the former Soviet Union along with the risks that would be run if they were not. It also recognised opportunities to be taken advantage of along with the benefits that would accrue if the challenges were met and the risks mastered. Both challenges and opportunities had social, economic, and political dimensions. Foremost in European politicians' minds, and nowhere more so in Georgia, was the possibility of violent internecine conflicts on Europe's borders alternating between hot phases, as in the Georgian civil war following independence, and the enduring conflicts in Abkhazia and South Ossetia. Criminality, political instability, corruption, trafficking of all kinds, and the like also concerned Europe.

The Eastern neighbours had governance institutions dysfunctional in all dimensions, including the absence of functioning Civil Society and antiquated Soviet-era legal codes. They were also poor and characterised by sharp divides between a relatively well-off elite and the much more numerous poor. In most countries, and especially in Georgia, the rich-poor divide had a sharp urban-rural dimension. Agriculture in Georgia came close to declining to subsistence level as the result of civil war, the breakdown of services and infrastructure, and the loss of the guaranteed Russian market. Industry was nowhere competitive save in tiny niches and basic business services like auditing and accounting were scarce. Vast swathes of the labour force were unemployable in any competitive market and social safety nets were both inequitable and unaffordable.

The dangers posed by a persisting divide between a functioning Europe, on one side, and a dysfunctional zone on or near its borders, were too great to ignore. At the same time, the post-Soviet Neighbourhood offered enormous opportunities. Many of these were economic and involved straightforward advantages of regional trade and financial integration. Investment opportunities abounded, both in the form of replacing infrastructure and taking over inefficient enterprises and turning them around. Others had to do with encouraging people-to-people ties and sharing the success stories and lessons learned by the EU members who, while not post-Soviet, were post-Communist and had successfully surmounted many of the same challenges as those faced in the Neighbourhood. Not least, there was the possibility of encouraging European values of liberalism and tolerance.

What was needed was an integrated co-operation package covering the entire range of institutional, economic and social challenges. The result was the ENP with its Action Plans. "Integration" here refers not just to the need to address the three areas listed. It also has to do with the fact that, in each of the areas, problems had both a post-Soviet and a developing-country dimension. The two-dimensional nature of the problem required a two-dimensional response, and one of the themes that run through the discussion below is how the two

dimensions were integrated. Raising the stakes, the policy needed to operate in a fraught political environment, for three reasons.

First, by the early 2000s the signs were already clear that Russia had no intention of surrendering regional hegemony lightly or easily. The road from the crises in Transnistria, Abkhazia, and South Ossetia in the early 1990s to the annexation of Crimea, military adventurism in Eastern Ukraine, and sabre rattling in the Baltics was a straight, well-paved one with few detours. Georgia and Ukraine have expressed the desire to join NATO, a red line for Russia (as well as a prospect that brings dismay, in many Western capitals). Other examples of this East-West geopolitical rivalry are economic, e.g. Russian import bans on Georgian and Moldovan goods and threatened use of the energy weapon.

Second, at the same time that both European self-interest and broader geopolitics encouraged that the countries of the Neighbourhood East be drawn into the European orbit, consecutive waves of expansion stretched European absorptive capacity to the limit. Recognising the need for a framework more ambitious than the Partnership and Co-operation Agreements that traditionally governed development co-operation was needed, the EU under its Eastern Partnership instituted the concept of Association. Association promised a deep and comprehensive partnership with the EU in all areas, including trade and economic integration and visa liberalisation. This would be accomplished by means of intense co-operation, and in particular the approximation of legislation with European laws and the provision of assistance to ensure that they were implemented in line with European good practice. Hand in hand with association and approximation would go “Deep and Comprehensive Free Trade Area”. The catch: there would be no prospect of accession any time soon. From Europe’s point of view, Association was the best it could offer in view of political constraints. From the Neighbourhood countries’ point of view, it was a distinctly second-best option. A long debate has pitted European academics who see association without accession as an adequate tool to achieve European goals and those (in the majority) who see it as doomed to fail.

Third, it is now well accepted by experts in global democracy that democratisation is experiencing difficult days as alternative, more authoritarian styles of governance (the Russian prominent among them) increasingly stake claims to legitimacy. While Georgia has been relatively little affected (as opposed to, say Ukraine, let alone Russia), promoters of the European values of, tolerance, liberalism, and modernism must increasingly face strengthened forces of prejudice, authoritarianism and tradition.

Taken together, these three challenges mean that the demands on co-operation as a means of achieving the goals of the ENP have never been greater.

4.2 Overall assessment of the EU strategy

Relevance and flexibility

This section looks at the extent to which the EU’s cooperation strategy and programmes in 2007-13 were responsive to the changing Georgian context, keeping in mind the overall goals of the European Neighbourhood Policy in the areas of democracy, human rights, rule of law, and market-based economic development. The cooperation programme must be set in the context of the GoG’s desire to come closer to the EU, on the one hand, and EU conditionality (broadly speaking, but specifically in the form of “More for More”), on the other. Both overall and sector-by-sector views are needed, especially since there was a great deal of variation across sectors.

There were two political earthquakes in Georgia over the evaluation period – the August 2008 war with its ensuing wave of IDPs and budgetary crisis, and the election of Autumn 2012 which saw a neoliberal political regime replaced by one more closely attuned to the European economic and social models. The broader context was one of Europe in financial crisis and Russia politically and militarily resurgent in the region. The latter, in particular, raises the issue of whether the EU reacted strongly or creatively enough to Russia’s increasing assertiveness, clearly evident after the setting up of the Eastern Partnership in 2009.

The ENP and Eastern Partnership were intended to encourage democratic restructuring in much the way that this occurred in the enlargement countries, but did not hold out the prospect of EU accession. It was, to use a phrase that has entered the literature, Enlargement-Lite. Moreover, in Georgia, it can be argued that until the departure of the Saakashvili government, EU integration was a priority far second to NATO membership. Political rhetoric was more closely aligned to American values and priorities than European ones. There was a question of whether the EU should have challenged the government more visibly in the media on issues of concern including in cooperation areas, yet this may have also been a calculation to remain influential.

The hostilities of August 2008 brought hopes of NATO membership to an abrupt end and ushered in an era of opportunity for closer EU-Georgian partnership, bolstered by tangible actions in the CFSP sphere with the deployment of a much appreciated EU civilian crisis management mission EUMM. Despite its continuing commitment to neoliberal policies, the GoG became more aligned to the EU partnership – most notably in the area of IDPs, but also in rural development, human rights, and criminal justice system reform. Political differences following the change of government in October 2012 made this a fraught period in EU-Georgian relations, but overall the EU succeeded in re-establishing a solid platform for partnership with a government that was open to close ties with the EU.

The ENP stressed a long-term partnership rather than a framework for relations that would be reviewed every few years and adjusted as needed. But an assumption underlying the long-term partnership was that conditions would be relatively stable and predictable, allowing for slow but steady long-term progress. Given the war and change of government, this was not the case in Georgia. A major achievement is therefore Association. Negotiations on Association began in July 2010 and the Association Agreement was signed in Brussels in June 2014 in an atmosphere of crisis surrounding the Russian annexation of Crimea and violation of Ukraine's territorial integrity in its Eastern region. Economic gains from Association will be relatively modest, but must be considered in light of social and institutional gains, ranging from improved consumer protection (e.g., in food safety, where the EU supported major progress over the evaluation period) to greater transparency and accountability in public finance to tighter environmental standards to greater attention to fundamental human rights. A view that was often encountered during the field mission of this evaluation, and from a wide range of interlocutors, is that the EU has not done a good enough job of communicating the broader, non-economic advantages of association, particularly outside Tbilisi where misunderstanding of the European project is rife.

Association has occurred, however, in a geopolitical context far less benign than that of Enlargement on which it was based. While the EU has been able, through Association and the related cooperation actions, to take advantage of Georgia's interest in closer economic and political ties with Europe, it has only in a limited fashion been able to address successive GoG security concerns. While this evaluation has found examples of good cooperation work done in Abkhazia (South Ossetia was almost impossible to access), there is no immediate prospect of weakening the Russian security and political engagement with breakaway regions, which if anything grew stronger over the evaluation period. While even further violation of Georgian territorial integrity does not appear to be imminent, Georgian policy makers are aware that they can expect little military help from Europe should it appear. One of the recommendations of this evaluation is that the EU should be more flexible, indeed bold, in using cooperation to reduce the barriers that have been erected and ease the wounds that have been created by conflict and address the legitimate developmental needs in Abkhazia. This would require greater creative programming supported by a political engagement but would respond to one of the factors that weakened the relevance and flexibility of the EU's engagement with Georgia – namely its mostly technical nature. The technocratic, rather than political, nature of the ENP engagement is a theme that emerges frequently in independent analyses consulted.

This technocratic bias did not escape the EU. It was recognised that the EU needed to do more to encourage civil society, democratic institutions, human rights, and progress in “soft sectors.” Many examples of increased EU focus on such areas have been found in this evaluation, a positive sign for increasing relevance and flexibility. At the same time, a sector-

by-sector review such as that below confirms that, absent the hard conditionality of accession, the degree to which progress can be made very much depends on national interest and political will. Georgia is regarded as a star pupil within the Southern Caucasus. Yet, even in Georgia, a country perhaps better performing than any, Soviet values, strongman politics, and the like continue to wield a heavy influence.

Moving to flexibility and relevance at the sector level, the EU and Georgia broadly shared similar goals, which led to the decision to maximise the use of budget support. There is evidence in a number of sectors for identification of shared priorities in the framework of budget support, as well as for EU efforts to promote its own priorities when these did not align with those of government. In the Justice and PFM sectors, reform needs were largely dictated by international standards and monitoring processes. However, priorities were not always shared. In the first case, for example, Government gave priority to strengthening law enforcement while the EU prioritised strengthening institutions such as the Public Defender's Office, the Legal Aid Service, and enacting reforms in juvenile justice. Priorities also shifted as, for example, when revelations of mistreatment of prisoners raised the profile of prevention of torture, conditions of detention, and policy change to reduce prison overcrowding. One of the major successes of the EU in simultaneously responding to an expressed need for support as well as promoting its own values and approaches was the Thomas Hammarberg advisory mission of 2012-13 which significantly influenced the Human Rights Strategy and Action Plan put in place (further information can be found in Volume II of this report, especially under JC82).

Another case of sector relevance and flexibility was in Agriculture and Regional development, which had been low-priority under the previous government due to its laissez-faire approach. These sectors became key areas of concern after the 2008 hostilities as conditions deteriorated alarmingly. The EU was able to respond flexibly and support government in designing strategic approaches to both Agriculture and Regional development, eventually coalescing in sector strategies. Mentioned previously was the support to improved food safety partly in response to an explosion in the number of contaminated food incidents and veterinary disease outbreaks.

The reaction of the EU to the IDPs crisis following 2008 hostilities was without question an example of flexibility. The EU was able to mobilise funds, for example through Investing in NGO and UN projects (mainly through (IfS) and Macroeconomic Assistance (targeted budget support), that were crucial in helping GoG respond to the crisis. While the EU undeniably contributed to better conditions for IDPs, the challenges to simultaneously aligning with government policies while promoting EU priorities and good practice were without doubt difficult in this area. The highly political nature of the issue indicated that the EU should stand publicly behind government policies and action plans in a show of solidarity; indeed, the fact that the EU was able to do this explicitly through budget support was one of the principal sources of EU value added in Georgia over the evaluation period. The EU used budget support policy dialogue to promote the priority it gave to durable housing solutions, yet sustainable livelihoods which was much less of a priority of the GoG proved much harder to make progress on. While there were some successes here, these were in the face of government indifference, reluctance, and institutional weakness; as well as in spite of a fundamental flaw in the budget support instrument described below. It is suggested here that more aggressive use of high-level political dialogue could have resulted in greater progress at the level across government Ministries necessary for a more effective response.

In all of these areas, the evaluation has identified concrete changes in policy, laws and regulations that were supported by the EU, were relevant to national needs, and were coherent with the EU's own values and priorities (see also Volume II, JC81 and JC82). Much of this support was accomplished through TA tied to sector budget support programmes. In some instances, as in the Justice sector, there has been considerably more progress on policy compliance with international standards than on actual policy implementation. In other areas, such as food safety, the approximation process has been relatively successful. In Agriculture, despite the appeal of association and integration into the European market, the emphasis has so far been on poverty reduction and work on approximation has hardly begun. It has to be remembered that the ENPARD budget support programme only began in

2012. In Regional development, despite the fact that approximation has potentially given well-defined European standards on subsidiarity, local government, and minority rights, the European emphasis on administrative regions does not travel well to Georgia.

The 2010 mid-term evaluation of the ENP found that consultation with Civil Society was particularly weak. The rather thin consultations regarding the NIP 2007-10 were greatly broadened (including more institutions) and deepened (offering more opportunities for interaction and comment, including with MS and in Brussels) when planning the 2010-13 NIP (see I-823 in Volume II). In the domestic policy and political arenas, the EU successfully supported a growing role for Civil Society in domestic policy and political processes, regarding Criminal Justice and IDPs. While the trend was positive in PFM, the role of Civil Society in promoting transparency and accountability is still weak. Despite efforts by the EU (as well as USAID) to bolster the role of Parliament in budgetary oversight, in part by increasing Civil Society's role in providing analysis and expertise, success has been hard to come by. Parliament itself is a weak institution in Georgia and grass-roots communities have little sense that their Parliamentary representatives effectively advocate for their interests.

Conflict Resolution and Confidence Building represent an area where the evaluation has found that both relevance to needs (especially a wider engagement in people-centred development in Abkhazia) and flexibility of larger amounts could have been improved. Yet, much of the programming and access in Abkhazia is remarkable and quite unique demonstrating a relevance and flexibility of the EU over many other donors that should be acknowledged. The EU was at times conservative in its interpretation of finding a path between non-recognition and engagement. If it had negotiated more forcefully, at a higher level, and with more resources with the government, it could have financed more actions, especially in Abkhazia. Opportunities for worthwhile actions while never straightforward or easy were missed largely because of a lack of political emphasis.

Instruments and modalities

The EU used a wide range of instruments. Instruments used in the first years of the period under evaluation such as TACIS were replaced by the European Neighbourhood Partnership Instrument (ENPI) which covered a variety of forms of assistance and was later supplemented by additional funds available under the Eastern Partnership. ENPI financed: i) bilateral interventions (e.g. INGO projects, sector wide programmes, additional interventions agreed according to the more-for-more principle and capacity development activities such as under the Comprehensive Institution Building); ii) cross-border and regional programmes (e.g. TRACECA in the transport sector and INOGATE in the energy sector⁸); and iii) investment facilities (e.g. the Neighbourhood Investment Facility, which provided grants to leverage infrastructure loans from international financial institutions). The range of forms of support was broad and suitable for the many areas in which Georgia had need, from traditional projects to address local concerns to broad sector support to support particularly suitable for developing civil society, to support aimed at improving infrastructure and regional economic integration.

The bilateral programme, consisting mostly of budget support, was well complemented by thematic programmes (EIDHR and NSA-LA but most notably the Instrument for Stability). The sector-by-sector review below underscores the importance of combining budget support with complementary interventions such as TA and Twinning. Evidence has also found instances where other forms of assistance were appropriately combined with budget support; for example, More for More in criminal justice reform and Instrument for Stability for IDPs (see below).

Due to the focal sectors identified, the evaluation has focused mostly on bilateral and thematic programmes, not on regional or cross-border programmes. Regional programmes have often not specifically targeted Georgia, in part because of the lack of a shared border with the EU. A 2013 review of the Neighbourhood Investment Facility found a low level of connection between NIF-financed projects and bilateral interventions (see Indicator I-732).

⁸ Both programmes are supported via ENPI-funded activities.

A central question posed early in the evaluation was whether budget support was an appropriate tool to encourage reforms. The evaluation has found very little information related to the strategic assessment of the various modalities from the very beginning of the evaluation period. EU documents seem to assume that all the conditions pointed to significant use of budget support. Part of this may be due to the fact that the new modalities were transposed from Accession to Neighbourhood countries only in 2006 and were new as well to the EUD staff. EUD staff turnover must also be taken into account. Finally, in the IDPs sector, budget support was politically and practically appropriate even though many of the initial conditions for implementing it were weak. Project support through IfS was effectively used to address some of the weaknesses in the IDPs budget support programmes. In agriculture, projects were appropriately used early in the evaluation period when local needs were high but a sound sector strategic framework and political will were still lacking. Since the sector strategy approved in 2012 was still being gradually put in place, the ENPARD programme still judiciously included an important grant component.

The evaluation found that budget support worked reasonably well in all sectors except IDPs, where there were significant constraints to success. There was tangible progress in Criminal Justice sector reform, although the extent of progress, and the effectiveness of sector policy dialogue, was tied to political will. In those areas where the interest of GoG in genuine reform was weak, tangible progress remained limited. In a few innovative cases (More for More), resources provided under the Eastern Partnership were used to complement budget support. The Public Defender's Office was able to benefit from Comprehensive Institution Building. Thematic budget line projects, especially financed by EIDHR, were effectively combined with criminal justice sector budget support. Budget support in PFM led to significant progress but suffered somewhat from the fact that it tended to address surface needs rather than the root causes (often institutional) of problems and address them via a comprehensive capacity development programme. In Agriculture and Regional development, budget support heavily supported with TA was tied to sector strategy development, while projects targeted specific beneficiaries with, e.g., integrated community-level poverty reduction actions and the putting in place of agricultural service centres. The approaches were appropriately combined in that projects addressed immediate local development needs, particularly after August 2008, while the budget support programmes addressed longer-term development needs. The projects may be viewed as a stopgap measure applied while policy dialogue and strategy development put agriculture budget support in place.

The difficulties in IDP budget support are linked to various factors. In addition to low Ministry capacity, high turnover, and lack of political will (in particular, the reluctance to recognise that IDPs posed a long-term multi-dimensional development problem, not just a short-term humanitarian and housing one), there was a structural flaw in the budget support programmes. The responsible ministry and policy dialogue interlocutor, the Ministry of Refugees and Accommodation (MRA), was not responsible for the construction of housing which was the Municipal Development Fund which was where targeted budget support was directed. While the EU was somewhat influential on the government making progress on durable housing solutions, livelihoods, and privatisation, this was difficult to achieve and fell short of what the EU had hoped to see accomplished.

Budget support was bolstered by project support in IDPs, and very effectively so. In the aftermath of the August 2008 War, IfS was quickly mobilised to finance large housing projects implemented by INGOs and international agencies such as UNHCR. NSA/LA, EIDHR, and other instruments promoted Civil Society involvement in promoting harmonious relations between IDPs and host communities and dialogue between IDPs and municipal authorities. In the area of Conflict Resolution and Confidence Building, there was no budget support for obvious reasons, but EU-financed projects implemented by international agencies (UNDP, OSCE) and INGOs specialising in conflict situations had significant results. UN agencies (UNICEF) and national NGOs contributed via projects to Criminal Justice sector reform, e.g. juvenile justice and service delivery to prisoners and ex-prisoners. The role of projects in Agriculture (including some implemented by FAO) was mentioned above.

Budget support worked best when it was combined with large amounts of TA or other forms of capacity building, and strong political will. In Justice, where the EU had a long-standing

cooperation relationship with the Ministry, a large and effective TA was in place from the beginning of budget support. It fielded a wide range of requests and made tangible contributions to specific legislative changes in line with the overall reform strategy. Areas where TA was effective include the prisons (the Penitentiary Service), alternatives to detention (the National Probation Service), access to justice (the Legal Aid Service), juvenile justice, and human rights (the Public Defender's Office). Both criminal and, at the request of the government, civil codes underwent re-drafting with EU TA support. The relationship with the Ministry of Finance was less developed when budget support began, as a result of which, it was only with PFM-II that appropriate TA was put in place. In Agriculture and Regional Development, EU TA made possible the development of sector strategies where previously there had been none. In IDPs, EU-financed TA helped move the MRA in the direction of a sustainable livelihoods strategy and provided institutional memory in an institution weakened by frequent change in top leadership and staffing. The TA was limited to policy development.

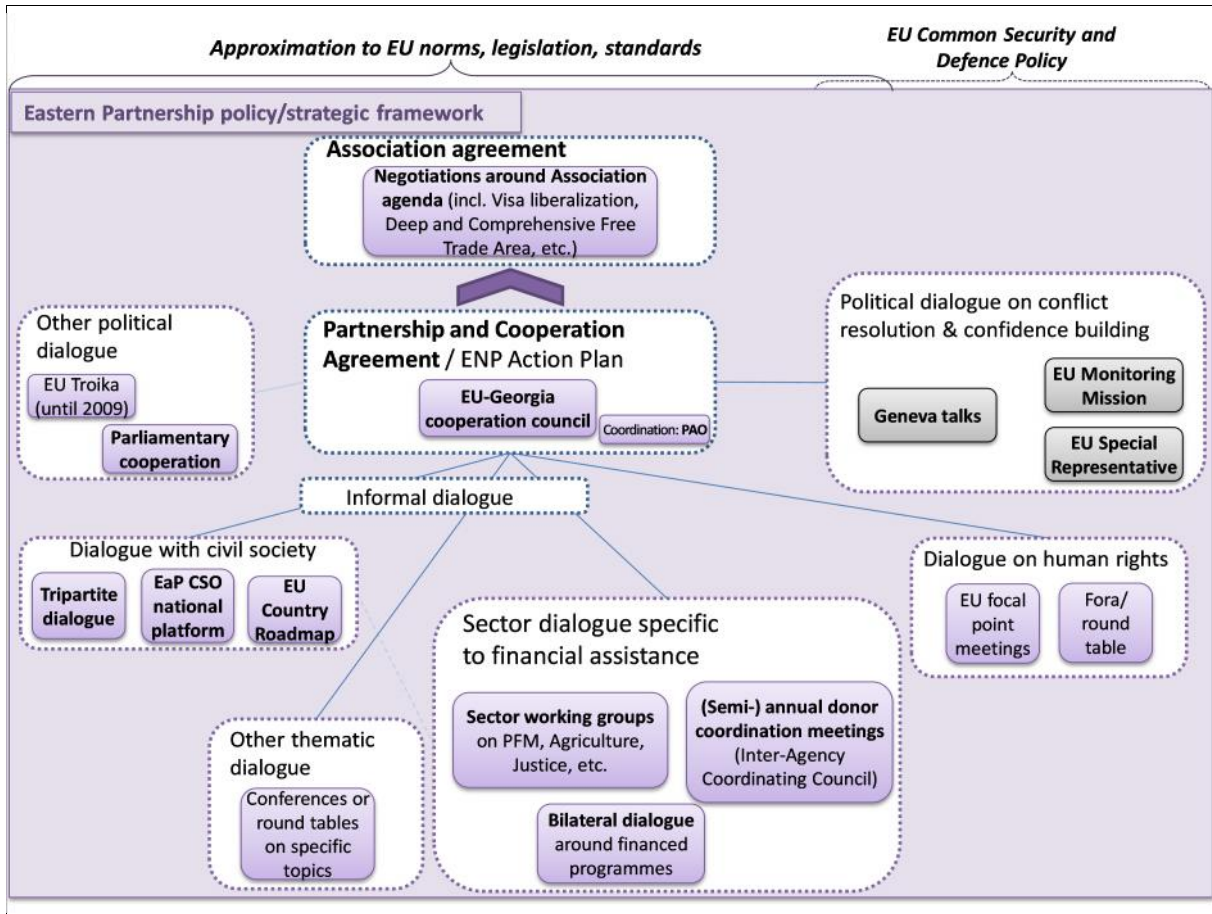
The largely positive assessment of how the budget support modality was used and combined can be compared with the similarly positive (and independent) conclusions of the February 2012 Final Report of the evaluation of sector support in Georgia. Among the conclusions: (i) other instruments such as NSA-LA (a DCI budget line) and IfS were effectively combined with budget support, (ii) the results of budget support, particularly in terms of government ownership and experience in implementing reforms, could not have been achieved via projects or investment projects, and (iii) appropriate and timely combination with TA was a major factor. The value added by budget support was in strengthened ownership or reforms, in strengthened capacity to implement them, and in more directed and focused sector policies. At a time of severe fiscal constraints, budget support gave the EU greater voice in policy decisions than it would otherwise have had.

One dimension of appropriateness is the capacity of implementing agencies and the EUD. The EU used a variety of implementing partner ministries, in the case of budget support; private firms (specifically, for TA in Criminal Justice Reform and Regional Development), national and international NGOs, and international agencies such as FAO, UNICEF, and UNDP. In general, modalities (including the provision of TA in the case of ministries) were matched to the capacity of the partner (in this regard more details have been included in the Volume III, JC72). Regarding EUD capacity, there was a major expansion of staff in 2009 as aid needs increased and some EAMR documents suggest that capacity was stretched thin at points. At the programme officer level, the EUD benefited from the presence of staff who remained for appreciable lengths of time.

The co-operation programme in Georgia was relatively decentralised even at the beginning of the evaluation period, and is now, if not entirely, then at least very highly deconcentrated. Among the most important instruments managed from Brussels was the IfS, which served a crucial role following the August 2008 conflict. In a handful of cases, management from Brussels was problematic because projects that were far too ambitious were financed.

While the evaluation has focused on co-operation, the relationship between co-operation and political dialogue has been considered as well. As further detailed under EQs 5 and 6, more aggressive discussion of issues in political dialogue at the top level could have leveraged co-operation resources more effectively, especially in the case of Conflict Resolution and Confidence Building. In answering EQ 9, the evaluation looked at the overall architecture of EU dialogues with Georgia, describing it as "complicated" (see also Figure 3 below which synthesises the overall EU-Georgia dialogue structures).

Figure 3 EU-Georgia dialogue structures



Source: Own analysis (Particip GmbH 2014)

The analysis points out that no evidence has been gained that the various dialogues were ever really synchronised or coordinated for maximum effect. Multiple actors both in Georgia and Brussels dealing with trade issues and various aspects of PFM, for example, seem to have been little involved with EUD co-operation staff. There was no trade counsellor and economic expertise in general appeared to be under-represented

Another way of assessing the appropriateness of the mix of instruments and modalities is to judge how successfully it has been able to adjust over the evaluation period, a subject which overlaps with the relevance and flexibility issues discussed above. The EU was able to respond flexibly to the political and policy exigencies raised by the hostilities of August 2008 and the October 2012 change in government. It adapted to the accelerating change in the priorities of the previous government that began after the violent suppression of demonstrations in November 2008, which led to greater concern for (i) transparency and accountability and access to justice and (ii) the deterioration in rural poverty and regional disparities caused by the combined after-effects of August 2008 and the global economic crisis, encouraging the government to adopt a more pro-active stance towards agricultural development and poverty reduction. What the EU, even with all the modalities and instruments available to it, has been unable to do is to effectively come to grips with the security concerns that are foremost in Georgian policy makers' minds.

Coordination and complementarity

The EU has been a proponent of increased aid effectiveness under the approaches called for in the Paris Declaration, with which Georgia associated itself in 2010. This calls, first, for alignment with government priorities and processes, which is discussed above in the context of budget support. It calls, as well, for increased attention to coordination and complementarity.

The EU's support to aid coordination contributed to strengthening GoG aid coordination, but it is less clear if this has resulted in sustainable processes and mechanisms. Although the participation of relevant government agencies in coordination mechanisms over the evaluation period is not in question, the degree of leadership has been mixed.

The EU's greatest overall contribution to aid coordination was the important role played by the EU Delegation since 2009 in 14 sectoral working groups gathering the whole community of donors and stakeholders. Under the EU Delegation coordination, these working groups have allowed dialogue and coordination in the specific sector. The Justice and Penitentiary, as well as the Agriculture sectors provide examples of how instrumental the coordination was in initiating the division of labour and the drafting of the country strategy in each sector.

The effectiveness of coordination varied between sectors. The EU was instrumental in calling (through budget support conditionality) for the Inter-agency Coordinating Council on Criminal Justice reform, which it also supported through TA and capacity building, although the effectiveness of the latter was somewhat limited by the beneficiaries' workload (in particular, see JC91 and 92 of the Volume II). Nonetheless, the sector coordination mechanism, and the EU's contribution to strengthening it, appears most assured in this sector. In PFM, while the EU sits on the national coordination mechanism chaired by the MoF, analysis related to EQ 2 has found that the national coordinating mechanism is weak and that there are capacity gaps at all levels and in all areas, including sector reform coordination. In Agriculture, the EU's support to the inter-ministerial Working Group was important in getting a policy into place and has laid the foundations for current coordination mechanisms. Coordination capacity in MRA, responsible for IDPs, has remained weak despite EU support. In Abkhazia, the EU participated in the donors' Strategic Forum bringing together donors and operational agencies (such as the UN and INGOs). As the largest donor, the EU effectively provided a coordination platform through the COBERM projects. All stakeholders consulted, including those in MSs and other aid agencies, characterised the EU as a transparent, accessible, and coordination-friendly partner. In all, as described above, the EU has been active in a total of 14 sector-coordination working groups. EU interventions often achieved internal complementarity, as when projects filled gaps in budget support, sometimes caused by lack of government interest (see Volume II, JC93).

Georgia is also a major beneficiary of regional and cross-border co-operation (one reason for the much higher share of budget support in ENPI bilateral co-operation than in ENPI as a whole, or co-operation as a whole). These forms of support did not figure importantly in the focal sectors for this evaluation, but there is little evidence of a concerted effort to coordinate them with the bilateral programmes implemented at national level (see discussion under Indicator I-732, Volume II).

A sector-level survey identified some areas in which other donors' actions, including those of MSs, were not taken into account. PFM scores rather poorly on inter-donor coordination, justice sector reform and Agriculture high. An EU MS coordination activity of special importance was the Delegation-led work of human rights focal points at MS Embassies, including the drafting of the three year Strategy on Human Rights adopted in 2011 (see I-923, Volume II). There was particularly close attention to the actions of various donors, and an explicit division of labour, in the Agriculture sector under ENPARD.

Closely related to taking advantage of complementarities in the financing of actions is choosing implementing partners with a view to their complementary expertise. Agriculture, IDPs, and justice sector reform, where the EU took advantage of the expertise of FAO, UNHCR, and UNICEF, respectively are the main sectors where this was most in evidence.

External complementarity, as between donors, has not emerged as a major issue in the evaluation. Co-operation between EU and USAID was reported to have been excellent in Civil Society; in justice, the U.S. government supported the judiciary while the EU left the sector alone; in Regional Development, GIZ support to municipalities complemented EU support to strategy development. Only in PFM was it reported that the major providers, the EU and World Bank, had little contact with each other (more can be found in the Volume II, under I-922 and 923).

However eager the donors are to coordinate and be coordinated, this is ultimately a government function. The overall weakness of government-led coordination, noted as early as the 2007-13 CSP, appears to have persisted over the evaluation period. The national coordinating agency for EU assistance was the Programme Authorising Office (PAO) of the Ministry of Euro-Atlantic and NATO Integration. The PAO served a useful function, but this was more as a go-between linking the EUD and Ministries than as a truly strategic coordination unit with functions running the entire length of the project cycle. Also limiting its effectiveness was the fact that, as its name implies, it effectively covered only European integration projects. In fact, even within that set of actions, it only covered those contributing to the Association Agreement. Complicating the situation, the PAO was only one player in a rather fractured GoG coordination landscape: MoF coordinated loans and infrastructure while Ministry of Economy coordinated activities related to DCFTA and Ministry of Foreign Affairs coordinated implementation of the Visa Liberalisation Action Plan. The EU supported the PAO from the very beginning, drawing praise for having put it in place when other donors such as the World Bank and USAID were still working through project implementation units. However, it is clear that until the end of the project in 2014 the EU TA team (national long-term experts, international short-term experts, and international resident team leader) was doing most of the actual coordination (only two national staff were in place). It is a hopeful sign that there are now nine national staff members, but at the same time, these are all new hires and junior. With hindsight, more could have been done to transfer competences to the new staff and juniors.

The institutional structure has fairly recently changed. On the recommendation of donors, who sought a single “Entry Point,” a new Department of Political Analysis, Strategic Planning, and Coordination has been established in the office of the Prime Minister. The creation of a central policy development and monitoring unit as well as a donor coordination unit at the level of the state chancellery is an important step as the EU moves towards joint programming as discussed with the GoG. The Donor Coordination Unit or DCU will be responsible for coordinating all donors in policy terms, i.e. strategic alignment with policy priorities. It will not deal with individual project coordination issues.

PAO will continue to coordinate EU assistance in the context of the Association Agreement while at the same time serving the information-sharing and matchmaking function that it currently carries out between Ministries and the EUD. Further information on PAO, as well as EU-Georgia dialogue architecture has been presented in the Annex 7 of the Volume III.

There were many dialogues in Georgia, and a complicated structure. In addition to budget support policy dialogues, there were dialogues on human rights, trade (DCFTA), energy, and water. All of these were embedded in political dialogues and processes related to resolution of the crisis of the breakaway regions, including the Geneva International Discussions. It is not clear how well these were aligned and coordinated. Also to be kept in mind is that EU structures were evolving post-Lisbon in order to make the EU more coherent and more visible in External Relations and that this was very much a work in progress during the evaluation period. In answering EQ 6, an explicit finding was made that there was only weak coordination, mostly on an ad hoc and interpersonal level, between the various members of the EU family – the EU Special Representative, the EU Monitoring Mission, the EU co-operation section, the EU political section, EEAS in Brussels, and the Member States, a number of whom had their own views on how best to deal with the situation.

EU value added

EU value added, which might be given a working definition of “*What the EU was able to do better than other donors (including MS) would have been able to do,*” is seldom referred to as such in either strategic or programming documents. EU strategic documents highlight the strong position regarding the Neighbourhood East in general terms. During the field mission, a more specific view of EU value added emerged -- its position as an unrivalled source of expertise in the context of association and approximation and European integration more generally. This covers all fields, but particularly commitments to human rights, rule of law, transparent and participatory governance, consumer protection, and environment. The EU has identified areas in which it sees itself as strong as capacity- and institution building,

policy development, legislative reform and approximation, and programmes to support sector wide reforms. These are functional advantages and have much to do with the wide range of funding sources available; they do not have anything to do with particular skill-sets. This raises the question of whether, if there was another donor with the same functional advantages range of instruments, deep pockets, etc., the EU would have been in the stronger position. In IDPs, for example, the advantage of the EU was not its particular abilities in the area of displacement, humanitarian aid, and LRRD but rather the amount of money and range of instruments that it could mobilise, and in particular the fact that it alone among the donors was able to make the important political statement of showing solidarity with the GoG via budget support. In other sectors, more specific advantages can be identified. In Agriculture, the main sector to benefit from association, the EU was in a strong position to supply expertise in areas such as sanitary and phyto-sanitary standards. In justice, human rights, and rule of law, as well as in governance issues more generally (media, elections, corruption, etc.), the EU's close association with the Council of Europe gave it a special position. In Civil Society, the Eastern Partnership gave the EU a unique role and it is unlikely, for example, that any other entity could have brokered the 2012 "trialogue" or fielded the high-level mission that informed the Human Rights Strategy and Action Plan. In the area of Conflict Resolution and Confidence Building, it can credibly be argued that the EU's position as a supranational organisation, as the geographic neighbour, and as the entity best suited to mediate between Russian interests and those of the MS and the West more broadly, was unique. Nonetheless, it was impossible for the EU to squarely tackle the security concerns of the GoG. In answering EQ 6, it has also been found that opportunities to exploit EU comparative advantage were missed because of the lack of a comprehensive, all-EU joined-up approach and failure to explore more aggressively the limits of the sorts of cooperation that could be engaged in in the breakaway region.

4.3 Closing comment: policy commitments and concrete results

Viewed as a component of the ENP, the EU co-operation programme placed emphasis on political aspects related to human rights, Conflict Resolution, the rule of law, Civil Society, etc. It stressed approximation as a means of promoting European values, standards, approaches, and procedures. While more largely economic sectors such as PFM and Agriculture were not neglected, these were rather isolated development-oriented islands in a broader and much more political and value-contested sea. A subjective impression is that the tendency to emphasise the "soft" sectors increased over the evaluation period; what began as a largely development-oriented engagement increasingly had to come to terms with the fact that it was operating in a post-Soviet political, institutional, and cultural environment, as well as a geopolitically contested one, particularly after August 2008

As the sector reviews below, with emphasis on changes observed, policy shifts responsible, and EU contribution will make clear, there was progress in every area. However, in all sectors (except perhaps Agriculture and Regional Development), problems and constraints in the form of weak political will and low capacity were frequently. As a result, advances in policy frameworks, commitments, and engagements were more impressive than actual concrete results resulting from implementation of reformed sector policies.

5 Main sector findings

5.1 Criminal Justice

Evaluation Question 1: To what extent, and how, has the EU support to the Criminal Justice sector contributed to strengthening the rule of law in Georgia?

Introduction

Like other post-Soviet countries, Georgia inherited a justice system that was severely defective. Among the manifestations: endemic petty corruption in every sphere of public life, poor working conditions in the police and prison system, which encouraged a culture of brutality; a judiciary lacking in independence, fostering a culture of conviction; and systematic violations of human rights with little opportunity for redress.

Strengthening the rule of law and human rights was a priority in the ENP, the EaP, and in bilateral EU-Georgia co-operation programmes. The decision to focus on the criminal justice system was taken in view of the widespread abuses that provoked public outrage during the late days of the Shevardnadze government and the priority given to reform by both post-Rose Revolution governments.

EU support covered all major criminal justice institutions – the police, the penitentiary and probation system, the Ministry of Justice and the Prosecutors Office, advocates (defence lawyers), state-funded legal aid, the Ombudsman’s Office (known in Georgia as the Public Defender’s Office or PDO), and the judiciary. The EU also supported legal reform in the re-drafting of relevant laws, including criminal law and the criminal procedure code, the code of imprisonment, etc. (see next section).

Early in the evaluation period there were some remaining TACIS actions, however, starting from 2008, EU support to justice sector reforms was implemented through two consecutive SPSPs in Criminal Justice that involved untargeted budget support to the Treasury and accompanying technical assistance (TA) to all major justice sector institutions, including through such instruments as TAIEX and Twinning. It also provided support to the PDO (through Comprehensive Institution Building) and civil society organisations (mostly through the EIDHR and NSA/LA instruments, later the Civil Society Facility).

The first SPSP in Criminal Justice, which amounted to EUR 16 million, began in 2008, and was designed to foster meaningful stakeholder participation in planning and undertaking sector-specific reforms, with the following three sub-sector priorities: (1) penitentiary and probation, (2) juvenile justice, and (3) access to justice. A pre-condition to the sector programme was for GoG to re-establish and formalise sector management by establishing participatory mechanisms for monitoring progress, as well as instituting a formal mechanism for policy dialogue, donor coordination, and stakeholder engagement.

The second SPSP, covering 2012-2014, was designed to build on the first SPSP’s results by advancing reforms in line with European and international standards. Sub-sector priorities remained unchanged. Of the EUR 18 million allocated for SPSP-II, EUR 15.5 million went to budget support and the remainder to TA. Criminal Justice sector reform efforts also benefited from an additional EUR 6 million received through the EaPIC as part of “More for More” approach. About one third of the additional allocations was provided as grant support to civil society organisations to provide services to prisoners and probationers.

The box below summarises the main inputs provided by the EU support in this sector.

Box 2 Overview of main inputs (Criminal Justice)

Financial resources: funding provided via budget support.

Technical assistance provided to all beneficiary justice sector agencies, most notably to the LAS, PDO, PPTC and the MoC, MoJ and its legal entities of public law, such as the NBE, the CRA (now PSDA), etc.

Dialogue: exchanges between EU and GoG on policy reforms in relation to budget support.

Training: (including training of trainers) training sessions for a wide range of sector stakeholders (e.g. for the PPTC, LAS and GBA lawyers, Investigators, Prosecutors and Lawyers, probation officers, for social workers in penitentiary establishments, psychologists) on a variety of topics (e.g. human rights

and monitoring, Criminal Justice and European Convention on Human Rights, the new Code of Imprisonment, etc.).

Study tours: e.g. visits of PPTC staff/trainers to partner training institutions, visits of the NBE staff to France, Estonia, Finland, and the Netherlands to similar enforcement institutions, including through the Twinning project, study visits of the CRA (now PSDA) representatives to various EU states, as part of the CIB and TAEX instruments, study visits on prison management, juvenile justice, probation reform, etc.

Events: conferences (with participation of high and middle level state officials, development partners, local NGOs), roundtables (e.g. roundtable on juveniles justice reform and necessary legislative amendments), etc.

Tools and training materials: training programme (e.g. on National Prevention Mechanism, new Code of Imprisonment, new disciplinary and complaints procedures, juvenile justice issues, etc.); training material (e.g. development of video-lessons, training modules juvenile justice for legal professionals, course materials for MA-level course on Social Work in Criminal Justice, etc.); computerised software and web resources (e.g., web-site for PPTC, software for arrangement of test exams, portal and mail server Software for the MoJ, etc.); new working instruments (e.g. screening and risk assessment instruments, admission forms/documentation forms, resident handbook, case management manual).

Awareness material: bilingual annual reports for the beneficiary agencies, informational booklets (e.g. "working diaries for school juveniles", books on international standards for juveniles' rights and inner state legislature, Collection of Georgian Legislative and International Law Standards, etc.), meetings, newspaper and TV coverage of PDO reports.

Equipment: vehicles for the Penitentiary Department; IT Equipment for the Public Defender's Office; Training Centre Supplies for the MoJ, as well as other MoJ institutions; etc.

Strategy/Guidelines: drafting of legislation and staff instructions, etc.

Other studies: e.g. on new methods for improving the range of services provided for assessing, reducing risk and rehabilitating offenders including the consideration of new technological methods being introduced elsewhere.

Progress in main government reforms

Following the Rose Revolution, the EUJUST THEMIS Mission identified needs which resulted in the 2009 Criminal Justice Sector Reform Strategy, later supported in implementation by both SPSP-I and II. The strategy contains sub-strategies and action plans related to juvenile justice, probation and penitentiary reform, and legal aid. Most government reforms in this area were guided by these strategic documents, but the reform processes were sometimes delayed with several changes in key ministries during the evaluation period. Despite the change in government in late 2012, reform priorities have been maintained, with the leadership of both the Ministry of Justice and the Ministry of Corrections (formerly Ministry of Corrections and Legal Assistance) noting their commitment to align Georgia's justice and penitentiary systems with international standards, to undertake efforts to further liberalise criminal policies, and to improve citizens' access to justice.

The most notable progress in the sector has been made toward improving access to justice in Georgia, in part, through establishing and gradually strengthening the LAS, enhancing the institutional capacity of the Public Defender's Office to act independently and effectively in defence of human rights in Georgia, and creating diversion and mediation mechanism for juvenile and adult offenders. Significant progress has been made in liberalising criminal justice policies, for example, through revision of sentencing policy and maximum statutory sentences in the Criminal Code in force (2011 and 2013). While penitentiary reforms lagged behind, changes were still effected toward improving conditions in detention, especially, for juvenile offenders. Prison health-care reform strengthened with the National Strategy and Action Plan and is well poised to deliver tangible results for inmates. The reforms toward efficiency of all justice sector institutions have also been progressing well, but transparency of procuracy and the judiciary, as well as accountability of justice sector institutions continues to lag behind. Considering the interconnected nature of the needed reforms, this progress was made possible in large part due to improved links and collaboration between justice sector institutions, international donors, and civil society organizations through the Inter-Agency Coordination Council.

The overriding challenge facing Georgia's justice sector continues to be the need to strengthen the rule of law, improve the protection of human rights, and reform the judiciary.

On the judicial reform front, it is important to work toward independent, impartial and well-reasoned delivery of justice, as well as maintaining balance between judicial independence and judicial accountability. Liberalisation of criminal policy also continues to pose a challenge, despite some of the changes that have already been initiated by the current government. Much is needed to improve prison and probation capacities, to reform the juvenile justice system in line with the UN standards, and to ensure access to justice for all segments of the population. The latter includes institutional capacity building of the state Legal Aid Service, as well as provision of legal information and education to citizens, non-court-based dispute resolution, etc.

Key sector outcomes and their evolution over the evaluation period

There has been some progress over the evaluation period, but it is mixed, with some justice sector institutions having improved much more than others. To give a rapid overview,

- One measure of change is public trust in the justice system. The PDO has been dramatically strengthened and is now perhaps the most advanced justice institution in terms of having achieved independence both in law and in practice. It is now the second most trusted institution in Georgia, following the Church.
- Serious problems continue to beset the penitentiary system. Prison overcrowding remained unaddressed until the 2012 amnesty, a dramatic step which cannot address the long-run problem. Georgia still does not abide by the European Prison Rules. The situation regarding torture and ill-treatment of prisoners generally improved over the evaluation period, with dramatic improvement after September 2012. At the same time, as confirmed by watchdog NGOs, independent expert assessments, and most dramatically by the prison abuse video of 2012, mistreatment of prisoners remained widespread despite training of penitentiary staff and a Code of Ethics. The NPM, created in 2010, was not taken seriously by the Penitentiary Department until recently.
- There has been solid progress in juvenile justice. Having been lowered from 14 to 12 in 2007 in disregard of international norms, the GoG later restored the age of criminal responsibility to 14. Implementation of the juvenile justice strategy and action plans led to lowered rates of prosecution and better detention conditions for juvenile offenders, including better general and vocational education and rehabilitation opportunities for children in detention. Prosecutors have more discretion to not charge juvenile offenders and to use diversion and mediation. Georgia's compliance with the UNCHR has significantly improved.
- Independence of the judiciary remains in need of reinforcement, and public confidence in the institution remains low. Independence of the prosecutor is also still problematic. There has, however, been exponential increase in the use of plea bargaining, even if it is highly non-transparent. The use of non-custodial sentences appears to have increased.
- A number of reforms have strengthened the Legal Aid Service (LAS), although concerns remain about the adequacy of resources. LAS has become a highly respected institution.

The theme that runs throughout the justice sector is that, while there was improvement overall in compliance with international standards, this often took the form of achieving procedural compliance but not always going a step further to ensure that policies were implemented with tangible results. One reason is lack of capacity among justice sector professionals, but the more important factor is lack of political will to effect real change. Examples include penitentiary reform and transparency and independence of the judiciary and the Office of the Chief Prosecutor. At the same time, the importance of the efforts to achieve at least compliance in form should not be discounted, as this has provided a framework for continuous engagement with the government. In some cases, compliance of the national legislative framework with international standards has ensured that the government did not digress from the reform path. This has, for example, been the case with juvenile justice and effective functioning of the Public Defender's Office (PDO). The

compliance in form, in conjunction with political dialogue has also made it possible for some justice sector institutions such as the PDO and the LAS to achieve more independence and increase their effectiveness in improving human rights protection in Georgia.

EU contribution to change (both at policies / reform level and outcome level)

The EU support to the Criminal Justice sector has made tangible contributions to strengthening the rule of law and improving access to justice in Georgia. This was made possible through sector budget support and the accompanying provision of capacity building (and TA to the targeted justice sector institutions. The use of budget support has made it possible for the EU to develop a long-term strategic plan of sector engagement, which it could agree directly with the GoG, thus, ensuring higher local ownership of the reforms. In some areas, such as juvenile justice or penitentiary and probation reforms, SBS and TA have been complemented by grant projects implemented by CSOs, which involved monitoring the performance of public sector institutions as well as advocacy in political dialogue for better compliance with international standards. As mentioned, the advisory mission of Mr. Thomas Hammarberg, who collaborated closely with the EU Delegation, made a significant contribution to the Human Rights Strategy and Action Plan.

EU support to the sector has also contributed to better functioning of the justice system, improving (though to varying degree) transparency, efficiency, and effectiveness of the targeted state institutions, which following the Intervention Logic should have improved service delivery to the country's citizens and contributed to democracy and human rights protection. The improvements affected by the EU have been achieved through training and TA, as well as provision of infrastructure and equipment. Institutional strengthening that came about with the EU support is evident, for example, in case of the PDO, the LAS, the Civil Registry Agency (CRA), the National Probation Agency (NPA) and the National Bureau of Enforcement (NBE), which have also improved service delivery to their beneficiaries. Through budget-support related capacity building and TA the EU also contributed to improved adherence to international standards and conventions, subject to the constraints noted above.

The point is sometimes made that, under untargeted budget support, it is difficult and often impossible to identify specific action plan expenditures that were made possible by the financial transfer to the Treasury. Despite such accounting ambiguities, the February 2012 *Final Report of the Evaluation of the Use of Sector Policy Support Programmes under the ENP* in Georgia was positive on the modality in general, and in criminal justice reform in particular. Budget support leverage was greatly increased by the fiscal crisis following the 2008 war. The Report noted that approximation with the *acquis* and Council of Europe obligations led to "broad congruity of objectives" and strengthened the EU's influence in policy dialogue. It suggested that in CJR, as well as PFM, specific milestones were achieved or achieved earlier than they would have been due to budget support.

Appropriateness of EU engagement

Political will was the single most important factor in determining the effectiveness of EU support aimed at improving adherence to European standards and practices. The importance of political will seems to have been understood by the EU from the SPSP design stage, which is why it has tried to ensure local ownership by supporting government reform policies. However, the GoG reform policies and priorities in the justice sector were not always matched with the EU political goals and the broader European standards on human rights protection and the rule of law. As a result of this mismatch, policy conditionalities negotiated in the context of budget support were in some areas were lacking an explicit results focus, allowing the GoG to demonstrate progress toward outcomes without making substantive changes. For example, having medical screening recorded for every new prisoner/detainee, while necessary, will not lead to the desired outcome of improved healthcare for prisoners, unless there is a mechanism to act on the results of these screenings. This was largely the case for example, in penitentiary reform and increasing independence and transparency of the judiciary and procuracy. The difficulties experienced in supporting Criminal Justice reforms could have been alleviated, if more efforts had been made to engage justice sector beneficiaries by informing them about their rights and enhancing their capacity to influence

Criminal Justice policy making and implementation. To be sure, the EU did support efforts to inform justice sector beneficiaries about their rights. However, there has not been a strategic approach to enhance their capacity to influence Criminal Justice policy making and implementation. The EU is to be credited for Civil Society engagement through the ICC and later through the EaPIC grants. Regrettably, Civil Society engagement through ICC was mostly focused on Tbilisi-based organizations, as the mechanism is not flexible to foster input from regional CSOs.

Summing up

To summarise, Georgia has been committed to wide-ranging justice sector reform for ten years now, and the EU has supported these efforts almost from the beginning by helping to formulate the Criminal Justice Reform Strategy and sub-strategies covering various institutions within the justice sector. There has been progress, more in some areas (juvenile justice, the PDO and NPM, the LAS) than in others (prison conditions, independence of the judiciary and procuracy). Two budget support programmes combined with TA and a certain amount of support for CSOs have been the main form of support, to which must be added the unique and very significant advisory mission of Mr. Hammarberg after the October 2012 elections. Some progress has been *de jure* only, with insufficient follow-up to see to it that there are actual tangible impacts in implementation. The main predictive factor is political will.

5.2 Public Finance Management

Evaluation Question 2: To what extent, and how, has the EU support contributed to improving the ability of the PFM systems in Georgia to deliver on the three main PFM outputs: (i) fiscal control, (ii) fiscal stability and sustainability, and (iii) efficient and effective service delivery?

Introduction

Poor quality of Public Financial Management (PFM) prior to the Rose Revolution was particularly characterised by weak fiscal control and lack of transparency and accountability on the part of government departments. This, in turn, combined with the poor level of services provided, led to ubiquitous tax evasion. With spending hard to control and taxes difficult to collect, the fiscal consequences were predictable. PFM reform was a priority for the donor community over the evaluation period because of its role in ensuring macroeconomic stability and bolstering public confidence in government.

EU support in the field of PFM was provided predominantly through Sector Policy Support Programmes (SPSPs) using Budget Support (BS). The EU is the only development partner providing BS. The EU has been providing sector policy support to PFM reforms since 2007 through two major interventions: i) the PFM SPSP – Phase I (EUR 16 million) implemented during 2007-2009 and focusing on strategic budgeting, treasury reforms, establishment of external and inter audits and on development of modern Revenue Service; and ii) the PFM SPSP – Phase II (EUR 11 million) implemented during 2011-2012 and focusing on advancing the progress in the areas covered by the first phase while putting emphasis on the sector management and consultation process. A follow-up PFM Policy Reform programme, will be implemented during 2014-2017 and will focus on further enhancing policy-based budgeting, external scrutiny and accountability of the government, public internal financial control and audit, external audit and public oversight over the executive through the legislature. All these BS interventions include a TA component which is intended to support the government in advancing their PFM reforms and meeting the respective conditionalities attached to the BS operation. In addition to direct TA provided under the PFM SPSP programmes, EU provided support to implementation of PFM reforms in specific areas through other channels, mainly Twinning arrangements with specific PFM related institutions.

The box below summarises the main inputs provided by the EU support in this sector.

Box 3 Overview of main inputs (PFM)

Financial resources: funding provided via budget support.

Technical assistance: provided mainly to the Implementation of the Sector Policy Support Programme via the placement of a long term TA advisor in MoF. Other included support to tax administration and support to MoF on internal audit.

Dialogue: exchanges between EU and GoG on policy reforms in relation to budget support.

Training: training sessions for a wide range of sector stakeholders (e.g. Parliamentary staff, for the staff of the Budget and Finance Committee of the Parliament and the Budget Office) on a variety of topics (e.g. PFM in Georgia, Annual Budgeting and Budget Execution, Programme and Capital Budgeting, E-procurement, IPSAS Principles, Principles of MTEF, GFS system); seminars, e.g. on Audit Management, Taxpayer Audit for Members of Parliament and Georgian business (Twinning).

Study tours: e.g. related to budgeting and Parliament fiscal oversight, on modern management techniques for a tax administration on programme budgeting; eServices, etc. (Twinning).

Events: conference, e.g. high-level workshop on PFM reform status organised, etc.

Tools and training materials: e.g. training materials and roadmaps for the Academy of the MoF.

Awareness material: publications, e.g. "PFM Reform Update"; translation of IPSAS in Georgian for the Treasury, publication of tax payer survey, pocket tax book; Leaflets, e.g. taxpayer Information, tax administration leaflets.

Building/infrastructure: software for the introduction of a Business Intelligence Module at the CSPA of Georgia

Strategy/Guidelines: e.g. design of the PFM Reform Policy Vision; elaboration of a strategic plan for the introduction of financial management control (FMC), an outline of the FMC methodology; Support to the CSPA in the Elaboration of the Mid-term Strategic Plan; Communication Strategy for Tax Administration: support to the development of the Capacity Development strategy for the State Audit Office; support to the development of methodological guidance in almost all areas of support etc.

Other studies: Public Expenditure and Financial Accountability Assessment; Assessment of Fiscal Decentralisation; Assessment of assessing Georgia's approximation to an European style tax administration, etc.

Progress in main government reforms

Major reforms since 2008 were identified in the PEFA 2012:

- Georgia advanced its budgetary and financial management systems, putting in place basic systems for strategic budget planning, budget formulation and execution.
- The integrated public financial management system is being implemented, with key modules for Treasury Operations, Spending Institutions, Budget Preparation, Payroll and External/Internal Debt Management introduced by the MoF Financial Analytical Service in January 2012.
- The introduction of international good practice in the budget cycle of the Government is well advanced, including robust systems for budget preparation, adequate chart of accounts, reliable execution (including accounting and reporting) and sufficient controls.
- Progress was achieved in the introduction of program-based budgeting, adopted in the 2009 Budget Code. The 2012 draft budget was presented in programme forms to Parliament.
- The legal framework governing public procurement was further amended,
- Electronic Government Procurement (E-GP) was introduced in 2011, and linked to the Treasury's information system thus providing for full information sharing.

All the above reform initiatives were implemented to address the weaknesses identified by 2008 PEFA assessment in such areas as external control system, personnel and payroll, public procurement, and reporting of high quality consolidated financial statements.

Significant progress was been achieved with respect to improving the legislative and regulatory base (see Indicators 213 in Volume II for a list of legislation and other measures implemented). Many of these changes, especially at the beginning of the SPSP operations, were part of the associated Policy Matrices. Over time, the focus of reforms shifted from revising the legislation to ensuring its effective application in practice. However, with the declaration of its EU aspirations, government efforts were increasingly directed to harmonise the legislation with the EU requirements, e.g. in the area of customs, procurement, and internal audit and control. While approximation is a valid goal, it must be placed in the context of capacity limitations identified at all levels and throughout the PFM system (see Indicator 221).

Although the PFM reform strategies cover most of the PFM areas, they were not integrated into a single strategic document which would sequence and prioritise PFM reform measures in a holistic manner. This would have been administratively difficult, because the Ministry of Finance PFM Reform Policy 2009-13 did not cover the PFM areas falling beyond the mandate of the MoF (e.g., procurement and external audit). Thus the Reform Policy was a document of the MoF rather than of the whole PFM sector, not taking into account the importance of other central level and sub-national budgetary agencies for successful reform implementation at all levels. This made it more difficult for the MoF to effectively coordinate the implementation of reforms. In the absence of an integrated reform strategy, the focus of government monitoring of PFM reforms focused on individual activities and outputs delivered rather than on the broad impact on PFM systems functioning. Further, this made more difficult the engagement of broader groups of stakeholders in the discussions on the design of the PFM reforms, i.e. their scope, form sequencing and prioritisation etc. For example, civil society was little engaged in PFM design and monitoring.

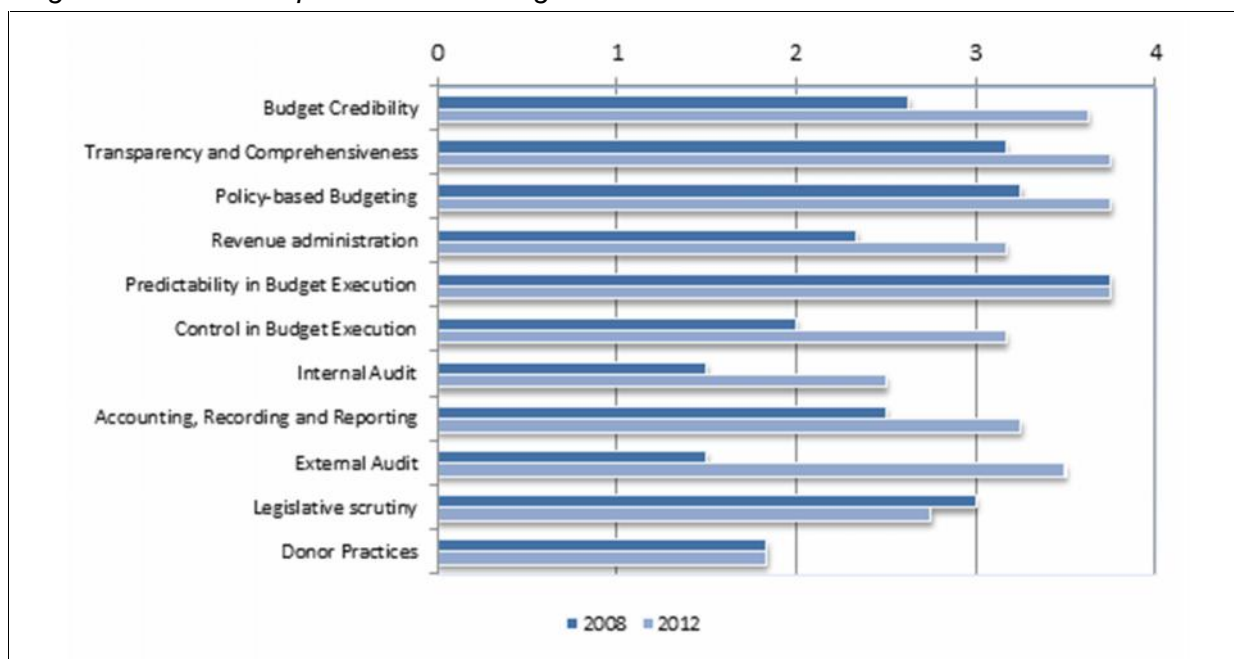
Despite fairly strong government ownership of the PFM reforms, there was no systematic and structured government-led approach to coordinating PFM-related donor support. The development partners providing support to PFM reforms tend to organise themselves mainly on a bilateral basis, and in a more formal structure only when the need arises. The PFM Donor Coordination Cluster Working group meets intermittently but regularly. However, in the absence of a government-led mechanism, it was difficult to avoid overlapping and ensure complementarity. Donors continue to express the need for creating a joint mechanism to improve policy dialogue with the government.

Key sector outcomes and their evolution over the evaluation period

PEFA assessments in 2008 and 2012, IMF and WB reports, and EU PFM Annual Monitoring Reviews confirm that significant progress in modernizing and improving the functioning of the PFM systems has been achieved since the launch of PFM reforms. One of the explanations behind the significant progress is the relatively low baseline against which the performance is measured. However, even when discounting for the low initial level, performance improvements are substantial in the period under consideration.

Successful results have been obtained particularly in the area of budget credibility, revenue administration, predictability in budget execution, public procurement and external audit (see Figure 4 below).

Figure 4 PFM performance changes based on PEFA assessments



Source: PEFA 2008 and PEFA 2012.

Note: The D, C, B and A scores were converted to numerical scale 1 to 4 respectively.

Improvements of the PFM systems over the evaluation period contributed to:

- Bringing the fiscal deficit down to a sustainable level (there has been a continuous improvement in the overall fiscal balance since 2010) and strengthening government's ability to meet its commitment to durable fiscal adjustment over the medium term.
- Strengthened accountability and improved transparency through, among other things, increased public access to budget information and a stronger role and reputation of the State Audit Office (SAO).
- Improvements in operational efficiency, which contributed to improved service delivery.
- Better functioning of public procurement system, leading to increased transparency and enhanced budget credibility, and
- Improved budget credibility and predictability of resources and stronger revenue administration, which are ultimately expected to facilitate more efficient and effective service delivery.

Despite the overall improvement, progress has been slow in some areas and the benefits of the PFM reform measures did not yet fully materialise. Medium-term budgeting needs to be further strengthened to better link strategic planning with medium-term costing of policies and budget estimates. The government continues to struggle with incorporation of performance elements into the budget preparation and implementation processes. The benefits from establishing a sound legal and regulatory basis for financial control and internal audit still need to materialise in practice so that these functions become fully operational and effective in delivering on their purpose. Also on the accountability side, more efforts are needed to strengthen legislative oversight of the budget. As the gains from improved revenue administration have now largely been realised, there is need for strengthened strategic allocation of resources (e.g., by improving the quality of capital spending) and improved budget execution and controls.

One of the reasons for slow progress in some areas are capacity deficiencies at all levels of capacity development. While attempts were made to address this through TA and training, progress was undermined by factors not necessarily pertaining to PFM specifically, such as poor human resource and incentive systems, political interference, etc. In most PFM-related institutions, capacity has been affected by a relatively high turnover of staff and frequently changing management. This has been less of a problem in the Ministry of Finance, which is characterised by generally stable and continuous staffing at all levels.

The government still does not have in place a systematic and structured approach for capacity development. Except for few cases, capacity development activities over the evaluation period were not necessarily informed by capacity needs or gaps assessments. The lack of a capacity development strategy at all levels (individual, organizational, institutional) resulted in missed opportunities to address capacity gaps in the order of their urgency for the implementation PFM reforms, as well as, for mobilizing capacity development support from development partners including the EU.

EU contribution to change (both at policies / reform level and outcome level)

The EU PFM SPSP interventions have made a significant contribution to advancing PFM reforms in Georgia which ultimately led to an improved performance of the PFM systems. The contribution of the PFM SPSPs has been materialised through:

- The fiscal space created as a result of the PFM SPSP BS funds.
- The policy dialogue between the EU and the government which informed PFM reform measures and facilitated PFM improvements in specific areas, and
- Technical assistance which contributed to strengthening government capacity to implement reforms, capitalise and institutionalise the developed skills and sustain the PFM performance gains.

In relation to the financial inputs, the share of BS in the overall government revenues is fairly insignificant. However, given the difficult fiscal situation which the country was faced in the wake of the global financial crisis and particularly after the August 2008 War, BS proved to be an important financial support and allowed the government to create fiscal space to implement its policies without putting its fiscal position at risk. Macro-Financial Assistance (MFA) was also used to give the government some breathing room.

Policy dialogue was closely linked the budget support conditions. When SPSP operations began, the conditions focused on establishing the basics for a well-functioning PFM system, mainly by establishing the legal and regulatory framework, rules and procedures. The Policy Reform Matrix related to and addressed the weaknesses of the PFM systems such aspects as treasury operations, external audit, procurement, revenue administration and financial control. The large majority of conditionalities were met and contributed to the observed improvements. The role of policy dialogue was particularly strong in the early stages of PFM SPSP, when government readiness to design and monitor comprehensive PFM reforms was limited. Policy dialogue was indispensable in informing, adopting and advancing reforms and played a political reinforcing effect. With growing government ownership of its PFM reforms, the role and focus of the EU policy dialogue evolved towards keeping the government on track and accountable for progress. The scope of the intervention, initially focussed on the major PFM player, the Ministry of Finance, gradually expanded to include the Georgian Parliament and the State Audit Office.

Policy dialogue with the government on PFM-related issues was also carried on in the context of the broader ENP Action Plan and negotiations around the Association Agreement. This process was led by various DGs, e.g. DG Trade on customs, DG BUDG on Public Internal Financial Control (PIFC), and DG ECFIN on Macro-Financial Assistance (MFA), etc. While there is a fair degree of formal consultation within the different EU DGs through the inter-service consultations, information flow and coordination between the DGs was not always optimal. More serious, given the persisting challenges (mostly capacity-related) to implementation of reforms, the different EU communication channels weakened somewhat the focus on addressing PFM system weaknesses as attention was diverted to approximation to EU legislation and practices.

Not all progress can be attributed to the EU. While EU budget support was a major channel, a wide range of donors supported PFM, including the World Bank. Factors not directly related to EU support, for example WTO obligations, also played a role.

The EU provided technical assistance to support the implementation of reforms in a variety of areas linked to the budget support programmes (e.g. medium term budgeting, macroeconomic policy formulation, treasury operations and accounting, tax policy and administration, internal audit and control, procurement, external audit and oversight). The experience showed that the relevance and effectiveness of the technical assistance was dependent upon the interest and demand of the beneficiary. TA was less effective at the early stage (SPSP-I) because of limited demand from the government, but lessons were drawn and incorporated in the design of the follow-up programmes. There were significant benefits from EU TA. Twinning, in particular, helped to support capacity development in beneficiary organisations.

Appropriateness of EU engagement

EU support to PFM contributed to generate a relevant programme of reforms focused on key weaknesses of the PFM systems. Policy dialogue has been instrumental, especially in the earlier period. While the EU support to PFM has included capacity development assistance, it missed the opportunity to support an integrated and systematic government approach to capacity development. While there are various (both government- and donor-supported) on going initiatives for capacity development, in the absence of a systematic approach, these initiatives are not necessarily consistent, complementary and comprehensive enough to have a sustainable impact. This is further complicated by the absence of a link between the PFM reform strategy and the overall public sector reforms which deal with issues which are beyond the mandate of the PFM systems and the Ministry of Finance but which are important for the success of PFM reforms (e.g. remuneration and incentive systems, change

management, etc.). EU TA, when it was demand-driven, i.e. from SPSP-II on, was an effective instrument. Twinning was probably the most effective and sustainable modality of assistance as it obtained full commitment of the authorities to absorb the TA and ultimately to institutionalise the developed capacity and sustain performance gains.

Summing up

The relevance of reforms was high. Budget support conditionalities in the context of policy dialogue informed legislative and regulatory reforms early in the reform process, facilitated government monitoring of PFM reform implementation, and kept reforms on track. PEFA and other assessments confirm tangible progress in many areas of PFM and fiscal strengthening. The EU PFM SPSP budget support, although relatively small in absolute terms, was beneficial for creating fiscal space. The EU SPSP contributed also to other achievements, but limitations must also be recognised. While legislative changes were facilitated by budget support Policy Matrices, especially early in the evaluation period, capacity for their implementation remained weak, throwing into question the steadily increasing attention to legislative approximation as opposed to consolidation of gains made so far in the form of more effective implementation. While there was continuity in the implementation of reforms, the fact that the reforms were guided by a number of specific reform strategies rather than one holistic approach tended to make coordination of PFM reform design, particularly in respect to sequencing and prioritisation, difficult. It also tended to orient monitoring of the implementation of reforms predominantly on outputs rather than on the impact of the reforms on the ability of the PFM systems, as a whole, to delivery on its objectives.

5.3 Agriculture, Rural and Regional development

Evaluation Question 3: To what extent has the EU support to Agriculture, rural and Regional development contributed to improving living standards, especially in rural areas?

Introduction

The more than 2 million people (a bit less than half of Georgia's population) who reside in rural areas represent the poorest group in the country. The rural population is essentially dependent on agriculture and agricultural services and industries. Agriculture is practically at a low-income country subsistence level. 95% of persons in the agriculture sector are small farmers.

The Agriculture sector suffered after the Rose Revolution. Despite long-term potential (excellent natural conditions, good market potential, etc.), the disconnect between policy makers and the population at large led to the under-representation of agriculture and rural development issues at the national level and the general neglect of the sector. The sector's output contracted by 20% in real terms between 2005 and 2008. Lacking access to agricultural inputs, rural support service delivery, markets and organizational development (farmers' associations, producers' groups, market-led cooperative development to facilitate economies of scale), farmers failed to modernize. Contributing was the fact that the main export market was Russia, where quality standards were low. Faced with the collapse of the Russian market, Georgian agriculture found itself barred from entry in Europe because of the low quality of its products and inadequate safety standards.

Hand in hand with rural-urban disparities went the failure to adopt anything resembling a regional development policy. The adoption of a regional development approach provides a framework around which various sub-sectors (e.g. agriculture, infrastructure, health, education, to name a few) can be strengthened with the view of reducing enhancing broad economic development in rural and poor urban areas and reducing gross disparities.

Even before the period under evaluation, the EU recognised the need for comprehensive support programmes to agriculture and regional development. The EU encouraged the strengthening of national agriculture policies, seeking to strengthen the diversification of rural activities, improve the productivity and quality of agricultural products, improve capacity of local public authorities and ensure an business-enabling environment. Accompanying the concern for agriculture was a concern with regional development approaches. All of this was,

however, in the face of a government that believed strongly in a laissez-faire approach to development.

EU support over the period under evaluation included specific projects:

- Projects implemented by NGOs aiming at providing agro services and developing business oriented small farmers groups (e.g. Mercy Corps, Premiere Urgence, etc.) but also diverse projects targeting, more generally, IDPs, food security and rural livelihoods.
- TAIEX-funded activities, twinning projects and TA aiming at assisting Georgia in enhancing its strategies, tools and mechanisms in specific areas such as food safety. The latter became a burning political issue of Georgia as a result of several widely-publicised breakdowns in food safety.

Projects were justified by the fact that, despite being a middle-income country overall, Georgian agriculture had essentially regressed to subsistence level, raising serious issues of rural poverty. Wider EU-funded interventions were launched in the later part of the period:

- The *Comprehensive Institutional Building Programme* launched in 2010⁹, which included capacity building initiatives to strengthen core institutions such as the National Food Agency¹⁰ and the Deep and Comprehensive Free Trade Area (DCFTA) Task Force (Ministry of Economy).
- The *Support to Regional Development reform programme* launched in 2012, which aims at helping the implementation of the State Strategy for Regional Development. This budget support programme of EUR 19 million includes a complementary support of EUR 2 million.
- The *ENPARD programme* launched in 2013 and which aims at increasing food production and reducing rural poverty via the support to the implementation of the Agriculture Sector Strategy and the strengthening of small farmers' organizations. ENPARD uses a combination of financial transfers ("budget support component" of EUR 18 million), grants to local NGOs ("small farmers co-operation component" of EUR 15 million)¹¹, co-financed projects with international organisations (FAO, EUR 3 million¹²; and UNDP, EUR 2 million¹³) and complementary TA to the GoG (EUR 2 million).

In addition, the EU has engaged in close dialogue with Georgia on agriculture trade related aspects in the context of the DCFTA negotiations.

The box below summarises the main inputs provided by the EU support in this sector.

Box 4 Overview of main inputs (Agriculture, Rural and Regional Development)

Financial resources: funding provided via budget support.

Dialogue: exchanges between EU and GoG on policy reforms in relation to budget support (e.g. discussion during SPSP design or in the context of the working group on Agricultural Strategy development or the inter-ministerial working group on Regional Development).

Technical assistance provided e.g., Support to Regional Policy Implementation, National Food Agency (via the placement of both long term and short term TA).

Other capacity building measures: *Twinning* (e.g. through a Swedish Sida co-funded twinning-like

⁹ EUR 30.86 million had been earmarked for CIB and Twinning-related activities for the period 2011-2013. EUR 9.73 million were allocated to the AAP 2011 and EUR 20 million to the AAP 2012. Most activities actually did not start before 2012. A new financing agreement (allocation of EUR 19 million) was signed in 2014.

¹⁰ CIB activities include the mobilisation of independent experts in three key areas: Veterinary, Food Safety and Phyto-sanitary. CIB activities mainly focus on EU legislative approximation issues and capacity building.

¹¹ This corresponds to projects implemented by Oxfam Great Britain, Care Austria, People in Need and Mercy Corps to help establishing more than 100 agricultural cooperatives and carry out local capacity building activities.

¹² This project consists in providing capacity building support to the Ministry of Agriculture to carry out the reforms foreseen in the Agriculture Strategy and Action Plan.

¹³ This component, which specifically targets agricultural development in Ajara, mirrors the structure of the overall intervention with a combination of capacity building support to Ministry of Agriculture of Ajara and activities related to expansion of service centres and development of small farmers groups in the region).

project), Capacity Building Agriculture – Georgia (CBA-G). *Training sessions* for a wide range of sector stakeholders (e.g. municipal and regional government staff, CBO members), on a variety of topics (e.g. in the context of regional development initiatives, on community problem identification, proposal writing, etc.); workshops on value chains organised; reflective practice sessions (e.g. sessions organised between CBO's and local government). *Study tours* e.g. of CBO's to other regions, of municipal staff to more advanced municipalities, of officials of the MoA to Czech Republic organised; of the GoG to Poland on SPS regulation in Poland; etc.

Events: exhibitions (e.g. of agricultural products); roundtables (e.g. roundtable discussion of the draft report of the Food Safety System Regulation Assessment); local meetings, (e.g. town hall meetings in Batumi, Gori, Kutaisi, Ozurgeti, Rustavi and Telavi, where a food safety regulation assessment report has been presented followed by a discussion on the pressing food safety issues, etc.).

Awareness material: e.g. informational booklets and leaflets; articles on the EU acquis notes about food safety.

Equipment: e.g. vehicles, machinery and stock to agro-service centres.

Building/infrastructure: e.g. rehabilitation/reconstruction work related to Nabakevi agro-service centres, on-farm demonstration plots established at farms in the targeted communities.

Strategy/Guidelines: e.g. planning guidelines (for regions, municipalities, etc.).

Other studies: e.g. assessments of food safety regulation systems, studies on regional disparities.

Progress in main government reforms

After years of neglect, Agriculture became a top development priority for the country in 2010. This switch in policy orientations was illustrated by announcements at the highest political level and the establishment of specific mechanisms (e.g. an inter-ministerial working group) to support the drafting of a comprehensive sector strategy. The *Strategy of Agricultural Development in Georgia (2012-22)* was officially adopted by the GoG in March 2012. The scope of the strategy is sector-wide and includes elements to be implemented by other line ministries/agencies. It also provides guidelines for the private sector and other relevant stakeholders. During the period under review, new cooperative law were also passed (addressing some financial and tax disincentives for collective action) and a specialist cooperatives agency was established under MoA.¹⁴ Substantial investments were also made in capacity development including institutional strengthening for policy development.

Food safety, which also fell victim to *laissez-faire* policies in the mid-2000, followed a similar evolution. GoG adopted a *Comprehensive Strategy and Legislative Approximation Programme* in this area in early 2010. The implementation of official control and inspection activities started in July 2010.¹⁵

The reform process in the area of Regional Development started even earlier than in Agriculture. GoG officially identified this area as a priority in 2008. A 'Task Force' on Regional Development comprising relevant stakeholders (including line ministries, local authorities, NGOs, private sector, etc.) was established in December 2008. Two months later, a Ministry of Regional Development and Infrastructure was created. In June 2009, the Task Force approved the first diagnostic report of the country on Regional Development. A Strategy on Regional Development (2010-2017) was approved in June 2010 and a corresponding Action Plan for the period 2011-2014 was finalised in October 2011. Specific Regional Development plans and strategies were approved at regional level between 2012 and 2013. Building on the experience accumulated in previous years, a Regional Development Programme for 2015-17 was finalised in 2014. A special fund to finance regional development projects is gradually being put in place.

Evolutions in terms of budget allocations mirror well the political commitments taken by the GoG throughout the period and reflect the radical shifts that took place at policy and institutional levels. Spending for agriculture has more than tripled between 2010 and 2014¹⁶,

¹⁴ This newly created agency relies on specialized teams at district level and four consortia of INGOs and LNGOs.

¹⁵ This was undertaken in two stages. In a first stage, official control including inspections and traceability checks covered companies oriented towards exporting to the EU. At the second stage, from the beginning of 2011, official control requirement applied to all food business operators.

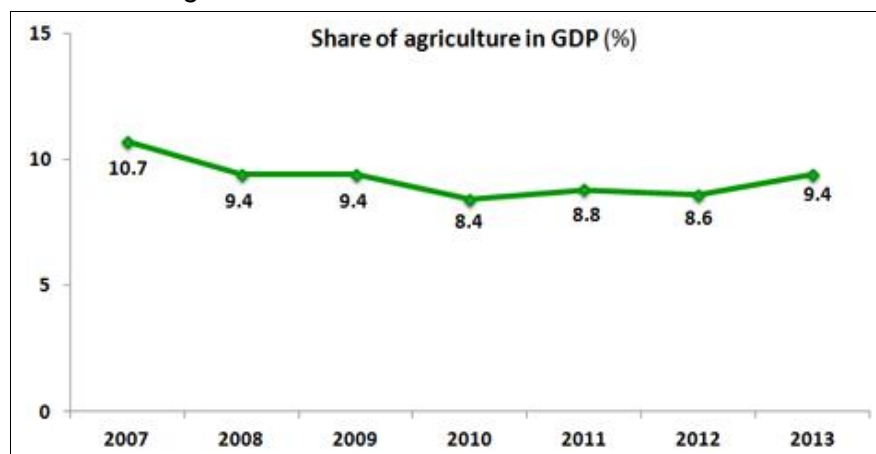
¹⁶ It has doubled in one year in 2012 (the budget of the Ministry of Agriculture amounts to GEL 150 million in 2012 against GEL 75 million in 2011).

and the Ministry of Regional Development and Infrastructure was the second highest spending unit in recent years.¹⁷

Key sector outcomes and their evolution over the evaluation period

Since 2010, agriculture has begun to reverse its long-term decline after 15 consecutive years of neglect (as % of GDP and in GEL output). By 2013, the agriculture sector's output had grown by 40.3% over 2010 levels in nominal terms. In 2013, agricultural output grew 12.2%, above the 2.5% nominal GDP growth rate, leading to an increasing share of agriculture in GDP that year as illustrated in the figure below (World Bank, 2014; GeoStat, 2014).

Figure 5 Share of agriculture in GDP



Source: GeoStat, 2014

The total sown area for annual crops also increased by almost 20% and output of maize increased by 33% in 2013. In addition, since 2011 a modest but real increase in high value products can be noted including vegetable and selected animal products such as eggs, poultry, milk, cheese and pigs. Other economic indicators confirm the positive trend that started in recent years. In particular, agricultural exports increased by 51% in 2013 to USD 774 million (equivalent to 27% of total exports).

The positive evolutions at aggregate level are accompanied by important achievements in specific areas, in particular in terms of improved access to services and markets in rural/isolated areas. Rural service delivery to farmers, rural SMEs and processors have improved in many regions as evidenced by the development of Agricultural Service Centres (ASCs) in Ajara and in the Gali and Gulprish districts in Abkhazia (see Volume 2). Since March 2013, MoA has revitalized its network of 59 district extension/information centres and hired 270 new agricultural staff to provide farmers with advisory and extension services. Between 2010 and 2014, an almost “nation-wide” network of private farm service centres and mechanization service centres has emerged. New cooperatives have been established in most regions¹⁸. Interviews also confirm the results of specific surveys carried out in the sector, which show an increasing awareness and leverage of cooperative development to achieve economies of scale and better integrate smaller scale producers into the market and value chain.

While the ASCs are fully functional and utilised by farmers and many cooperatives are now well established, the monetary impact on beneficiaries has not yet been recorded at a wider level. Incomes are suggested to have increased¹⁹ but this is not yet supported at a national level by evidence. The field visit uncovered little quantifiable evidence to demonstrate a

¹⁷ The Ministry had a budget of about GEL 1.0 billion in 2012, i.e. 15% of the total budget.

¹⁸ In Imerita and Racha region, 24 cooperatives were functioning in 2014.

¹⁹ Looking ahead and based on existing plans and programming, it is anticipated that the delivery of ASCs in the coming five years will lead and contribute to an increase in farm productivity of 40%, an increase in exports of certain high value added products of 20% and a decrease in imports of some 35% (comparing to 2013 levels).

decline in income disparities. Evidence of improved living conditions can be recorded in specific geographical areas targeted by donor-financed projects such as in Racha-Lechkhumi and Kvemo Svaneti Region where, between 2009 and 2011, income increased by 33.6% among 500 households in the five poorest communities and food shortage decreased from 52.6% to 18.3%.

Agricultural development is a medium- and long-term process, so the benefits of policy and strategy development will take time to materialise in the form of improved welfare measures and reduced disparities. Important challenges persist in the sector. In 2014, at the producer/farmer level, apart from the approximately 100 co-operatives and associations created in previous years, most small farmers (95% according to IFAD 2014) are still not organized in any form, thus diminishing the ability of farmers to properly manage irrigation, advocate for common priorities or organize to engage better with emerging market and value chain opportunities. Moreover, more than half of the working age population are classified as self-employed agricultural workers, a residual category that reveals the dire employment situation.²⁰ There is a growing consensus across the national political spectrum and international stakeholders of the need to sustain efforts for the modernization of agriculture while actively supporting the diversification of the rural economy.

It is difficult to assess the overall evolution in urban/rural and inter-regional disparities in Georgia because of a lack of data. Substantial investments were made in all regions of Georgia, including the lagging ones, leading to notable improvements in terms of transport infrastructure, access to water and energy. A privatisation agreement between the GoG and the main company operating the national natural gas supply system led to an additional 160,000 households being connected to the main gas supply in three years (2009-2012).

Some indicators suggest that some regional disparities have narrowed. For instance, Ajara experienced high sustained growth between 2006 and 2011, with per capita gross value added growing from one of the lowest levels in Georgia to one of the highest in just five years. However, a study carried out by the International School of Economics at Tbilisi State University in 2012 shows that the few changes which can be observed in regional disparities are largely explained by differences in urbanization rates across the regions and that the basic rural-urban gap remains large. Reliable data on indicators other than per capita gross value added are lacking.

EU contribution to change (both at policies / reform level and outcome level)

Improving living conditions among targeted minority populations, and vulnerable / marginalised groups has been at the core of EU supported programming aimed at addressing the short- to medium-term challenges faced after the 2008 conflict (see also EQ5), and in response to rural poverty alleviation in general. EU support has made concrete contributions to improving living standards at the local/community level in the areas targeted by the numerous projects it has financed in the various regions of the country although the sustainability of some of these projects can be questioned.

At the national level, the EU actively supported the growing consensus of the need to comprehensively address a number of structural sector constraints in agriculture and regional development. Since 2008, the EU approach has consisted in tackling the broad sector issues through a combination of policy support mechanisms (covering national sector strategy development as well as local/regional development planning) and stand-alone projects supporting smallholder farmers through community based organization development, agricultural co-operative development, extension and advisory services and improved delivery of rural services (e.g. business development, marketing).

Little to no policy dialogue was taking place with the GoG on agriculture before 2009. The situation radically changed from 2010 onwards and with the increased attention given to agriculture by GoG and, from 2011/12, EU support began to have a wide effect on long-term agricultural development.

²⁰ Even including “self-employed agricultural workers”, Georgia’s unemployment rate is the highest in the region.

Upon request of the Ministry of Agriculture in 2010, the EU jointly with FAO in advising the drafting process of the National Agriculture Strategy and provided demand-driven expertise and comments on the various drafts of the strategy. Policy dialogue and EU support through TAIEX²¹ to the Inter-ministerial Working Group on Agriculture facilitated stakeholder engagement and largely contributed to the gradual development of the strategy, which was finally adopted in 2012. EU support also contributed to increasing opportunity for rural livelihoods through its support to legislative reforms and the EU promotion and encouragement of GoG in the adoption of appropriate regulations and legislation supporting cooperative development. Through its support at institutional level (whether at national level or regional level such as in Ajara), the EU significantly contributed to developing an enabling environment through which the GoG could effectively change, adopt and implement comprehensive and ambitious policies in the sector. In more recent years, the funds provided via budget support in the context of the ENPARD programme²² have helped increasing government financial resources, which facilitated the implementation of the newly adopted sector strategy. At the same time, budget support is of too recent vintage to be able to ascribe to it many concrete impacts.

In addition, EU support to the adoption of appropriate regulations around food safety and to the establishment of the National Food Agency (incl. through the support provided in the context of the Comprehensive Institution Building programme) allowed Georgia to undertake capacity development in approximation reforms. These reforms were crucial to meet sanitary and phyto-sanitary requirements under the Deep and Comprehensive Free Trade Area (DCFTA) and will be key to further enhance the export potential of the sector.

The sector outcomes described above cannot be explained only by the GoG actions supported by the EU. For instance, exports have clearly benefitted from the partial re-opening of the Russian market in recent years. Other development partners such as the WB (rural infrastructure and irrigation), the ADB (infrastructure), the US (value chains), IFAD (irrigation, rural finance and climate change adaptation), UNDP and FAO (extension support and institutional strengthening), have also contributed to major changes in reform areas. Finally, as most of the policy and institutional changes to which the EU has contributed have occurred in the last two years of the period under review, it is still too early to observe the long term effects of these evolutions.

That said, as seen above, achievements can already be recorded in terms of improved coverage of agriculture services and increased awareness among farmers on the benefits agriculture modernization. Policy reforms achieved during the period also represent a significant step towards the integration of Georgian agriculture into European trade. At the same time, it needs to be remembered that there will be winners and losers within the agriculture sector from integration. Those farmers who find meeting quality standards too costly, for example, or those operating in uncompetitive niches, will find no benefit from the sector strategy. However, the consolidation of the sector strategic framework is a crucial step to help consolidate the positive effects achieved so far in terms of rural livelihoods and poverty reduction in the targeted areas. This consolidation process will also benefit the large initiatives supported by other development partners.

The EU contribution to a strengthened policy framework was also substantial in the area of regional development. Together with other key DPs (e.g. UNDP, Switzerland and Member States such as Germany, Austria and Poland), the EU has been instrumental in the development of the Georgian State Strategy for Regional Development 2010-2017. In particular, it provided a crucial support to the work of the inter-ministerial working group responsible for the drafting of the strategy. The EU also indirectly contributed to the subsequent development of specific strategies and action plans at regional level. The EU financed analytical work (such as the 2013 Report on Regional Disparities in Georgia) which was crucial for policy development. Whether through specific projects at the local level or the

²¹ E.g. TAIEX workshop on Agricultural Strategy Development AGR 43892, December 2010.

²² The ENPARD programme has a budget support component of EUR 18 million out of which more than half of the amount had been disbursed by mid-2014.

wider support provided in the context of the “Support to Regional Development reform programme”, the EU has helped to build confidence between the population and local governments and contributed to developing the capacities of regional governing bodies although important challenges persist at this level.

Regional Development is still at a very early stage. While the State Strategy was used as a guiding document at national level, it constituted little more than a series of activities and could be more accurately characterised as a strategy for infrastructure rehabilitation in the rural areas of the country. It is not yet based upon a coherent policy designed to address regional disparities and stimulate socio-economic cohesion and, in 2014, the “programming” dimension was still missing in the approach adopted by GoG. Finally, as the funds provided by the EU via BS are small compared to the scale of the investments targeted, they are unlikely to have a strong impact on regional disparities in the short term and can only play a limited role in terms of seed funding.

Appropriateness of EU engagement

EU support to agriculture and regional development must be set against a background of years of neglect by the GoG, in which there was no clear strategy for development in rural areas. Infrastructure was provided to gain political support, but not in line with any long-term strategy. Some EU projects reflected a livelihoods orientation that would be more familiar in a low-income country than in a country at Georgia’s level of development. However, the rationale and focus of larger EU interventions in this area was to support a more integrated approach to tackling the problem of rural poverty, poor competitiveness of the agriculture sector and a lack of access to rural services. Involvement in this sector was and is essential to support Georgia towards a more equitable development path that, at the same time, will better facilitate integration into the European economy. In the medium and longer terms, it may provide a means by which Georgia may leverage its current underperforming agriculture resource base and provide for a transformative impact on the rural and wider economy.

The EU engaged appropriately in agriculture, responding to the immediate poverty and post-conflict needs after 2007, accompanying the significant GoG policy shift to support medium- and long-term strategic development of the agriculture sector in the following years, and moving to support the newly adopted strategy from 2012 onwards. The earlier focus on project-level targeted geographic and target beneficiary has addressed such core issues of IDPs, food security, poverty alleviation and rural livelihoods. The more recent aim of EU intervention, though for example the ENPARD programme support, is strengthening the institutional framework around which policy and strategy can be designed and implemented. Through a combination of TA and budget support, it strengthens the larger enabling environment (e.g., adoption of legislation and the putting in place of structures for service delivery). Approximation and work concerning the DCFTA will eventually pay off in terms of improved access to European markets. At the same time, it has to be remembered that development of export markets is a long-term matter and, for many years to come, the main benefits may be for the Georgian consumer, e.g. in the form of improved food safety. Moreover, as in any trade-related reforms, there are likely to be winners and losers; in particular, between farmers engaging in different types of production.

The need for a regional development approach came also from the need for rural diversification and the fact that many problems of rural poverty in Georgia are not “rural “ per se, but arise from isolation, lack of access to markets and services, etc.

This has, however, proven a challenging area, for multiple reasons, including:

- The lack of data in the sector has seriously hampered policy design. The EU adequately responded to that by investing in sustained policy dialogue, in-depth sector analyses and the implementation of specific thematic studies in this area.
- In the absence of adequate financial resources and clearly devolved capacity and competences at regional level, there is a strong risk that regional strategies will remain a ‘wish list’ of projects, particularly infrastructure projects. The funds provided via BS are insufficient to have a significant effect at that level.

- It also appears that regional strategies have been developed without being underpinned by a strong rationale. Regions in central and eastern European countries are generally small administrative regions, which rarely equate to the NUTS 2 regions used for regional policy purposes within the EU. The confusion with the context of regional policy within the EU observed in some accession and pre-accession countries also affected the approach taken in Georgia. In general, the concept of “region” in Georgia is still insufficiently adjusted to the reality of the country.

Summing up

Through projects, the EU contributed to relieving rural poverty and strengthening agriculture at the local level already in the first years of the period under review. When the GoG displayed readiness to adopt a more strategic and longer-term perspective on Agriculture (from 2010 onwards), the EU successfully contributed via TA and budget support to the development and implementation of strategic plans in agriculture and regional development. The EU also contributed (through Comprehensive Institution Building TA) to development of a strategic plan for food safety.

Concrete effects of EU projects can be seen at the local level. However, it is still too early to see national-level impacts of the EU’s contribution to strategy development. But the strategies in place are consistent with better long-term development of the agriculture sector, improved rural living standards, and decreased regional disparities.

5.4 Civil Society

Evaluation Question 4: To what extent, and how, has EU support to Civil Society strengthened participative democracy?

Introduction

Civil Society is not a sector per se, and this EQ in some ways shares more the characteristics of a transversal EQ – and has in significant part been answered based on a synthesis of sector EQ answers.

One of the conclusions of the assessment of the ENP mid-way through the period covered by this evaluation was that insufficient attention was being paid to the role of Civil Society, particularly to its potential for promoting European values and the European project. In Georgia, desk analyses as well as the field mission indicate that Civil Society in Georgia enjoys a relatively (as compared to other countries in the European Neighbourhood East) benign legal and fiscal environment, engages relatively easily with public authority, and has reasonable capacity, at least in the middle- and top tiers of NGOs. Yet, desk analyses mid-way through the evaluation period concluded that civic engagement was low and distrust high, particularly at the grass-roots level. The ability of Civil Society to function independently, i.e. in the absence of donor support, in its role as a driver of democratic development was found to be limited. Self-assessments of Civil Society representatives suggested that the actual impact on government policy, while significant, was modest.

While only some EUR 6.6 million of EU support went directly to the focal sector “Civil Society Development”, a much larger amount, about EUR 22 million, was channelled through national NGOs for focal and non-focal sector activities. This substantial sum offered opportunities for learning through doing, capacity building, networking, institutional development, etc. The basket of instruments used was coherent in the sense that each instrument was designed with a niche in mind – IfS for emergency response, CSF for promoting pro-European voices, EIDHR for flexible support to human rights, rule of law, and vulnerable groups, NSA/LA for local CSOs. Civil Society groups contributed to most sector reform efforts: in Justice by promoting juvenile justice reforms and providing services to prisoners and ex-prisoners, in Agriculture by playing a part in cooperative formation and integrated poverty reduction projects, and in IDPs by advising government on strategy, monitoring implementation, and supporting dialogue between IDPs and local governments and host communities.

Not surprising, most EU support has gone to Tbilisi-based organisations (in a ratio of about three to one), although some support has gone into the regions in Justice and Agriculture (see below for the emergence of regional NGOs). The EU provided financial support and capacity building to a range of NGOs in Abkhazia and, subject to stringent limitations imposed by the *de facto* authorities, in South Ossetia. A significant theme in analysing EQ 6 on Confidence Building is that the EU did not aggressively test the boundaries of the activities that could have been supported. The box below summarises the main inputs provided by the EU support in this sector.

Box 5 *Overview of main inputs (Civil Society)*

Dialogue: exchanges between EU, GoG and CSOs on policy reforms; Structured Dialogue with CSOs and Local Authorities (policy consultation process); coordination of Civil Society 2014-17 Roadmap process.

Training: (including training of trainers): training sessions for a wide range of sector stakeholders (e.g. local NGOs, CBOs, and local authorities) on a variety of topics (e.g. networking, advocacy, lobbying, local and central budget planning, participation in development of local and Regional development plans, dispute settlement and negotiation skills, EU external aid policies and programmes, project cycle management under EC procedures, etc.).

A selection of other inputs: seminars (e.g. for the core working groups and local authority representatives) and workshops (e.g. Georgian/Abkhaz Civil Society dialogue); training manuals (e.g. for joined GTUC/GEA ToT on collective bargaining with translation into Georgian); participatory Integrated Resources Management Plans (IRMPs) in the selected pilot communities, of Citizens Guide (on public participation mechanisms for local stakeholders to let the public participate effectively in decision making); information booklets, (e.g. "Results of the Monitoring Military Guardhouse"), posters, placing information on the billboards, documentary (e.g. "My Second Home"); preparation of corresponding draft laws and other normative acts based on the Conception regulations prepared; etc.

Progress in government – Civil Society engagement

During the field phase, all persons interviewed stated that government had become more open to dialogue with Civil Society over the evaluation period, and especially after the October 2012 elections. Many members of the new government were formerly affiliated with Civil Society organisations. This view was particularly expressed in the area of IDPs, where it was reported that the EU, through its conditionality, had created political and policy space for NGOs to influence policy both in strategy setting and, via monitoring, in implementation. A concrete example of this was government's acceptance, albeit with some reluctance, of the need for a livelihoods strategy, privatisation of housing, and a need - as opposed to status-based approach - to assisting IDPs.

Civil Society provided expertise and advice in areas such as electoral reform, electronic surveillance, and media legislation, as well as briefing papers on IDPs. The role of EU-supported CSOs in the "trialogue" between the EU Delegation, Government, and Civil Society in the months before and after the October 2012 elections has emerged repeatedly as a major contribution of the EU. Largely as a result of CSO involvement, politically driven election-law amendments were avoided and media coverage of the political campaign was enhanced. There is evidence of increasing Civil Society engagement with Parliament, in the form of a Memorandum of Understanding signed in December 2013 between the NGOs gathered under the CSF-supported Georgian National Platform and Parliament.

Technical ministries, especially the MoF, remain distrustful of NGOs' technical competence to comment on areas such as PFM reform, but two qualifications are in order. First, during the field phase it was reported that such resistance is diminishing. Second, as discussed in answering EQ 2, the nature of the PFM reform itself, which is more a bundle of function-oriented technical fixes rather than an "overarching reform" (as the phrase is used in PFM), acts to weaken the ability of Civil Society either to contribute to strategy setting or to monitor implementation.

Key sector outcomes and their evolution over the evaluation period

Field interviews and the results of a recent attitudinal survey by the Caucasus Research Resource Centre document significant positive developments in 2011-14, the first date corresponding roughly to the survey alluded to above. Public awareness of Civil Society,

appreciation of its potential role, and trust overall have improved. For example, the share of over 2,000 respondents who professed ignorance of what an NGO was declined from 45% to 33%; the proportion stating that they trusted NGOs rose from 18% to 28%, and the proportion with a positive view of NGOs' motivation ("to help Georgian people solve their problems") rose from 30% to 41%. However, constraints must be recognised. Possibilities for citizen engagement are limited by still-low levels of civic education, low capacity of local government institutions, and the absence of mechanisms for participation. The proportion of survey respondents actually civically engaged remains constant at about 20%. Nonetheless, there have been some successes; for example, Kutaisi has seen the development of a regular consultative forum in which citizens can express their view on budget priorities to the municipal council. In Zugdidi, IDPs communicated their development priorities to local government, which in turn incorporated these fully into the municipal development plan.

Even the increased openness of government to Civil Society can be questioned. A number of Civil Society representatives interviewed during the field mission wondered whether the post-October 2012 opening could be continued to last. None assumed that it would.

Georgian CSOs continue to remain dependent on international donors for finance. As a result, they adhere to donor agenda. Dependence leads to uncertainty and discourages long-term planning and institutional development.

Apart from some examples in the justice sector, CSO involvement in service provision (e.g. social services) appears to be rather low. Civil Society was involved in monitoring reform in justice and IDPs, but their role in monitoring PFM remains limited. There have been successes on CSO engagement with local authorities in IDPs and Agriculture and Rural development. A theme often raised is the enormous gap, in terms of capacity and effectiveness, between Tbilisi-based national NGOs and NGOs outside Tbilisi. A positive development over the evaluation period was the emergence of a middle-tier of NGOs, based mostly in secondary cities, with reasonable capacity and the ability to attract international funding. At the grass-roots, however, Civil Society remains very weak, and nowhere more so than in minority-populated regions.

EU contribution to change (both at policies / reform level and outcome level)

The EU has contributed significantly to Civil Society's role in democratic development in Georgia. At the political level, the EU has insisted on a place at the table for Civil Society; for example through the Structured Dialogue with CSOs and Local Authorities on policy issues. As a result, in areas such as Agriculture, Justice sector reform, and IDPs, the relevant EQs have revealed growing engagement of Civil Society. Through the CSF and support to the Georgian National Platform, the EU has lent weight and voice to Georgian Civil Society. EU projects were responsible for the Kutaisi and Zugdidi initiatives described above. EU support for Civil Society in Abkhazia provided a lifeline for groups in that breakaway region.

The most significant contribution of the EU was, borrowing a phrase used often in the IDPs area, opening a political space for NGOs to contribute to strategy setting and implementation monitoring. The nature of this contribution has varied from sector to sector (strategy setting in Agriculture, monitoring in justice, both strategy setting and monitoring in IDPs). In PFM, Civil Society has scored relatively few gains.

Most EU instruments for direct support to Civil Society were on a call for proposals basis, requiring capacity and a track record to succeed. Despite this, and related to the development of Civil Society in Georgia, a number of middle-tier NGOs were able to win European support. The problem of only a handful of elite NGOs qualifying for support no longer characterises Georgia. However, there still lacks a mechanism for supporting NGOs at the grass-roots community level. Outside Agriculture and IDPs, EU support has so far resulted in little strengthening of grass-roots community-level Civil Society because the limitations are so challenging. This problem is acute in minority regions.

Appropriateness of EU engagement

Like other countries in the Eastern Neighbourhood, and despite significant progress, Georgia continues to suffer from a deficit in Civil Society. The EU's support for Civil Society development was entirely appropriate with ENP goals and reflected the findings of the ENP

mid-term evaluation calling for more attention to the area as a means of promoting European values and advocating for close ties with Europe. The broad mix of instruments opened a range of possibilities for NGOs and did not bar all but top-tier NGOs from successfully applying. What the EU could have done better was to reach out to grass-roots NGOs at community level, a need that was clearly emerging by the end of the evaluation period.

Summing up

Over the evaluation period, the engagement between Civil Society organisations and government gradually increased, in significant part because of the change of government, but in part thanks to donor support. EU insistence that Civil Society have a place at the table in sector reforms made a contribution to strengthening Civil Society's role as a force for participatory democracy. That having been said, problems were encountered, for example, it was a difficult struggle to increase NGO access to prisons and NGO involvement in PFM remains minimal. One of the successes in this area was the involvement of civil society in monitoring IDPs actions, a process that brought transparency while at the same time increasing CSOs' capacity and confidence in their ability to have an impact. Comparable surveys from 2011 and 2014 suggest that public awareness of Civil Society and its role have increased, as has trust in Civil Society organisations. While problems of donor dependence persist, a favourable trend has been the emergence of sustainable NGOs outside Tbilisi. This has not yet occurred, however, at the grass-roots village level, and minority regions lag far behind. This may not be unrelated to the comment often heard during the field mission, that there is still a great deal of misunderstanding of the EU project outside Tbilisi. The main problem to be surmounted remains low levels of civic engagement. The Western model of civil society sees it as a catalyst for promoting democratic development; a communicative turnpike facilitating dialogue between citizens and government. While this model is appropriate in Georgia, and probably much more so than in its neighbours in the South Caucasus, it underscores the challenge posed by the disconnect between the ordinary citizen and government.

5.5 Internally Displaced Persons

Evaluation Question 5: To what extent, and how, has EU support contributed to timely and effective improvement of living conditions of conflict affected populations in Georgia?

Introduction

Displacement was a major poverty and political issue in Georgia, as well as a testing point for the competence of the Government, which has on many occasions been criticised for not dealing effectively with the crisis. The increase in displacement following the August 2008 War, which instantly gave rise to the distinction between "old" and "new" displaced persons, with the implicit perception that the second group has fared better, raised the stakes for an effective Georgian and EU response, yet the problem of IDPs dates back to the 1990s, even if the Government IDP Strategy dates only from 2007.

The main form of EU financial support was a series of budget support programmes, IDP I (agreed in 2007) (EUR 9.3 million), IDP-II (EUR 50.7 million) and IDP-III (EUR 43.4 million). The EU stated overall objective in budget support programmes was "*to provide Durable Housing Solutions to IDPs and raise both them and their host communities out of extreme poverty and lessen their dependence on the State*". As per the government's approach the funds went primarily to finance investment in housing, yet separate TA components were attached as well. The primary partner ministry was the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia (MRA), but in an arrangement that significantly weakened the MRA's sense of ownership, the budget for implementation of IDP programmes was allocated to the Ministry of Regional Development and Infrastructure (MoRDI), which was responsible for organising construction of the housing and related infrastructure through the Municipal Development Fund (MDF). Yet, the TA provided was mostly policy-related, not in areas like construction.

In the wake of the August 2008 War, the EU used ENPI funds (EUR 12 million) and Instrument for Stability (IfS) funds (EUR 15 million in Phase I and EUR 14 million in Phase II) to support projects, many implemented by international NGOs (INGOs) such as Oxfam and

Action Contre la Faim (ACF) or UN agencies such as the FAO. Limited DCI funds had also been used to finance INGO projects.

The EU did not just focus on IDPs and conflict-affected populations in areas under the control of the Government of Georgia but also engaged in Abkhazia working with UN agencies, INGOs and local partners, often in difficult circumstances, to reach communities primarily in the Gali district. Gali is the major returnee area for Georgian IDPs in Abkhazia. South Ossetia proved more of a challenge to access, not only for the EU but also the international community as a whole.

The box below summarises the main inputs provided by the EU support in this sector.

Box 6 *Overview of main inputs (IDPs)*

<p><u>Financial resources</u>: funding provided via budget support (ENPI).</p> <p><u>Dialogue</u>: exchanges between EU and GoG on policy reforms in relation to budget support, IDP issues also part of the high Geneva International Discussions, part of the informal dialogue with EUSR had with de facto authorities.</p> <p><u>Technical assistance</u> provided to MRA and MRDI (policy related, not technical/engineering).</p> <p><u>Building and infrastructure</u>: housing built / refurbished, minor connecting infrastructure developed, etc.</p> <p><u>A selection of other inputs</u>:</p> <ul style="list-style-type: none"> • <u>Training</u>: central and local administration staff trained on a variety of IDPs-related issues ; IDP target groups and host communities trained on planning of local projects, entrepreneurship and business development, including women's groups and youth • <u>Other</u>: awareness campaigns implemented (e.g. on return/integration conditions; housing rights; etc.); legal services provided at the local level; civic structures supported at the local level; networking platforms for IDPs supported at regional and national levels; information bulletin for IDPs/host communities and other communication/awareness materials; analytical work to support monitoring conducted, etc.
--

Progress in main government reforms

The evaluation period saw a number of government policies and actions. Among them were:

- IDP Strategy 2007;
- Action Plan on IDPs 2009-12;
- IDP Action Plan 2012-14;
- Housing Strategy and Action Plan 2010;
- IDP Law 2013;
- Livelihood Strategy and Action Plan 2014-16 (the latter still not approved).

While the evolution of government policy, under EU pressure through budget support policy dialogue, was generally in the right directions over the evaluation period, progress was slow, for reasons discussed below the next section. Problems with poor quality of housing and refurbishment, as well as the inadequacy of the complaints and reporting system, were serious throughout the evaluation period. The MRA ignored sound advice given during EU-financed technical assistance regarding the prioritisation of IDPs for immediate relocation. While Government eventually finally overcame its aversion to a sustainable livelihoods strategy (implicitly recognizing that the IDPs crisis required long-term solutions), there was disagreement between MRA, and the EU (as well as other donors) on the best way of implementing the livelihoods strategy an issue which is still ongoing. Despite legislative changes, the formal definition of IDPs in Georgia still does not fully adhere to international standards and conventions.

Key sector outcomes and their evolution over the evaluation period

It is indicative of the low capacity of the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia (MRA) that it is unable to give a precise figure on the number of IDP households that have been provided with housing through EU budget support. While it is possible to contend that as this was targeted budget support, specific figures related to EU support are not an appropriate way to approach the topic, this is still somewhat unsatisfactory. The figure of 10,000 was mentioned in three

separate interviews by different stakeholders although the EU nor the MRA was able to provide an exact figure for the support over IDP I, II, III and IV. Living standards of IDPs were undoubtedly improved by the durable housing solutions were made possible by benefitted from EU targeted budget support. In this regard, however, a continued problem reported by IDPs and independent monitoring and evaluation exercises was the poor quality of buildings constructed or refurbished by MDF-funded contractors. There have been gradual but not substantial improvements in the quality of housing provided yet some significant problems persisted throughout the evaluation period despite being identified early on. Most problems relate to poor contracting procedures and weak quality control mechanisms in the MDF, although low skills of construction firms have been cited, the general lack of a building code and unfavourable locations. In one instance, it was questioned whether there were enough resources for the purchase of quality materials.

Some EU-financed infrastructure and INGO activities had a certain amount of success in providing social services in terms of health (e.g. via mobile health team) and support to education (incl. vocation training), particularly in the immediate post-conflict phase in 2008. Yet these were areas in which the EU wished to avoid investing too much of its IDP related support so as not to crowd out government in what is a quintessentially public function. INGO projects implemented through local partners focused more on sustainable livelihoods and on putting in place the institutional mechanism for dialogue and consultation between IDPs and local governments in host communities. Overall, results related to genuine sustainable livelihoods appear, based on available evidence, to have been mixed. The general level of poverty and the lack of realistic opportunities and available land to ensure sustainable livelihoods were major constraints – as were the fact that housing at times was not near centres where productive economic activity could be undertaken.

EU contribution to change (both at policies / reform level and outcome level)

EU budget support and projects contributed significantly to improving the welfare of IDP families in Georgia over 2007-13. The argument that EU support simply substituted for efforts that government would have taken itself does not stand up to scrutiny when consideration is given to the fiscal pressures that were experienced as a result of the August 2008 War and the global financial crisis. While much of this was focused on IDPs from the August 2008 conflict, the EU was principled and clear that host communities and both “old” and “new” IDPs should benefit from their engagement. The EU constantly put forward that the government should move from status to needs based approaches to IDPs, yet the government was reluctant to fully embrace this because of the political consequences associated with this. However, in a sign of progress, in moving from the IDP III to the IDP IV programme, there was a shift from status-to needs-based approaches and this was captured in the policy matrix for IDP IV programme showing that the dialogue although difficult and slow had borne some fruits. Indeed the EU had a substantial, comprehensive and all-encompassing dialogue with the government on policy issues that affected IDPs. It, along with other members of the international community, had a direct influence on the State Strategies and subsequent Action Plans on IDPs. It also supported the development of other necessary policies, such as those regarding sustainable livelihoods and durable housing solutions. There were, however, limits to how much the EU could effect change as this primarily depended on the MRA to engage with the Ministry of Finance and Parliament and GoG system in support of IDPs. The MRA had low capacity or was not influential within the wider government system. Changes in the Ministers (of which there were five during the evaluation period), not MRA policy shifts, were more determinant of how IDP issues were handled. Nevertheless, the EU conditioned its budget support on policy changes while managing the delicate balance of both being a partner to the government and MRA but also a force for change. Given that the MRA was not a beneficiary of direct budget support (funds went through the MoF to the MDF) it has to be questioned how much leverage budget support in itself gave the EU over the MRA. Indeed within the MRA itself the notion of budget support was poorly understood.

If not influencing policy directly, the EU projected influence by the provision of technical support which was appreciated by the MRA and also other IDP stakeholders who recognised the expertise. Admittedly, the advice provided was not always followed, but in the context of

constantly changing Ministers and senior staff, EU-financed TA provided continuity and institutional memory at MRA.

The EU recognised the housing quality problem early on and strenuously tried to apply pressure, conditionality and other measures to address it, e.g. supporting an improved complaint mechanisms, pressuring for the adoption of standards, specific evaluations, general and specialist Civil Society oversight and studies of the housing and procurement process, and a redress mechanism as part of the policy matrix under IDP IV but with limited results in terms of change, i.e. actually tighter standards being applied on the ground.

The EU also identified early on that sustainable livelihoods should be an area of priority for the Government yet it did not become the major focus until the programme IDP IV despite being part of policy dialogue earlier. In order to have a holistic approach the EU pressured the MRA to address the lack of a policy framework strategy and priorities on the issue of sustainable livelihoods. The EU's engagement on this area encouraged the evolution of policy and accelerated government progress. The EU's consistent emphasis on sustainable livelihoods in policy dialogue and through the provision of TA was appreciated and noted by Civil Society and IDP groups in Georgia. So was the EU's championing of the principle that IDPs themselves and Civil Society should be consulted. Throughout the period 2007 – 2013, the MRA as well as local authorities developed some priorities in the area of sustainable livelihoods, often with EU technical and financial assistance, but this was at times hampered by the lack of political support, changes in Ministers (and top level administration) and a lack of clarity in what the MRA could itself do in this area. The EU also financed a number of initiatives through INGOs working with local partners on livelihoods as well as enabling IDPs to take an active part in regional and local development committees soon after the crises of 2008 and up to 2011. Despite some progress at the macro-level in terms of creating an enabling policy environment and instances at the micro-level of how specific activities had contributed to economic livelihoods, it is difficult to judge the overall impact of the EU engagement in this challenging area on a total number of beneficiaries.

In its policy dialogue and programming the EU prioritised enabling good community relations through a comprehensive approach to IDPs (both old and new) and their host communities. It sought to be equitable to communities and to engage in community mobilisation and ensured that EU-financed infrastructure investments and social services provision benefited host communities as well as IDPs. Inevitably there was tension between host communities and IDPs, yet implementing partners of the EU were well aware of these and there were no discovered examples of a negative impact where EU programming exacerbated these tensions. Civic engagement of both IDPs and their host communities to defend their rights and advocate for changes at the national and municipal levels was enabled by EU funded projects, particularly IfS but also ENPI funded initiatives through INGOs, UN agencies working with local partners and CBOs. The EU was a consistent advocate for CBO and NGO engagement and comprehensive consultation in the development of all Government strategies. NGO representatives appreciated the fact that the EU created policy space for Civil Society and expressed doubts that they would have been consulted in the absence of consistent EU pressure to do so.

Appropriateness of EU engagement

IDPs were a humanitarian, poverty and a political issue in Georgia, and the EU had no choice but to become involved. It further chose to work mainly through the MRA and MDF rather than only through INGOs or UN agencies. According to those interviewed in the course of this study, there were very limited alternative options for the EU to undertake such large-scale building programmes of durable housing for IDPs. While other donors did run building initiatives, they were not of the same scale and scope as the EU was trying to develop. The EU Delegation does not have the capacity to run a large, complex programme of building (including procurement and technical oversight). That having been said, we recognise that there was also a key political dimension to the decision to work through the government.

While the strategy represented a logical choice, MRA and the MDF were far from ideal partners. In addition to low capacity and frequent changes at the top, the MRA was often not

politically powerful enough to engage other Ministries to affect change with all the issues related to IDPs. The EU did try to engage and work, as well, with the Ministry for Regional Development and Infrastructure on IDP issues to compensate for MRA/MDF weaknesses. While the EU moved to support livelihoods questions, it can be asked if it was effective in encouraging the government to prioritise this aspect of IDP support, While livelihoods were part of IDP III the government was more keen on developing housing, and the new Livelihood Strategy was not adopted until 2013. .

While IDPs assuredly benefited and some progress was made on policy issues, and the EU operations staff did their very best to affect change, it can be asked given the large sums involved whether results would have been better if the EU had raised issue more aggressively at the highest political level

Summing up

Overall, the EU was a major, consistent, and much appreciated player in improving the living conditions of the conflict-affected population throughout Georgia. Without the level and scope of the EU's engagements whether they be targeted budget support, TA, supported INGO/UN projects or policy dialogue, conflict-affected populations and IDPs in particular would have been considerably worse off during the period 2007-2013. The decision to use primarily targeted budget support and work through the GoG, MRA and MDF was a politically and practically understandable but had negative consequences for the effectiveness and quality of IDP support and the ability to affect change directly. While it is a moot point it did not seem that there were readily available and logical alternative options that could have easily be used to acquire better results. What leverage the EU had by itself and with others it used well, but progress was often slow related to wider political issues and low capacity in addressing IDP issues. More aggressive political dialogue on IDP-related issues, especially the persistent problem of low housing quality provided by the very substantial resources invested through targeted budget support to the MoF to MDF, might have improved the situation. Yet this would have required a level of boldness and expenditure of the EU's political capital at a higher political level that some think unrealistic.

5.6 Conflict Resolution

Evaluation Question 6: To what extent has EU action in conflict prevention and peacebuilding constituted an added value?

Introduction

Conflict resolution and peace building issues in Georgia and the wider Caucasus region are profoundly complex and not subject to quick fixes. The international community, not just the EU, has been challenged to stage an effective response. The “frozen conflicts” (although this term can be disputed) in Georgia have become, if anything, more intractable over the evaluation period. The UN Mission and OSCE lost access to South Ossetia and Abkhazia was blocked by Russia after the conflict in 2008. Georgians were able to travel to Tskhinvali region/South Ossetia, although with some restrictions, prior to 2008. After 2008, Georgians are not allowed to travel to this region at all, except for those who live in Akhgori district. Travel to and from Abkhazia is also very heavily restricted.. The 2008 war significantly changed the dynamics, making resolution less rather than more likely, as Russia recognized the so-called “independence” originally declared by de facto authorities in Abkhazia and South Ossetia in the 1990s, with the GoG position towards them hardening. The on-going crisis in Ukraine has raised the stakes for all asides and further hardened attitudes.

The EU, as evidenced by the role of then-EU President of the Council Nicolas Sarkozy in brokering an end to the August 2008 conflict and the fast deployment of a European Union Monitor Mission (EUMM) which is however blocked by Russia and the de facto authorities from accessing Abkhazia and South Ossetia, has assumed a high profile role. EU Special Representative(s) EUSR(s) have also been deployed. Yet its engagement in Confidence Building and Conflict Resolution pre-dated the 2008 conflict with the EU having a long-engagement towards this end across the Caucasus since the late 1990s.

Yet, as will be explored below, less was actually distributed for the peaceful resolution of conflicts. There were a number of reasons for this. One was because of the EU's inability or unwillingness to navigate the GoG reluctance to see money spent in Abkhazia in ways that the GoG would regard as legitimising the de facto authorities or that could be construed in their mind as state-building. Yet it was also because of the restrictions imposed by the de facto authorities themselves, especially in South Ossetia which virtually closed off the territory allowing only ICRC access amongst the international community. Complicating the picture further was the lack of unanimity in approach from EU member-states and also the role of Russia in the conflict which also significantly impacted the operational environment in which cooperation activities would actually be welcomed.

Levels of Engagement

As noted by the EU sponsored report Fact-Finding Mission on the Conflict in Georgia in 2009, three separate but interconnected levels of conflict related to Georgia all require resolution:

- Level I - Unresolved issues regarding the status of and relationship between Georgian authorities and the different minorities living within its borders;
- Level II - The strained and ambiguous relationship between Georgia and its powerful northern neighbour, the Russian Federation; and
- Level III - The geostrategic interests of major international players, both regional and non-regional, competing for political influence, access to energy supplies and other strategic interests.

While the EU was rapid in its response to the 2008 conflict, the environment for Conflict Resolution or for that matter cooperation activities generally has become increasingly challenging since. Not least because of the role of Russia. The majority of the EU's co-operation activities (rather than political or crisis management activities) were focussed on Level I, yet obviously Levels II and III also had an influence and there were activities that touched on these levels as well.

Key developments over the evaluation period

The overall outcomes of EU co-operation programmes were affected by the evolution in the political environment. Therefore there was very limited progress and even some regression in the resolution of the conflicts at any level. The situation changed dramatically with the August war of 2008 and Abkhazia and South Ossetia's recognition by Russia, with access to South Ossetia being becoming almost impossible for the international community. The GoG Law on occupied territories in 2010 was a key development which could have restricted engagement but was successfully challenged by the EU. The GoG contended however that the law did not restrict humanitarian, community development, and human centric engagement and that this was misperceived by the EU while others noted that the EU was not bold enough in challenging this. Another key development during the period was the change of government in Georgia in 2012. The Incident Prevention and Response Mechanism (IPRM) has been "blocked" since 2012 and the Geneva International Discussions have been yielding little, meaning that the co-operation projects and EUSR's access were one of the few tangible aspects of the EU's engagement. While not falling within the temporal scope of the evaluation beginning negotiations and then the subsequent signing the Association Agreement with the EU in July 2014 also represented a political change, as did the Agreement between Russia and the de facto authorities in Abkhazia in one hand and with South Ossetia in 2014 on the other. Events in Ukraine throughout 2013 and 2014 and the role of Russia were closely watched and had a spill over impact on the environment for resolution.

EU contribution to change (both at policies / reform level and outcome level)

The EU has deployed a multifaceted response involving political engagements at the highest level of Geneva International Discussions and participation in the IPRM for Abkhazia when operational. Yet the EU has also engaged through civilian crisis management mission in the EUMM and the deployment of an array of funding instruments (ENP, IfS, EIDHR) to support

peace building and conflict resolution initiatives including at the regional level. This is in addition to humanitarian and livelihood work within Abkhazia, most notably in the Gali district. The EU enabled some innovative responses and assisted in keeping lines of communication open between conflicting parties at not only the grass-roots level but also at the middle- and higher levels. A range of EU-funded projects, the largest being COBERM I (EUR 4.5 million) and II (EUR 5 million) but also smaller projects totalling EUR 2.4 million implemented by specialist INGOs (International Alert, Conciliation Resources, Saferworld, IISS, Berghof, Pax Christi) with long track records in conflict-related work have enabled direct and indirect contact between stakeholders to the conflict, particularly at the grass-roots and meso levels. This was often in most difficult circumstances and it has at times necessitated the direct involvement of the EUSR, the EU Head of Delegation and the UN Resident Representative. In Abkhazia, EU funding has made an important contribution to the emergence and functioning of Civil Society, which some see as an important force for further conflict prevention.

While a few other donors (UK, Sweden, Switzerland) also supported conflict-related initiatives, the length, scale, diversity, and breadth of the EU institution's engagement set it apart. However, despite the innovative nature of the EU's actions, it must be acknowledged that these were implemented under extremely unfavourable conditions. For example the project level evaluation team of the COBERM I programme noted, "...the evaluation team believes that the most that can be claimed for the two-year programme is that COBERM has fertilised the ground for further Confidence Building in support of conflict reduction." Yet a follow-up programme COBERM II was valuable in improving the capacity of a wide variety of organisations to plan and implement a variety of confidence-building measures.

While at the macro level, the amount of money mobilised and the range of funding mechanisms (IfS, EIDHR, ENPI, and even DCI) enabled the EU to act swiftly and at times creatively, there was a large discrepancy between planned and actual spending in the broad area of "Support for peaceful settlement of conflicts." This gap occurred both in 2007-2010 (planned 16%, actual 8%) and 2011 and 2013 (planned 5-10%, actual 2%). There were two reasons given for this lack of spending: constraints placed on the EU by the conflict parties, including Government of Georgia and the de facto authorities (particularly in South Ossetia where the authorities did not allow international engagement save for ICRC), and as argued previously, and EU political reluctance to test or negotiate the boundaries for the benefit of people-centred development (as opposed to state building) in the breakaway regions, particularly Abkhazia.

The evaluation has found no evidence of a collective strategy guiding the action of the various parts of the EU in the area of conflict prevention and peace building in Georgia. The EU's engagement had a mixed project feel to it rather than that of being part of a wider comprehensive strategy -- despite claims by the EU that it was precisely the diversity of the responses (political, civilian crisis management, co-operation) that was the EU's added value.

Various stakeholders have identified the EU's added value differently. However, recurring themes included being a political as well as co-operation player, long-term engagement on conflict and humanitarian issues including within Abkhazia, the promotion EU/Western values through co-operation instruments, the weight of its financial instruments, the EUSR mechanism (including links to the EUD operational section), consistent support to Civil Society, previous support to the Inguri dam rehabilitation, and the commitment and creativity of EU officials (from EUD and EUSR) in "staying engaged." For the GoG, clearly the EUMM and EU political support for their position on territorial integrity was a highly valued asset.

Appropriateness of EU engagement

For most of the evaluation period, the EU's guiding principles were been non-recognition and engagement with Abkhazia and South Ossetia. To this must be added operational boundaries restrictions imposed by the parties to the conflict and the fact that the EU was politically reluctant at the higher levels to explore the full extent of what could have been usefully and appropriately funded, particularly within Abkhazia.

The EU lacked an overall joined-up comprehensive strategy on Confidence Building and Conflict Resolution more widely. There are instances where the EU Delegation (and Head of Delegation) and EUSR engaged in political dialogue to advance conflict-related EU programming. EUMM- and EUD-funded initiatives seem to have come in contact in the EUMM areas of operations in some limited instances. The closest interaction seems to have been on the level of EUSR staff with the EU Delegation operations section staff, who had a productive and at times creative working relationship. However, while there would seem to have been some interaction between the different actors of the EU's engagement (EUMM, EUSR, EU Delegation, EU Heads of Mission, and EU member-states officials focusing on conflict) and different types (Civilian Crisis Management Mission, co-operation programming and policy and political dialogue), it is debatable what this added up to in terms of Conflict Resolution. The EU's collective weight may not have been felt because of different mandates, different lines of reporting, and different priorities, plus poor methods of working together effectively, notably at the higher levels. That EU MS themselves had different positions on conflict issues also did not facilitate this. While often excellent functional collaboration existed at the personal level (e.g. between the EUSR's office and the EU Delegation operations section) joint work was not necessarily encouraged, enabled or rewarded higher up in the EU hierarchy of the individual EUMM, EUSR, EUD (DEVCO/EEAS) entities. Fixation with individual mandates at the higher levels trumped more strategic, collective and creative working together, undermining all aspects including the co-operation aspect.

While the EU undertook many worthwhile initiatives at both policy and programming level, some of them quite innovative and flexible, the collective added value was less than could have been hoped for. Whether a truly joined-up EU strategic engagement could have actually changed overarching conflict dynamics and led to a more positive resolution in the prevailing environment is debatable, but the EU at the higher levels did not put itself in the best position for impact with its mixed engagement.

Summing up

The ability of the EU, through funding confidence-building measures and other co-operation activities, to change the overarching conflict dynamics to make them more favourable to resolution has been limited. The geopolitical nature of the conflict and Russia's engagement makes it particularly difficult. This fact does not make co-operation activities inappropriate or without value -- far from it -- and a great deal of valuable and innovative work was done, particularly under COBERM I and II and with specialist INGOs. Indeed the EU's tangible and appreciated engagement in Abkhazia was mainly through EU-funded projects and this is commendable, but more could have been accomplished by co-operation with appropriate political support within a clearer EU comprehensive approach. The EU's co-operation work around conflict issues has placed it quite well in the (unlikely) eventuality of a shift in the geopolitical situation or if the positions of the parties to the conflict evolve. In South Ossetia the position of the authorities made engagement with co-operation instruments almost totally impossible yet opportunities for people-based development activities and proposition of EU values have been missed, particularly in Abkhazia. While much of this may be fairly ascribed to difficult conditions for cooperation activities some of which were created by Government of Georgia, Russia and the de facto authorities, it is also due to the absence of a collective EU strategy and a reluctance at the political level to test and fully explore boundaries of what engagement could usefully entail.

6 Conclusions

The conclusions and recommendations are organised into three clusters, as follows:

- Global Strategy: approximation, overall relevance, etc.
- Strategy implementation: aid delivery methods & channels (role of budget support, involvement of civil society, etc.); coordination/complementarity; policy dialogue; etc.
- Specific sector aspects:
 - Criminal Justice;
 - Public Finance Management;
 - Agriculture and Regional development;
 - Civil Society;
 - Internally Displaced Persons;
 - Conflict Resolution and Confidence Building.

6.1 On the global strategy

Conclusion 1: The EU strategy was reasonably effective in pursuing the main goals of the ENP, namely reducing poverty, enhancing the potential for economic integration and promoting spreading European values.

This conclusion is based on EQs 1-6.

Despite some of the weaknesses and limitations described below, the EU strategy advanced ENP goals. Poverty in Georgia is concentrated in the countryside, and some progress against poverty can be seen at the level of projects supported. However, the impact so far of the sector strategies supported by the EU (Agriculture and Regional Development) cannot be seen. The main contribution, the support in putting in place a comprehensive forward-looking Agriculture strategy and support for its implementation through ENPARD, is too recent to be able to trace in national-level data. Implementation of the Regional Development strategy, also supported through budget support, is also recent. The potential for Georgian agriculture to be integrated with Europe is significant, but lies in the longer term. For the economy as a whole, the benefits from integration will be significant but modest and highly uneven both between and within sectors.

The EU strategy was relevant to Georgia's needs and the special circumstances arising from the conflict there. A GoG priority area throughout the evaluation period was PFM. As illustrated by the 2008 and 2011 PEFA reports, there was significant progress in many areas and, whatever weaknesses pointed out in answering EQ 2, it is safe to say that the EU's support contributed to these improvements. Policy dialogue in the first PFM budget support programme and TA in the second, were particularly effective. The EU responded flexibly and at scale to needs that arose following the August 2008 War, and effectively became the major foreign donor in the IDPs and Conflict Resolution / Confidence Building areas. Despite persistent difficulties in promoting EU priorities with the GoG relating to IDPs, the EU support contributed to some progress and made an undoubted improvement in the wellbeing of thousands of IDPs via its contribution to durable housing solutions. In Conflict Resolution and Confidence Building, various interventions significantly assisted Civil Society in Abkhazia and made a contribution to spreading European values. At the same time, actual progress towards resolution of the political stalemate was negligible despite multi-faceted EU involvement at the political level. Moreover, the EU was unable to respond effectively to the security needs expressed by the GoG.

The EU has, through budget support, consistently supported Criminal Justice sector reform in Georgia, with contributions to juvenile justice including conditions of detention for young persons, defence of human rights through the Public Defender's Office, and access to justice through Legal Aid Services. This support helped Georgia to meet international commitments in the rule of law and rights of the child and promoted international good practice, with tangible impacts on the groups targeted. At the same time, the EU's contribution to justice

sector reform has been constrained by relative lack of GoG interest in areas such as independence of the judiciary and the transparency of the procuracy. In penitentiary reform, as well, it should not be forgotten that the widely publicised instances of mistreatment in 2012 occurred despite years of EU support in the area and the system continues to fall short of European standards for transparency and access.

With EU support, space was created for Civil Society in areas such as monitoring government IDP activities and promoting better relations between IDPs and host communities, monitoring prison conditions, and (with somewhat less success) PFM monitoring. At the same time, areas such as minority rights remain very weak, as does grass-roots civil society more generally. The promotion of European values and approaches, and the explanation of why the European project is a beneficial one, has been far more successful in Tbilisi than it has in the countryside.

Conclusion 2: The focus on the broader and more political aspects of the ENP reform agenda (promoting European standards, practices, and approaches, particularly through approximation) led to decreased attention to actual sector outcomes and, in some cases, weaker strategic monitoring.

This conclusion is based on EQs 1-3 and EQ 5.

Taking ENP Progress Reports as a broad indicator of strategic monitoring, EU attention was focused on political aspects related to EU values, Human Rights, Conflict Resolution, Justice and the Rule of Law, etc. Specific sector-level outcomes, e.g. in Agriculture and PFM, were not emphasised and appear to have lost prominence over the years. General references to commitment and engagement, in the form of positive developments in the policy framework or procedures, outweigh specific references to sector outcome achievements.

In IDPs, specific data which could have been generated, with EU TA if needed, were often lacking; e.g. the number of IDPs benefiting from EU support and reliable nationwide data on income and poverty. Independent monitoring persistently identified major problems in the quality of housing provided, yet it proved difficult to make progress on this issue and on livelihoods. Reports are longer on account of improved GoG attitudes than on concrete results. In PFM, monitoring had concentrated too much on operational results at the technical sub-sector level rather than on overall PFM reform strategy progress. This moved monitoring in the direction of activities-monitoring (“box-checking”) rather than overall strategic surveillance. In Criminal Justice reform, some results emphasised, such as medical check-ups for prisoners, are far removed from the actual hoped for outcome, which is improved prisoner health. The extent of progress in terms of actual results depended heavily on GoG political will. In civil society support, the template for strategy in recent years, via the EaP, was provided by the Association Agreement, not by actual Georgian CSO needs.

The EU’s co-operation engagement in Georgia needed to respond to two related but distinct sets of needs – the needs of a developing country with large numbers of persons living in dire poverty, and the needs of a fairly developed one challenged by a post-Soviet legacy of dysfunctional governance, weak institutions, and distorted incentives. Having started as a programme largely to deal with the first, the EU’s co-operation programme became increasingly concerned with the second.

Conclusion 3: In some areas, approximation has been a strong framework for co-operation, in other areas it has been a less effective one.

This conclusion is based on EQs 1, 2 and 3.

Approximation, i.e. the putting in place of legislation and practices in line with the EU, has led to a number of good results. The outstanding example is the rehabilitation of the national food safety system, which had decayed shockingly by the time the new government came into power. EU TA and Comprehensive Institution Building, combined with popular outrage over the situation, resulted in tremendous progress in raising safety standards and moving

towards European phyto-sanitary standards. While there are still many challenges, the NFA has made significant strides in improving the regulation, inspection and control of foodstuffs, producers, processors, and abattoirs in Georgia. The driving force behind food safety is not only approximation and EU aspirations (which play a large role) but the recognition by GoG that for regional and international trade as well as for the domestic consumer market a viable and efficient system of monitoring and control for food safety is a necessary prerequisite. This was a great success for European visibility and the advance of European values, in this case, consumer protection.

At the same time, many sectors of the Georgian economy remain far from being even close to achieving approximation. In Agriculture, work has focused on poverty, food security, and rural livelihoods; achieving approximation remains a long-term goal. There is a danger that, in its pursuit of approximation, a range of laws and regulations that are ill-adapted to circumstances on the ground, and are thus likely to be resisted and unlikely to be implemented, will be adopted. Small food processors, for example, may be driven out of business. Dialogue with the private sector on approximation appears to have been largely absent. In Regional Development, capacity constraints in local government, ineffective fiscal decentralisation, low levels of community civic engagement and the inappropriateness of the European administrative regional model to Georgia reduce the potential of approximation as a vehicle for progress.

To the extent that approximation overlaps with meeting Council of Europe standards, it provides a good roadmap in Justice, Rule of Law, and Human Rights, but it is worth recalling that Georgia still remains far from meeting European standards in prisons, more due to lack of political will than resource or capacity constraints. This is an area in which the EU made a considerable investment in Georgia. In PFM, like Justice, approximation largely overlapped with the implementation of good international practice. There has been progress, but problems remain (such as failure to follow the international good practice of having the committee responsible for Parliamentary budget oversight chaired by a member of the opposition).

DCFTA is, in some respects, similar to approximation – a double-edged sword. As most economists would expect, studies show that it has potential to raise national income as a whole – by some 3-5% or so – but also as always, there are winners and losers; not only between sectors (Agriculture the winner, Industry the loser) but within sectors, as well. In an ideal world, governments ensure that losers are compensated, but the institutions and political dialogues to ensure that that will occur are weaker in Georgia than they are in Europe. It is not clear that this has been sufficiently recognised, and European economic integration and approximation is rather hard to promote outside of capital-based elites. Georgia has never been an export-based economy and is unlikely to become an export powerhouse in the near future.

Conclusion 4: EU development co-operation in Georgia is involved in a wider and more complex co-operation and political framework. Yet, the development co-operation programme in Georgia appears to have run largely in isolation.

This conclusion is based on EQs 1-6, EQ7, and EQ 9.

Although the EU's engagement, via ENP, in Georgia was embedded in a geopolitical struggle for political and commercial interest, particularly after 2008, the co-operation programme appeared to share most of the characteristics of a programme carried out in a typical (albeit post-conflict) developing country. "Development assistance" is a limited area of co-operation, and linkages with the wider framework and negotiations process (Association Agreement, DCFTA, etc.) do not appear very strong. In almost any sector, examples can be found in which EU development co-operation, largely although not entirely through ENPI, was embedded in a broader context. Yet, in documentation consulted and field interviews, the focus was largely on bilateral ENPI assistance. Specific examples are to be found in PFM and Agriculture, where multiple DGs in Brussels are involved in dialogue with GoG authorities. In Conflict Resolution / Confidence Building, a need for better coordination

between members of the EU family (EUD, EUSR, EUMM, MS) was found. There was little apparent connection between the development co-operation programme and EU energy / trade policy, which is largely dealt with outside development co-operation. The EUD was not “in the loop” on the involvement of multiple Brussels DGs in, for example, PFM. While DCFTA is largely the purview of DG Trade, there was little trade expertise evident at the EUD. While IDPs and Conflict Resolution / Confidence Building, to name the two most prominent examples, were highly political and cut across all sectors of co-operation, the political section at the EUD was too small to keep on top of the large and broad co-operation programme. In answering EQs 5 and 6, it was concluded that stronger political involvement could have led to better development co-operation results.

6.2 On strategy implementation

Conclusion 5: A wide range of instruments were employed and effectively combined to fill gaps, achieve complementarity, and exploit synergies, although the coordination of regional and bilateral programmes was not optimal.

This conclusion is based on EQs 1-6, EQ 7, and EQ 9.

The mix of instruments employed was largely satisfactory. Even leaving aside non-financial instruments such as political dialogue, the EU deployed a wide range of instruments in Georgia – bilateral and regional ENPI instruments, thematic budget line instruments (especially for Civil Society support), IfS, CIB, etc. In many cases, these were creatively used. Two examples – rapid IfS response in the form of UN agency and INGO IDP projects in the immediate wake of the August 2008 conflict and the use of EaP resources to fund CSOs under “More for More”, thus relieving pressure on thematic budget lines – can be cited. This flexibility allowed support for a variety of areas beyond the major reforms supported in the focal sectors of co-operation (see support provided under the CIB, EIDHR, etc.). It also allowed some interesting initiatives in the area of Rural Development and Regional Development (see support provided under NSA/LA). The EUD did an excellent job of coordinating this multiplicity of instruments. However, there was an apparent lack of connection between the bilateral programme and regional or cross-border programmes and instruments (such as the Neighbourhood Investment Facility). Regional programmes did not finance major actions in the focal sectors of this evaluation, but were a significant part of the EU’s portfolio and financed initiatives in, for example, energy, water, roads, and environment.

Conclusion 6: Budget support was appropriately used and, with some exceptions, was successfully combined with policy dialogue and complementary capacity development measures. However, the success of budget support operations in certain areas was contingent on the level of interest shown by national partners.

This conclusion is based on EQs 1-6 and EQ 7.

The adequacy and appropriateness of budget support was identified early as a key theme of this evaluation. Budget support appears to account for about half of the total co-operation support in Georgia over the evaluation period – not a high proportion for a country at Georgia’s level of development. However, if regional and non-ENPI support is eliminated, budget support accounted for 80% of bilateral ENPI funds available – a figure far more in line with Georgia’s level of economic and institutional development. In a number of sectors, it led to or is leading to major advances. In Criminal Justice, it is doubtful if any progress would have been made in its absence. In Agriculture, it has been crucial to the start-up of ENPARD and, in Regional Development, to the development of a national strategy and action plan. In PFM, it has contributed to significant improvements in PEFA assessments. Finally, in IDPs, it has made a tangible difference in peoples’ lives by supporting durable housing solutions and, more recently, livelihoods.

Experience has, however, been mixed, and a number of lessons can be derived. The correct partner is crucial; in IDPs, the main interlocutor for policy dialogue was one entity (the MRA)

and the agency actually receiving the money (the MRDI and, through it, the MDF) was another, leading to a major shortfall in the budget support modality. MRDI and MDF were admittedly part of the policy dialogue, as well, but their concern was essentially construction of housing, not IDP policy broadly considered. The list of problems encountered is long. The partner Ministry was weak and unable to effectively engage other ministries central to IDP issues; there were frequent changes at the top of the Ministry, capacity was weak, and GoG was persistently reluctant to recognise that the IDP issue was a long-term multi-dimensional development issue, not a short-term humanitarian and housing one. At the same time, the question must be asked: what was the alternative? In the end, the budget support modality in IDPs was the only option consistent with showing political and policy solidarity with the government. In addition, the EU Delegation lacked the capacity to implement a large housing construction programme.

In PFM, lack of government interest during the first programme led to a near-total absence of TA, a major opportunity missed. Policy dialogue, by contrast, was very successful in the first PFM budget support programme. The lack of TA was rectified, with great success, in the second budget support programme. In all sectors where it was applied, TA (and its close relative, Twinning where the partner agency had the capacity, institutional depth, and long-term commitment to effectively utilise it) were crucial to progress. Even in the troubled IDPs sector, TA in the context of budget support helped the EU to nudge the national strategy and action plan in preferred directions, and to have impact on specific issues like livelihoods, while ensuring some institutional memory in a Ministry weakened by personnel change at the top level.

As shown by experience in the Criminal Justice sector, political will or the lack thereof was an important factor in determining the effectiveness of policy dialogue in the context of budget support. In that sector, policy dialogue was successful in juvenile justice, where there was a real commitment, but was not effective in areas where government was not interested in real change. In short, budget support was an effective modality. However, in some cases, as stated also in the next conclusion, it could have been more effective.

Conclusion 7: At a number of points, a stronger combination of political dialogue and co-operation would likely have yielded better results.

This conclusion is based on EQs 5, 6, and 7.

The evaluation found fairly perfunctory day-to-day coordination between the political and co-operation sectors in the EUD, the exception being the Hammarberg human rights advisory mission following the October 2012 elections. Two areas where a stronger political voice could have leveraged the EU's co-operation programme potential into better results are IDPs and Conflict Resolution / Confidence Building. In the first, shoddy construction and poor complaint mechanisms were persistently identified by independent monitors and were consistently taken up by the EUD in co-operation sector policy dialogue with the MRA and MDF. Yet, progress was, and remains, very slow. If the issue had been taken up at the highest political level, the reaction might have been more vigorous. In the area of Conflict Resolution and Confidence Building, restrictions imposed by the GoG on work, specifically in Abkhazia, significantly constrained what the co-operation programme was able to do. Admittedly, restrictions imposed by the de facto authorities were also a constraining factor. Nonetheless, opportunities for people-based development in that region were not pursued, and a great deal of money remained unspent. The EU made only limited attempts in political dialogue with the GoG to test, the boundaries of its strictly interpreted policy of engagement without recognition policy. As a result, development-oriented opportunities that may also have yielded benefits for Conflict Resolution were not pursued.

Conclusion 8: EU support strengthened Civil Society, leading to increased involvement with co-operation programme design, implementation and monitoring.

This conclusion is based on EQs 1-6.

The EU is a valued partner of Civil Society in Georgia and is credited with having created political and policy arena for NGOs to operate in. Instruments financing actions implemented by national NGOs included EIDHR, NSA/LA, CSF, IfS, and ENPI itself. Civil Society is still subject to limitations in Georgia – there are few groups with the capacity to monitor PFM, the relevant parliamentary committee is ineffective at monitoring the budget, etc. But there have been improvements. CSOs now regularly monitor prison conditions, and were supported in this by the EU using innovative means. CSOs were heavily involved in IDPs monitoring, in building better relations between IDPs and host communities, and in Confidence Building. The EU was the largest and most consistently engaged donor with Abkhazian Civil Society. While there is some discontent about governance, the Georgian National Platform of the Civil Society Forum is functional and has reached agreement with Parliament on how Civil Society can contribute to Parliament's work. There is now a network of functioning second-tier NGOs outside Tbilisi capable of raising money in order to operate on a continuing basis. Where real gaps persist is at the grass-roots level, where NGOs remain very weak. There has been no trickle-down of resources to them as there has been to the second-tier NGOs. The situation is especially dire in minority regions, not coincidentally the areas in which the EU has been least successful in promoting European values.

Conclusion 9: A genuine EU-wide approach was not adopted in areas such as Conflict Resolution and Confidence Building and possible opportunities were missed.

This conclusion is based on EQ 6.

EU interventions in Conflict Resolution and Confidence Building had many positive impacts – keeping lines of communication open, holding authorities to account, providing material benefit, promoting EU values, providing useful analytical work on conflict issues, and in some ways breaking the isolated mentalities. These are all essential elements of effective resolution should the position of the parties or geopolitical realities change. The diversity of implementing partners and lines of engagement was also part of the EU's strength, although at times the EU's co-operation in the area gave the view of a collection of projects rather than a strategic package.

More seriously, the EU's own actions did not maximise its potential collective added value despite official claims to the contrary. No evidence could be found of a collective EU strategy guiding the action of the various parts of the EU relevant to conflict prevention and peace building. Despite some good relationships and collaborations and innovative features, the collective weight of the EU's non-financial instruments (political dialogue, EUSR, EUMM) and financial instruments and engagement of EUD operations / DEVCO (ENPI, IfS, EIDHR) did not add up to more than the sum of their parts.

The lack of an EU collective strategic purpose and effective working mechanisms involving EU actors for peaceful resolution of conflicts undermined effectiveness and impact overall, and of co-operation initiatives themselves. This would have admittedly been very difficult to achieve in a highly dynamic environment, but this EU ambiguity as perceived by the parties was not always constructive.

Effective operationalization of the engagement principle was constrained by GoG, de facto authorities, role of Russia, EU Member States' different positions, unclear collective EU leadership/direction on how the limits of "engagement" would look like, EU financing mechanisms, and lack of clarity on what precisely are the different EU financial resources that could be mobilised for "engagement." These questions are ultimately political in nature but have a key operational component that raises the question of whether the EU was bold enough in presenting tangible initiatives for engagement and overcoming its own internal boundaries. As discussed with regard to relevance, the EU's internal constraints also prevented it from addressing GoG's main concern, which was security.

EU visibility was often confined to putting pressure on implementing partners. A more encompassing, dynamic and creative approach to EU visibility would have been useful.

6.3 Sector specific aspects

6.3.1 Criminal Justice

Conclusion 10: The EU has made tangible contributions to strengthening the rule of law and improving access to Justice in Georgia, by supporting interventions to improve capacity, efficiency, transparency and effectiveness of various Justice sector institutions.

This conclusion is based on EQ 1.

EU support to the sector has contributed to better functioning of the Justice system, improving (though to varying degree) transparency, efficiency, and effectiveness of the targeted state institutions, which, following the Intervention Logic, should have improved service delivery to the country's citizens and contributed to democracy and human rights protection. The improvements effected by the EU have been achieved through training and TA, as well as providing capital equipment and infrastructure development. The use of sector budget support made it possible for the EU to develop a long-term strategic plan of sector engagement, which it could agree directly with the GoG, thus ensuring a higher level of local ownership of the reforms. In some areas, such as juvenile justice or penitentiary and probation reforms, SBS and TA have been well complemented by (1) grant projects implemented by CSOs, which involved monitoring of the performance of public sector institutions, (2) advocacy for improved compliance with international standards, (3) provision of TA and capacity building as needed or requested, and (4) service delivery.

Institutional strengthening that came about with the EU support is evident, for example, in case of the PDO, the LAS, the Civil Registry Agency (CRA), and the National Probation Agency (NPA), which have also improved service delivery to their beneficiaries. Thus, the EU has been at the forefront of supporting Alternative Dispute Resolution (ADR) in criminal cases in Georgia, supporting the creation of diversion and mediation mechanisms for juvenile offenders, which has since been applied to adult population as well. The impact of EU support was weakest with respect to the transparency, accountability and effectiveness of the penitentiary system (with the exception of improving prison healthcare towards the end of the evaluation period), as well as the procuracy.

EU efforts directed toward improving access to justice have made tangible impact on the lives of many people' who benefited from legal aid either through the LAS or through EU grant-recipient CSOs. Significantly however, more effort is needed to improve access to justice for Georgian citizens, especially, minorities, who are facing additional obstacles of language, marginalization, and stigma.

Conclusion 11: The EU support to justice sector reforms, most notably TA and capacity building, has improved compliance with international standards / conventions as a matter of form, which often ensured that the GoG did not digress from the reform path. At the same time, however, difficulties have been experienced in effecting substantive positive changes for the end users of the criminal justice sector. The strength of political will, as reflected in the budget support policy matrix, was the most important factor determining the extent of real change achieved.

This conclusion is based on EQ 1.

With support from the EU, the GoG has shown progress toward adherence to international standards and conventions, as it relates to its Criminal Justice policies and practice, juvenile justice, conditions in penitentiaries, and probation service. This was made possible through technical assistance and capacity building, which have been part of almost every EU intervention targeting the justice sector, including many EIDHR projects implemented by CSOs. The TA and capacity building efforts have complemented well the sector budget support and EaPIC grant projects implemented by CSOs. Some areas of support (e.g. juvenile justice and probation) have seen better coordination of these efforts. The good coordination has been achieved due to (1) the Criminal Justice Strategy and relevant action

plans detailing the reform efforts, (2) long-term co-operation between CSOs and the GoG (fostered by previous EU and other donor-funded projects), and (3) government will to effect meaningful change.

The EU interventions have been most effective in steering juvenile justice reforms in line with the principles of UNCRC and other child rights based approaches in the Criminal Justice area. The EU has also contributed, although unevenly, to more accountable justice sector institutions and helped with improved adherence to European Rules on Community Measures and UN Standard Minimum Rules for Non-Custodial Measures, as well as European Prison Rules and other COE standards as they relate to conditions in the penitentiary. However, the improved adherence to international standards relevant to penitentiary has been the least effective in effecting substantive changes for the ultimate beneficiaries.

6.3.2 Public Finance Management

Conclusion 12: EU support has facilitated government monitoring of PFM reforms implementation at the activities level, but has been less successful in facilitating the monitoring of the extent to which the overall objectives of the PFM Reform Strategy are being achieved.

This conclusion is based on EQ 2.

Improvement of PFM in many areas was demonstrated by the 2008 and 2011 PEFA assessments. The monitoring of PFM reform implementation is in principle well established. The MoF has the leadership and ownership of this process. There is regular monitoring and reporting on the activities conducted during the reporting period and the outputs delivered. However, there is no assessment of the extent to which the objectives and targets envisaged in the PFM reform strategy have been or are being achieved. This does not allow incorporating the lessons learnt in the design of the new or follow-up strategies. It also does not facilitate adjustment of the course (i.e. the direction, pace or scope of reform measures) when there are difficulties in achieving the expected objectives and desired results.

Assessment of progress is challenged not only by the lack of a results-based focus in the monitoring of the implementation of PFM reform, but, even more importantly, by the lack of clearly defined objectives, measurable and verifiable performance indicators and targets.

A related deficiency was the dearth of analysis and appreciation of the broad factors responsible for PFM weaknesses, especially capacity constraints. As a result, the reform measures were to a large extent technical solutions envisaging implementation of new tools, systems, procedures without necessarily addressing capacity deficiencies at all levels – individual, institutional and enabling environment levels. The lack of a systematic and comprehensive approach to PFM capacity development led to loss of opportunities for effective and efficient mobilisation and coordination of capacity development support that would have been available from development partners in the PFM area.

6.3.3 Agriculture, Rural and Regional development

Conclusion 13: EU support to the agricultural sector has been critical and instrumental in assisting the GoG to prioritize agriculture in order to reduce poverty and serve as a vehicle to enhance economic development in the long term.

This conclusion is based on EQ 3.

EU TA support was critical in informing and reinforcing the GoG's policy shift (just prior to and after the change in government in 2012) prioritizing Agriculture sector development and putting in place a long-term strategy. The EU has played a key role in facilitating and creating the enabling environment through which the GoG could move from neglect to an appropriate policy and strategy. This is particularly evident in the design and adoption of an institutional framework and service delivery structure to support farmers. It is also evident in the EU's support to cooperative development, a move designed to reap economies of scale.

Since sector strategy in Agriculture is of recent vintage, tangible impacts on poor peoples' lives are to be seen mostly so far at a local level through projects supported by the EU in food security, poverty alleviation and livelihoods development. These interventions should be seen in light of the wider and bigger picture of geopolitical and conflict status in the region and as short- to medium-term measures to mitigate the situation on the ground.

It is only at this stage with ENPARD that evidence shows that a more long-term and focused approach to Agriculture sector development is emerging. This includes improved integration of stakeholders along the production and value chains. Approximation and the DCFTA will be necessary if Georgian Agriculture is to reach its full potential as an engine for growth in the Georgian economy, and there are many problems to overcome in the area of standards, practices, and efficiency. The major success to date is progress made in the food safety and phyto-sanitary area, discussed under Conclusion 3.

Conclusion 14: EU support to Regional Development has had an impact at the national level, through institutional and planning mechanisms, but meaningful impact at the regional level must await the adoption and implementation of Regional Development action plans and a corresponding allocation of adequate resources at the sub-national level. Approximation is held back by the fact that the European administrative definition of region is inappropriate to Georgia.

This conclusion is based on EQ 3.

The EU supported the Inter-ministerial Working Group that developed a National Regional Development Plan and action plan. A number of Regional Development plans/strategies have also been developed, but no corresponding action had been developed at the time of this evaluation and, with their emphasis on long-term infrastructure projects, impact is likely to be slow in coming. This is evident in the failure of Regional Development agencies to improve their capacity and to act upon the Regional Development strategies that are currently in place. The impression received in the field visits is that, while these strategies are in place, little action has been carried out. This is partly due to a change in local governance and partly due to lack of comprehensive methodology to develop and implement the action plans. Further capacity at regional level needs to be developed along with concrete resourced action plans to bring this forward. In addition, and in the approximation context, the European concept of a region is not well suited to the actual political and economic geography of Georgia - in EU regional policy terms, Georgia could easily be classified as a single region (like Ireland in the 1990s) or at most three regions: East Georgia, West Georgia and Greater Tbilisi. The focus on the administrative regions is a pointless distraction.

6.3.4 Civil Society

Conclusion 15: EU support has contributed significantly to the development of Civil Society as a force in Georgian politics and society, but the development has been lopsided, with capital- and secondary-city based organisations attaining a considerable degree of influence and sustainability while grass-roots organisations remain weak.

This conclusion is based on EQ 4.

Civil Society is not a "sector" per se, but can informally be treated as such for purposes of assessing EU engagement. EU support to Civil Society, mostly by aid channelling and promoting the involvement of CSOs sector dialogues and reform monitoring, was substantial over the evaluation period and paid off in Civil Society development. As recently as the middle of the evaluation period, assessments of the strength of Georgian Civil Society were fairly critical, drawing attention to low levels of public trust, low levels of civic engagement, poor financial sustainability outside of an elite few, etc. Most indications are that the situation has improved since, in part but not entirely due to the change of government and with EU (and other donor) support. The baseline today is that the conditions for Civil Society as a force for participatory democratic governance at the top and second-rank levels are

reasonably good in Georgia. Tax laws, rules of association, etc. are not ideal but pose no major barriers. Specific problems such as weak PFM monitoring by Civil Society can be observed, but this is in part due to the nature of the PFM reform and associated monitoring strategy itself, tending to exclude CSOs. In Agriculture, IDPs, and Justice reform, there is solid evidence of Civil Society involvement, policy and political scope has been opened up by EU support and conditionality.

Where weaknesses persist, it is at the grass-roots level and no more so than in the minority-dominated regions where isolation, language barriers and distrust are major barriers to Civil Society development. In part because of the weakness of EU support for Civil Society at the grass-roots level, the EU has had difficulty in conveying, outside Tbilisi, the advantages of the European project.

6.3.5 Internally Displaced Persons

Conclusion 16: The EU mounted a multifaceted response to the challenges posed by conflict affected populations. It was timely and rapid, and the EU made the right strategic choices. However, the effectiveness of the support was challenged by some difficulties associated to the use of the budget support modality and the heavily politicised environment around the issue of IDPs.

This conclusion is based on EQ 5.

The EU engaged in a multifaceted response to the challenges posed by conflict-affected populations during the period 2007-2013, with the strategy evolving flexibly as the challenges themselves and policy context changed. The most dramatic development was the war of 2008 and a flow of “new” IDPs. While IDPs presented a humanitarian emergency, they also constituted a development and political challenge. The EU’s response, by comparison with other donors, was rapid and financially considerable. The EU made the right strategic choice by seeking to align and work with the GoG, its Ministries and agencies rather than simply relying on UN agencies and INGOs as the aid channel. The choice of budget support was logical as the EU wanted to work primarily with the government at the macro level and to influence the GoG overall strategy and action plan. It also reflected the fact that the EU Delegation did not have the capacity to implement a large housing construction programme.

At the same time, the budget support modality was difficult. TA to the MRA was relatively successful, and in particular helped to encourage the government to think, much against its political instinct, about promoting sustainable livelihoods for IDPs. It also promoted privatisation (again against its inclinations) and influenced the overall direction of the IDP Strategy and action plan, including the gradual move from status- to needs-based approaches, again somewhat against Government’s instincts. However, this TA did not directly improve housing standards, which is where the greatest problems lay. Despite scathing independent monitoring reports from international experts, Civil Society oversight, some policy matrix conditionality, and constant policy dialogue, the EU was only able to partially alleviate the problem of shoddy refugee housing construction. This can be ascribed in large to the fact that, while the interlocutor for policy dialogue was the MRA, the actual flow of budget support money was direct from the MoF to the Municipal Development Fund (MDF). Because of this system, a number of Ministers (there were five over the evaluation period) and senior Ministry staff had only limited familiarity with what the BS Facility was and how it worked.

Not only the design of the budget support programme, but other factors also raised challenges to effectiveness. The IDP problem was heavily politicised, and the clear priority of the government after 2008 was quickly housing “new” IDPs. Providing “free” housing and cash assistance was more politically attractive than privatisation and supporting livelihoods in recognition of the fact that displacement was likely to continue. The MRA was a weak Ministry, while IDP-related issues spanned the entire range of government (legal issues, social issues, economic issues, local government, education, etc.). It was unable to forcefully engage with other key ministries like the Ministry for Rural Development and Infrastructure. The MRA had limited capacity, further compounded by the frequent changes at senior level.

There is no evidence that the EU attempted to advance positive outcomes for IDPs by also using the top level of engagement, namely political dialogue conducted with the President, particularly on persistent troubling questions like the quality of building being unsuccessful. This may have been an opportunity missed.

6.3.6 Conflict Resolution and Confidence Building

Conclusion 17: While the EU's response to supporting Conflict Resolution and Confidence Building in the breakaway regions was valuable, it suffered from the lack of a joined-up approach and placed too much of a burden on the co-operation programme and EUD alone.

This conclusion is based on EQ 6.

As in the case of Civil Society development, Conflict Resolution and Confidence Building do not comprise a "sector" but give rise to similar specific conclusions.

Particularly (but not exclusively) through COBERM I & II & INGOs the EU supported a valuable set of activities in Abkhazia, in South Ossetia when possible, and among IDPs in Georgia itself. The support for more developmental orientated activities was constrained by the EU itself but also by GoG, and conditions imposed by the de facto authorities in Abkhazia. Had there been a more integrated approach involving EUMM, EUSR, EUD, and Brussels, these limitations might have been tested or usefully negotiated and the scope of actions broadened. Key to this would have been the recognition that co-operation, particularly with its short-term time frame and results-based logic, cannot do the job of Confidence Building on its own. Political engagement at the highest level would have been necessary to convince both GoG and de facto authorities that the people-centred development initiatives that would have represented low-hanging fruit (e.g., in the social sectors (health, education), agricultural sectors etc.) and a mutually beneficial investment in long-term development regardless of the eventual political resolution, or lack thereof.

7 Recommendations

7.1 On the global strategy

Recommendation 1: Continue to focus financial assistance on the reforms initiated (Justice, PFM/Public administration, IDPs, etc.) but address persisting challenges by holding GoG to account for sector-wide reform results. Going forward, more attention should be paid to identifying shared goals and areas where the EU can add value in the context of Association.

This recommendation is based on conclusions 1, 2, and 4.

This recommendation is mainly addressed to: EUD, DG DEVCO, DG NEAR and EEAS services.

While the evaluation has found progress in all sectors and non-sector areas (e.g., civil society and IDPs), often there was progress where the GoG desired it and little progress where it did not. To some extent this could be addressed by ensuring a results based focus in budget support: (i) building awareness of the budget support conditionality process and the role of policy dialogue in areas (e.g., IDPs) where it is weak, (ii) focusing policy matrices on actual outcomes and results rather intermediary steps, and (iii) focus on broad sector-wide reform rather than technical fixes at sub-sector level (e.g., PFM). At the same time, budget support conditionality is not a panacea, particularly when fiscal conditions are relatively good. Budget support needs to be accompanied by strong dialogue to identify areas where there are shared goals and where the EU can add value through TA and capacity building. This kind of dialogue with government requires that the EU have a consistent vision, even a plan, for how it wishes to pursue its goals. It also requires that, both in political dialogue and programming, more account be taken of the fact that association is a weaker attractor than enlargement – a factor apparently under-appreciated in the past in the ENP.

Recommendation 2: When pursuing the approximation agenda, better communicate the broad benefits of Europe, especially outside Tbilisi.

This recommendation is based on conclusions 2 and 3.

This recommendation is mainly addressed to: EUD, DG DEVCO, DG NEAR and GoG.

It is recommended that the EU stress the social advantages of European approximation. Economic advantages, while they are undoubted at the aggregate level, are a poor selling tool. At no time soon is Georgia going to become an export powerhouse. For years to come, it will be improvements and efficiency gains in the internal market, not the export market, that are crucial to Georgian economic development overall. It is social progress in the form of better environmental standards, safer food, improved fairness of the justice system and access to it, greater tolerance of minorities of all kinds, reduced corruption, greater accountability of government at all levels, streamlined bureaucratic procedures, etc., resulting from approximation that will promote the European project at village level. The EU should take concrete steps to help GoG communicate the broad benefits of Europe outside the capital, especially with regard to Russia-oriented minority regions which represent an obvious challenge. It is recommended that the Civil Society plays an important role in communicating the “why” of Europe to the common person. Actions under the umbrella of ENPARD and Regional Development can also play an important role in bringing the European message to a wider audience.

Recommendation 3: Better embed the co-operation programme in the broader framework of multiple EU-Georgia dialogues and processes.

This recommendation is based on conclusion 4.

This recommendation is mainly addressed to: EEAS services and EUD.

The EU co-operation programme has benefited from the presence at the EUD of a competent team of sector experts, who have tended to remain in post for a substantial amount of time. It is recommended to simultaneously leverage their expertise, in the form of lessons learned from co-operation, and increase their effectiveness, by forming closer links with the political section as well as with other EU entities (e.g., EUMM, EUSR) and responsible staff from non-DEVCO DGs in Brussels. This should take the form not only of joint meetings, but joint initiatives, such as occurred, for example, when the co-operation section collaborated with the human rights advisory mission of Mr. Hammarberg.

By implementing this recommendation, the EU would explicitly recognise the political dimension of the co-operation programme, a dimension that has grown in importance following August 2008 and particularly with recent geopolitical developments in the Neighbourhood East. It would also go hand in hand with the recommendation made below that political dialogue be more boldly used to promote results in sector reform co-operation.

7.2 Strategy implementation

Recommendation 4: Increase coordination between EU stakeholders while better recognising the role of development assistance in the wider EU co-operation strategy.

This recommendation is based on conclusions 4 and 5.

This recommendation is mainly addressed to: EEAS services, EUD, MSs, DG DEVCO and DG NEAR.

It is recommended that the EU adopt a “Whole EU” strategy, with the EUD at its centre, in communication with the GoG regarding co-operation. The EU and GoG are involved in a wide range of dialogues and negotiations – Association, DCFTA, and the Geneva International Discussions, to mention some of the major ones – yet policy dialogues tied to development co-operation seem poorly joined up with them. To give one concrete example,

a number of Brussels DGs are involved in PFM reform, yet there is no Brussels-wide message conveyed to the main interlocutor agency, the MoF. DCFTA is largely the concern of DG Trade, yet there was no trade counsellor at the EUD.. The lack of effective coordination between EUD, EUMM, EUSR, and MS led to missed opportunities in Conflict Resolution and Confidence Building.

Given the multiplicity of EU instruments, programmes, and avenues of engagement, it is crucial to ensure good internal coordination within the EU. The main coordinating body, the EUD, cannot be held responsible alone for gaps in the EU internal coordination systems/mechanisms. Careful coordination requires all EU services (including other DGs or EU services involved in regional programmes) to assume their part in the coordination activities and actively involve the EUD from the start (and use it as the focal coordination point throughout the implementation of the co-operation activities).

The “Whole EU” approach will require a national counterpart coordination entity for co-operation at a higher level than the Programme Authorising Office, which essentially represents only co-operation aspects of the Association Agreement. It is recommended that, while supporting the PAO as needed – an assessment be made of the needs of the new Development Cooperation Unit, which is still in its infancy and likely requires strengthening.

Putting such a “Whole EU” architecture in place would not be easy. When added to the daily operational demands on EUD staff, it would be a stretch. The view of the Georgian partners would need to be assessed. To start with, specific processes and procedures, e.g. those involved in the ENP revision process, could be examined to see if there is space for a unified approach.

Recommendation 5: Continue using budget support as the main modality, in combination with other specific measures.

This recommendation is based on conclusions 5 and 6.

This recommendation is mainly addressed to: EEAS services, EUD, DG DEVCO, DG NEAR and GoG.

It is recommended to continue relying on budget support (where appropriate government ownership has been established) appropriately combined with TA, Twinning, capacity building, policy dialogue, and grants schemes. Incentive structures (e.g. in IDP-IV) need to be examined and taken into consideration and complementary measures need to continue to be developed. It needs to be assured that the interlocutor for budget support is responsible for the entire scope of the reform supported, or can effectively deal with the range of institutions that are. As demonstrated by the Justice sector and IDPs, assessment of how well budget support aligns with government political will is important. When weak will to change results exists, specific measures involving Civil Society are called for. In areas where budget support is just beginning or is relatively new, such as Agriculture and Regional development, the project modality should be used for poverty reduction, and it should be recognised that budget support is a slow-moving vehicle for change.

Recommendation 6: Take advantage of political dialogue to further enhance results perspectives of development co-operation.

This recommendation is based on conclusion 7.

This recommendation is mainly addressed to: EEAS services, EUD and GoG.

It is recommended that, going forward, the EU more closely aligns co-operation and political dialogue. This should begin at EUD level but also involve Brussels as appropriate.

Cognisance should be taken that the ENP is as much a political engagement as it is a co-operation one, and that sectors such as justice (particularly its human rights and rule of law dimensions), IDPs, and Conflict Resolution / Confidence Building are highly political by nature (see also Recommendation 3).

Recommendation 7: Develop and implement a “Whole EU” approach to supporting Conflict Resolution and Confidence Building – covering all relevant actors, and in a broad dialogue with GoG and the de facto authorities on possibilities for action.

This recommendation is based on conclusion 9.

This recommendation is mainly addressed to: EUD, EUSR, EUMM, DG DEVCO, DG NEAR, GoG, de facto authorities.

It is recommended that the EUD and DG DEVCO / FPI maintain a diversity of implementing partners in relation to conflict issues and to other issues within Abkhazia (and where possible South Ossetia). Concerns over duplication or funding the same organisations should be secondary if implementing partners can consistently demonstrate quality and added value and fit within a wider EU strategic approach.

For EUD (EEAS/DEVCO/FPI), EUSR and EUMM Confidence Building between Georgians and others in South Ossetia and Abkhazia is important but should not be the only rationale for conflict related actions and programming. Promotion of European values, Civil Society oversight, sharing of European expertise, breaking the isolation of the breakaway regions, promoting human rights standards, encouraging professional standards, providing alternative ideas for resolution based on sector analysis, and promoting people-centred development also merit more attention. It should be robustly explained by the EU that this approach is actually in the interests of all stakeholders.

DG DEVCO/FPI/EUD should look again at what resources could be mobilised responding to Abkhazia (and South Ossetia). As in the case of Confidence Building, the responsibility for finding resources should be collective and not left to the individual in the EUD/FPI concerned with conflict issues alone, as this an overarching EUD/DEVCO/DG NEAR responsibility.

If there is progress, DG DEVCO / EUD / DG NEAR should conduct professional baseline surveys (in relation to agriculture, health, education, etc.) to inform the scaling up of any people-centred development operations in Abkhazia if that should prove possible. There should be a development logic, not just a political one, underpinning engagements.

Confidence Building is not a short-term endeavour and 6-month project actions (as financed in COBERM-II) should be replaced with longer-term interventions that build relationships in addition to financing short-term activities. This does not mean there cannot be useful quicker impact initiatives as noted below.

The FPI/EUD operations section should continue to explore how it can support rapid disbursements that can bolster political initiatives of EUSR and possibly EUMM with limited financial resources. Yet there should be no blank cheques and appropriate oversight of co-operation resources must be maintained. It would be more appropriate if guidelines, options and mechanisms could be developed in relation to EUSRs and CSDP missions globally at the “Whole EU” rather than just for Georgia as the burden for this should not fall on already overstretched capacity in the EUD operations section.

7.3 Sector specific recommendations

7.3.1 Criminal Justice

Recommendation 8: Continue to provide support to the rule of law reforms broadly defined, by deepening engagement with those institutions that demonstrate credible will to reform and putting more emphasis on issues of transparency, accountability, and (where applicable) independence.

This recommendation is based on conclusions 10 and 11.

This recommendation is mainly addressed to: EEAS services, EUD, DG DEVCO, DG NEAR and MoJ.

It is recommended that the EU broadens its support to strengthening the rule of law in Georgia and focus not only on Criminal Justice, but also on civil and administrative justice, as

the latter are essential elements of good governance and well-functioning market economy. This is also in line with the recommendation above to do a better job of promoting the European project to the general public. The previous SPSPs have already been targeting many of the institutions that would be key to these reform efforts e.g. the MOJ, CRA (now PSDA), NBE, but implementing this recommendation would also require engagement with the judiciary that, for years, lacked the political will to make real changes. The EU's recent engagement with the judiciary and the imminent change in judicial leadership in February 2015 provides the EU with the opportunity to engage with the judicial system to not only ensure its institutional independence, but also support efforts to enhance its transparency, accountability and the impartiality of individual judges.

At the same time, it is important to ensure that the EU support goes to only those institutions that show real willingness to reform and do not just seek one-off capacity building and experience-sharing opportunities. Considering the evaluation finding that prolonged engagement with an institution or in the issue area contributes to qualitatively better adherence to international standards and practices, the EU is recommended to continue its work on juvenile justice, improved conditions in detention facilities, reforming probation for better rehabilitation and reintegration of offenders and supporting institutional capacity building and independence to the LAS and the PDO. While the EU should continue to engage with the Penitentiary Department and the prosecution, it should consider these institutions' track records in effecting real changes and be more vigilant when setting the new conditions and their fulfilment indicators for budget support. The EU is recommended to engage in robust policy and political dialogue with the Georgian authorities to set more results focused indicators that would guide the GoG toward achieving the ultimate outcome of strengthened rule of law and human rights protection, which is a shared priority for both the EU and Georgia.

Recommendation 9: Adopt a strategic approach to enhance the capacity of justice sector beneficiaries to influence Criminal Justice policy making and implementation.

This recommendation is based on conclusions 10 and 11.

This recommendation is mainly addressed to: EEAS services, EUD, DG DEVCO, DG NEAR and MoJ.

It is recommended that, for the upcoming justice sector programming, the EU looks into developing a more strategic approach to enhancing the capacity of justice sector beneficiaries (physical and legal persons, majority and minority groups) to influence policy making and implementation. This would involve not only improving their legal awareness, but also reviewing legislation to (1) reduce technicalities and simplify language (see for example the convoluted language of the June 30, 2014 GoG Decision No. 424 on deciding the procedure for determining a person's eligibility for state-funded free legal aid) and to (2) detect bias against greater access of individuals and legal entities to justice sector institutions (e.g. legislation of court fees, appellate process, self-financing of the NPA, etc.). The recommended strategic approach should also ensure countrywide mobilization of Civil Society actors, including the media, to monitor the performance of various justice sector institutions against international standards and practice, as well as against the conditions for budget support. For this to be successful, effort must target CSOs and media outlets both in Tbilisi and in various regions of Georgia, including through developing a more flexible mechanism for regional CSO engagement in the reform processes. At the same time, both the EU and the GoG are recommended to make public the conditions for budget support, so that it is available to the interested justice sector beneficiaries.

7.3.2 Public Finance Management

Recommendation 10: Further strengthen support to the implementation of the PFM reforms by more systematic capacity development efforts.

This recommendation is based on conclusion 12.

This recommendation is mainly addressed to: EEAS services, EUD, DG DEVCO, DG NEAR and MoF.

It is recommended that the EU supports the government in developing a comprehensive PFM capacity development strategy informed by the objectives and desired results expressed in the PFM reform strategies and an assessment of existing capacity gaps, or capacity needs for the implementation of the respective reform measures. Such a strategy/plan should cover the whole PFM sector at all levels (both national and regional) and could address and integrate the existing government commitments and obligations in the PFM area. The underlying capacity needs assessment should be based not only on government obligations in respect to the implementation of the Association Agreement, but equally on the obligations in respect to other agreements with the development partners. It should encompass, as well as functional needs, the enabling environment in the form of incentive structures and human resource policies in the various institutions involved in PFM.

7.3.3 Agriculture, Rural and Regional Development

Recommendation 11: Continue to support a long-term two-track strategic vision in which Agriculture is commercialised via cooperative development while being integrated into a broad vision of rural socio-economic development.

This recommendation is based on conclusion 13.

This recommendation is mainly addressed to: EEAS services, EUD, DG DEVCO, DG NEAR, MoA and MRDI.

The EU should continue to support a fully GoG-backed long-term strategic vision that is based on an integrated twin-track approach to Regional and Rural development programming in which the key Agriculture pillar plays both commercial and wider socio-economic development roles. This will require ensuring that cooperative development is viewed in the long term (5-10 years), and that expectations in the short term (less than 5 years) are realistic and measured; linking cooperative development to value chain processors and end markets, monitoring and enhancing capacity of co-operatives is monitored and enhanced, and ensuring that co-operatives are viewed as viable partners for the agro-processing sector and become part of their supply chain or that co-ops themselves are able to evolve into other aspects of the value chain (added value, processing, marketing and consolidation). Co-ordination with other DPs and national actors involved in this area will need to be carefully organised. GoG's role as the leading coordinating figure will need to be reinforced.

It is recommended to identify and develop a small number of success stories and build on these going forward to ensure adoption and wider uptake of co-operative principles, link individual commercial farmers to the co-operative supply chain, encourage where appropriate co-operatives to broaden their areas of focus and intervention, not only on the production side. There needs to be a programme of support in place that can in the medium term (5-10 years) ensure that semi-commercial and subsistence farmers that wish to move into commercial Agriculture sector can do so, those that wish to consolidate holdings and expand can do so, those that wish to rent and offer labour services can do so, and those who wish to leave the sector have viable opportunities.

All this should be considered as part of a wider Rural development approach to be developed going forward. Specific steps could include programming to include support to the semi-commercial and subsistence farmers so that they have the opportunity to graduate to commercial orientation, developing a rural development strategy, and developing a pluralist model of advisory and extension services that has a role for both the private and public sector, each building and developing their comparative advantage and strengths in service delivery.

Recommendation 12: Regional Development strategies and action plans need to be reviewed and updated, and there is an urgent need for capacity building at regional level. Particularly in view of capacity constraints, the appropriateness of basing the

strategy on administrative regions should be studied and also discussed in policy dialogue.

This recommendation is based on conclusion 14.

This recommendation is mainly addressed to: EEAS services, EUD, DG DEVCO, DG NEAR and MRDI.

It is recommended that Regional Development strategies be revisited and updated to ensure full consideration of all stakeholders. These strategies need to be followed by concrete plans matched with associated resource allocations that reflect and address real needs

Specific steps include implementing, where appropriate, a consultation and workshop process should be implemented whereby solicitation of all relevant stakeholders' inputs to the revised strategy can be received and strengthening the capacity of regional authorities to ensure that they have the resources to plan, manage and implement Regional Development action plans that fit with wider policy issues and also incorporate in a balanced and appropriate fashion the role of the various sectors (infrastructure, health, education, agriculture, etc.)

The appropriateness of using administrative regions as a basis for Approximation, especially in view of capacity constraints at regional level, should be examined and taken up in policy dialogue.

7.3.4 Civil Society

Recommendation 13: Continue to support national CSOs but emphasise the broadening of CSO support to grass-roots organisations in line with the Civil Society Roadmap 2014-2017, especially to deal with the challenge in minority-populated regions. Stress the monitoring function order to improve CSO's contribution to transparency.

This recommendation is based on conclusions 8 and 15.

This recommendation is mainly addressed to: EEAS services, EUD, DG DEVCO, DG NEAR and GoG.

With well-established NGOs relatively strong and civic engagement and views on the role of Civil Society apparently improving, it is recommended that the strategic orientation of the next phase of support be targeted more towards the grass-roots. A multi-pronged approach will be needed. One that should consist of vertical and horizontal networks, including sub-granting in the first case, and mainstreaming local Civil Society into other interventions. Projects will continue to play an important role in Agriculture and IDPs. Gains in Civil Society involvement in PFM and justice should be extended to the regional and local level, for example, by encouraging civic participation in decentralised budgetary decision making. Minority regions suffer the most from marginalisation and accordingly need to be prioritised, although in many cases, what will be needed most will be basic capacity building – office skills in particular. Without running afoul of government language policy, the EU should take firm measures to help break down the language barrier that keeps linguistic minority populations in isolation.

A particular problem will arise from the tension between limited envelopes and relatively large minimum grant sizes in the main instruments, CSF and EIDHR. The EU should continue to seek ways of innovatively funding small CSO actions in Georgia, perhaps through direct grants to larger NGOs for projects involving the participation of grass-roots groups. IDPs and Agriculture would be likely sectors for such an approach. The EU should explore innovative means of integrating grass-roots NGOs into larger bilateral projects and budget support.

Increased CSO participation in monitoring holds special promise. It contributes to transparency and builds CSO capacity and confidence while contributing to better GoG-CSO understanding and citizen confidence in civil society.

7.3.5 Internally Displaced Persons

Recommendation 14: While continued dedicated support to IDPs may be needed, the EU should integrate support to IDPs into its broader co-operation programme in areas such as agriculture, civil society, economic development, and rule of law.

This recommendation is based on conclusion 16.

This recommendation is mainly addressed to: EEAS services, EUD, DG DEVCO, DG NEAR, MRA, MDF & MRDI.

The conflict affected population (especially IDPs) in Georgia still require support from the EU and this should build on the support and learning from the last 5 years. While some specific IDP programming may be needed (e.g., on livelihoods) and talk of an “exit strategy” would be premature, the EU should look to develop a comprehensive transition strategy for its work with IDPs. The key elements of this should be the mainstreaming of appropriate IDP elements within other areas of EU support and policy dialogue such as agriculture, civil society, economic development, social affairs, and rule of law issues. Key to this work should be analysis of the incentives and disincentives for IDPs to make the best use of any opportunities that may be provided. To be effective, designing the transition strategy cannot be the responsibility of the specific EUD task manager for IDPs in the EUD alone, but has to be understood across the EUD’s operations and at times political sections and with desks in Brussels.

The EU should encourage full transparency and effective monitoring of its support to IDPs both through the government and directly. It should continue to support the engagement and technical and public monitoring by Civil Society groups and international non-governmental agencies as well as Georgian official bodies like the ombudsman, that have real knowledge of IDP-related issues or specific technical issues (e.g. livelihoods, law, economic development). It is recommended to look in more detail at the issue of building quality provided through the Municipal Development Fund (MDF), perhaps through a technical audit and, working through MRA and MDF, to produce a credible estimate of direct benefits to IDPs provided through the IDP II–IV programmes.

Any large-scale BS to deal with future IDP crises should be accompanied by a robust political dialogue beyond the level of mere policy dialogue with clear policy conditionality calibrated and focussed on those with direct leverage over those with responsibility for its implementation. Complementary measures with INGOs, local Civil Society and UN agencies would also probably be necessary.

7.3.6 Conflict Resolution and Confidence Building

Recommendation 15: Develop a more broadly joined-up policy in Conflict Resolution and Confidence Building, with a deeper appreciation of the long-term contribution of development co-operation.

This recommendation is based on conclusion 17.

This recommendation is mainly addressed to: EEAS, EUD, DG DEVCO, DG NEAR, GoG & de facto authorities.

It is recommended that EEAS/DG DEVCO/DG NEAR retain Conflict Resolution (widely defined) as a key component of the strategy for Georgia and ensure it has a central place in the Neighbourhood East Strategy with resultant aligned resources in the upcoming review of the Neighbourhood Policy. However, it must be recognised that, while co-operation activities are important and very useful and have some unique engagement components, Conflict Resolution requires political engagement in support of these. EU/EEAS Services (including EUSR / EUMM and where possible EU Member States) should look to develop a clearer and collectively shared strategic logic (not necessarily a joint public strategy) informed by a joint analysis for EU engagement in conflict issues in Georgia and the wider Caucasus. This will require higher level political leadership from Brussels but must be informed by EU stakeholders who have experience on the ground and responsibilities in the region (such as EUD operations section officials). The EEAS has recently developed its guidelines and

capacity for facilitating joint multi-stakeholder conflict analysis (K2 Division) and this could be drawn upon. This is not necessarily a new idea so there is a need for an honest recognition why this collective EU approach has been so difficult to achieve by all EU stakeholders in the past and what sort of incentives can be put in place to change the dynamics.

It is recommended that the EUD with EUSR and with support from EEAS (including at the highest level but also involving the EUD operational staff with the knowledge of programming) enter into dialogue with all stakeholders about how people-centred development components (around issues such as health, education and agriculture) can be developed for Abkhazia. These discussions should include GoG and, while not necessarily at the same time or legitimizing them, also consulting the de facto authorities. The EUD should continue to search for all creative ways to continue to engage in South Ossetia (perhaps through INGOs with informal links and not just through COBERM like mechanisms).