

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

Final Report
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*The opinions expressed in this document represent the authors' points of view
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Final Report

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List of acronyms and abbreviations

AA	Association Agreement
AAP	Annual Action Plan
ABA	American Bar Association
ACF	Action Contre la Faim
ADB	Asian Development Bank
ADR	Alternative dispute resolution
AF	Action Fiche
AP	Action Plan
ARSC	Advisory Rural Service Centre
ASC	Agro Service Centre
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	EU Directorate-General for Economic and Financial Affairs
ECHO	Humanitarian Aid and Civil Protection (European Commission)
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
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
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

1 EQ1 on 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?

1.1 JC11: Increased transparency, efficiency, and effectiveness of the justice system

The EU has made contributions towards improving transparency, efficiency, and effectiveness of the justice system, though with different degrees of success, depending upon the institution and the level of support provided. Thus, the EU efforts to enhance transparency, efficiency, and effectiveness of the Legal Aid Service have been quite successful, with the LAS being in a much better state as an institution than it was at the beginning of EU support. It has made significant strides toward improving legislation to ensure institutional independence of its staff attorneys and, with the new case management system, it has become more efficient and effective. The LAS' public oversight with the new board seems to have improved, although it is still too early to judge with conviction. However, for years, the impact of the EU support on the independence of the LAS was been minimal due to lack of political will to address this issue. Recent legislative changes strengthening the LAS may be considered a success of budget support conditionality, though the will to reform must not be discounted.

The EU efforts with respect to the procuracy and judiciary had less success. In the latter case, direct EU support is of recent vintage; however, after the October 2012 elections, the EU has been instrumental in ensuring that legislative changes are in line with international standards regarding judicial independence. EU support to the prosecution dates back to the TACIS programme, but yielded very little in terms of transparency and accountability of the institution. The prosecution continues to be less transparent than other justice sector institutions and lacks the needed level of public oversight. The Prosecution Council, which was established with much delay, is not effective or even operational and no information is available to the public about its work. The fact that the Office of the Chief Prosecutor has been once again decoupled from the MoJ is a positive development toward increased *de jure* independence, but whether or not this will translate into *de facto* independence is to be seen in the future.

EU involvement with the LAS has been more successful than that with the Office of the Chief Prosecutor, despite similarities between the two institutions. The following are the common features of context and support to the LAS and the Office of the Chief Prosecutor: (1) multiple changes in relevant legislative frameworks; (2) heavy involvement of donors, long-term in the case of the EU; and (3) low levels of political will to ensure independence. The varying outcomes of EU support could be explained by the fact that the level of donor involvement in the Office of the Prosecution was lower, with the U.S. government playing a much larger role due to (1) the adoption of US-style Criminal Procedure Code (CPC) and (2) the merger of MoJ and the Office of the General Prosecutor. In addition, the later stage EU-supported work relevant to the prosecution was less focused on the institution itself and more on the broad Criminal Justice reforms and the changes that had to be effected for the achievement of various strategic objectives (e.g. juvenile justice, prison overcrowding, etc.). Furthermore, the state budget allocation for the Office of the Chief Prosecutor was significantly higher and more secure than that of the LAS. Lastly, Soviet and post-Soviet legacies and the lack of CSO monitoring, may have contributed to the GoG resistance to increased independence and public oversight of the procuracy.

The impact of EU support was most uneven with respect to the transparency, accountability and effectiveness of the penitentiary system. On the one hand, the EU-funded TA efforts led to the adoption of the Code of Imprisonment and the Ethics Code for the Employees of the Penitentiary System, thus, providing a *de jure* framework for improved transparency and accountability. Similarly, the creation of the National Preventive Mechanism (NPM), which was made possible in large part with support from the EU, contributed to the same result, as it made it mandatory to allow independent monitors in detention facilities. Yet, access to the

penitentiary system was minimal and clearly not enough to identify and address the widespread abuse of prisoners, which was talked about by the lawyers and demonstrated in the notorious prison abuse videos of 2012. The situation has changed after the October 2012 elections and access to detention facilities improved significantly. This was in large part due to changed political will. However, the EU must be credited for the recent EaPIC grants to CSOs, which also enhanced civic oversight of the penitentiary system and contributed to the achievement of CJR strategic objectives.

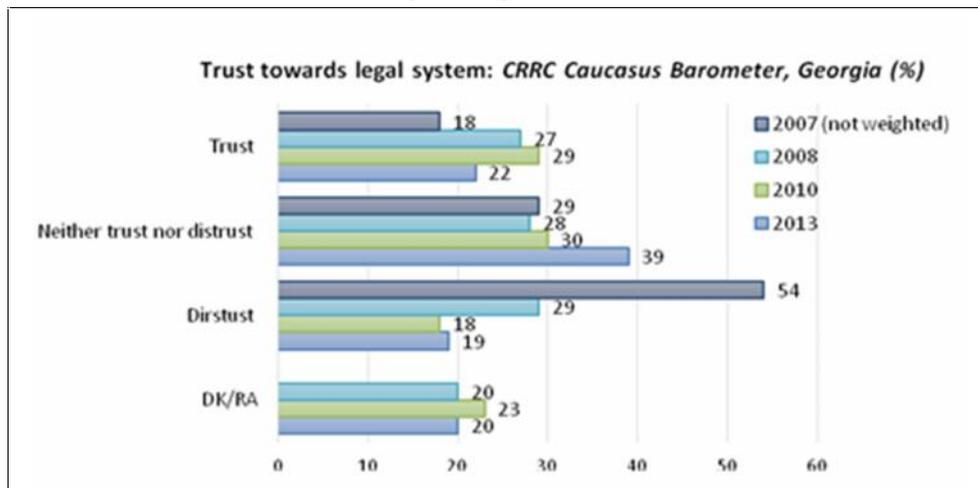
1.1.1 Indicator 111: Evidence of increased public confidence in the justice system

Presentation of the evidence gathered and detailed analysis

The EU support to the rule of law and Criminal Justice reform efforts in Georgia, aims to contribute to increased trust in the country's justice system among the Georgian public, investors, and economic operators. For the trust in the justice system to improve, the EU believed that it is necessary (1) to improve the accountability, independence, and capacity of the Criminal Justice sector institutions, (2) to enhance the role and independence of the Ombudsman, and (3) to equalize and improve access to justice for all segments of Georgian population, including through effective, impartial, and independent criminal proceedings.

There are very few longitudinal surveys of public opinion in Georgia and even fewer of these are asking specific questions that assess the public's confidence in the country's justice system. One such survey, the Caucasus Barometer (CB), is conducted by CRRC-Georgia. Thus, following the results of the CB 2007, 2008, 2010, and 2013, one can see that the people's confidence has improved over the years, as manifested in the significant decrease in the number of respondents that distrust Georgia's legal system (54% in 2007 v. 19 in 2013).

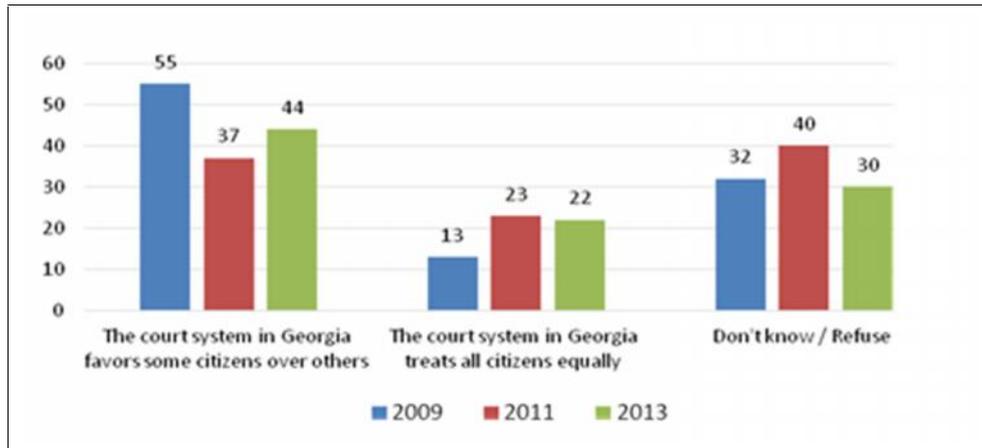
Figure 1 Public trust toward Georgia's legal system (baseline and evolution)



Source: CRRC-Georgia Caucasus Barometer (2007, 2008, 2010, and 2013 waves)

For the purposes of this evaluation, it would have been useful to see the extent to which there is variance in the level of trust between various Justice sector institutions (e.g. judiciary, prosecution, police, penitentiary, legal aid, the Ombudsman). However, the CB data does not allow for such detailed disaggregation, except for the police and the court system. The police is one of the most trusted institutions in Georgia, while improvements in public confidence in the judiciary are lower than the average for the entire legal system. The Figure 2 presents perception of citizens with regard to equal treatment by Georgian Courts.

Figure 2 Equal treatment by Georgian Courts (baseline and evolution)



Source: *CRRC-Georgia Caucasus Barometer (2009 (baseline), 2011, and 2013 waves)*

The Caucasus Barometer data on courts is in line with the findings of the surveys commissioned in 2009 UNDP and Penal Reform International (PRI). According to the UNDP survey, only 17% of respondents trusted the judiciary and 73% believed that the Government partially or fully controlled the judiciary.¹ The results of the 2009 PRI survey data shows that 33% of the respondents trust and 50% did not trust the judiciary. Unfortunately, the follow up surveys have not been conducted by these organisations. The results of the 2010 and then 2011 Georgian Crime Survey commissioned by the EU and conducted by Gorby does, however, confirm “growing public trust towards Justice sector institutions.”²

It is noteworthy that throughout the years, the numbers presented by the Supreme Court of Georgia were consistently different from those of the independent assessors. For example, in 2011, the Supreme Court survey noted that 72% of the court customers trust the courts. However, the methodology of these surveys was never fully disclosed and the method of interviewing court users at court buildings raises much doubts about the extent to which the respondents were truthful in the answers provided.³

Baseline and progress information about the Office of the Public Defender is found in the 2009 survey conducted by the Estonian Institute for Open Society Research, quoted in one of the sector assessment reports:

Box 1 Public Confidence in PDO

“The Public Defender’s Office enjoyed the highest trust of any institution in Georgia after the Georgian Orthodox Church. The number of public complaints filed with the office increased from 1500 in 2005 to 5100 in 2008, which would either be an indication of a massive increase in human rights violations (a conclusion not supported by other data, nor by the observations of the Public Defender’s Office itself) or an indication of an improvement in the public perception of the Public Defender.”

Source: *Criminal Justice Reform Assessment and Formulation of Follow-up SPSP (2010), p. 59*

Considering the EU intervention logic noted above, all Justice sector reform initiatives implemented with EU support were contributing to improving public confidence in the sector’s institutions. Therefore, the interventions noted below under more specific indicators have all contributed to the observed change. However, it must be underscored that the changes noted cannot be attributed to EU work alone, as many international players have been implementing large scale projects directed toward strengthening the rule of law and improving the protection of human rights in Georgia (e.g. USAID, UNDP, NORLAG, DANIDA, etc.). Some donors even funded interventions that directly addressed low levels of public in the Justice sector and notably in the judiciary (e.g. UNDP and GIZ efforts to build capacity of Speaker Judges, UNDP

¹ Criminal Justice Reform Assessment and Formulation of Follow-up SPSP (2010), Walter Pfluger and Charles Ehrlich, p. 49.

² Terms of Reference for the project “Support to Support to the Criminal Justice System Reform in Georgia,” p. 5

³ Alternative 2011 ENP AP Progress Report on Georgia, NGO Coalition, p. 6.

efforts to sponsor TV programs and PSAs to improve perception of the court system among the public). As the CRRC data shows, some level of change can also be attributable to the coming of the new government after the fall 2012 elections, which came in with the platform to address the root causes of the prison abuse and ensure judicial independence.

Sources of information used

- Criminal Justice Reform Assessment and Formulation of Follow-up SPSP (2010), Walter Pfluger and Charles Ehrlich.
- Caucasus Barometer 2007, 2008, 2009, 2010, 2011, 2013 surveys by the Caucasus Research Resource Centers (public data at www.crrc.ge/oda).
- Alternative 2011 ENP AP Progress Report on Georgia, NGO Coalition.
- Terms of Reference for the project “Support to Support to the Criminal Justice System Reform in Georgia”.

1.1.2 Indicator 112: Improved conditions of detention

Presentation of the evidence gathered and detailed analysis

When assessing the extent to which conditions of detention have been improved, the evaluation looked into the international and local monitoring reports, e.g. the report of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) and the Parliamentary reports of the Public Defender of Georgia, which allowed to identify the main areas of concern voiced at the time: overcrowding and ill-treatment of detainees. Given the nature of EU support to the Criminal Justice sector reforms, the evaluation also looked into the conditions of detention with respect to the juvenile detainees. The following is the description of the baseline situation in 2007 and the progress made over time:

Overcrowding was an issue of concern, despite the efforts (supported by various donor, including the EU) to build new detention facility building. According to the CPT report, in some detention facilities overcrowding reached “extraordinary levels,” with living space often less than 0.5 m² per prisoner. Observations were made with respect to the overall conditions of the cells being dark and unventilated, with the inmates often not having cots or blankets provided by the authorities. Significant concerns remained with inmates not having access to work, educational, vocational, and sports activities as provided for in relevant international standards, as well as provision of adequate healthcare services and low levels of professionalism among the detention staff. International monitoring reports noted steep increase in the prison population,⁴ which was in great part due to the “zero tolerance on crime” policy and was the main reason for the prison overcrowding. These reports also stressed that overcrowding could not be combated solely by building new prisons, but rather should be addressed by increasing non-custodial measures and supporting improved rehabilitation and re-socialization of former prisoners, as provided in various Council of Europe (CoE) recommendations.⁵

Over the years, Georgia’s prison population continued to increase despite the many recommendations to address this issue.

⁴ According to the 2007 CPT report, between the Committee’s second and third periodic visits, the prison population had more than doubled: there were approximately 16,500 prisoners in March 2007 as compared to some 7,000 in May 2004.

⁵ These recommendation include Rec(99)22 of the Committee of Ministers of the Council of Europe concerning prison overcrowding and prison population inflation, Rec(2003)22 on conditional release (parole) and Rec(2006)13 on the use of remand in custody.

Table 1 *Prison population statistics*

Year	2004	2007	2010	2011	2013
Prison population	Around 7,000	Around 16,500	Around 21,000	> 24,000	Around 10,000

Sources: the 2007 CPT report, 2010 Criminal Justice Reform Assessment (Walter Pfluger and Charles Ehrlich), and Specific Terms of Reference: Gap Assessment and Formulation of EU Justice Programme 2014-2017, FWC COM 2011 – Lot 1.

It was only after the 2012 Parliamentary elections and the ensuing change in power that the issue of overcrowding was addressed. The Amnesty that was declared by the new government significantly eased the overcrowding in prisoners.

Box 2 *Information about the effects of the 2012 Amnesty on the penitentiary system*

“According to the MCLA official statistics, 8,692 persons were fully released from criminal responsibility, among them were 175 political prisoners, sentence of 767 prisoners were reduced to half and 8,080 sentences were reduced to one forth/one thirds. By September 30, 2012 number of prison inmates in total constituted 22,299 (21,379 convicts and 920 defendants) while after the large scale amnesty according to the figures of April 30, 2013 number of prison inmates is in total 10,202 (9,185 convicts and 1,017 defendants). As regards to the total number of probationers by September 30, 2012 it constituted 38, 446 probationers, whereas the same figure of April 30, 2013 is 15,978 probationers.”

Source: Report on Compliance with General and Specific Conditions of the EU-Georgia Financing Agreement: Support to the Criminal Justice sector SPSP (2013), p. 13

However, as the European Committee for the Prevention of Torture (CPT) experts and the CoE Human Rights Commissioner have noted, the problems of prison overcrowding cannot be addressed in a holistic way through the use of exceptional measures such as amnesties and/or Presidential pardons. To resolve this issue, the authorities were again recommended to encourage increased use of non-custodial measures, amend legislation on living space for detainees to reflect the European standard of 4 m² per prisoner, as well as to ensure better staff training, provision of adequate healthcare to the inmates, and increasing the number and length of family visits.

Ill-treatment in detention facilities also continued to be an issue of concern, although according to the CPT report, ill-treatment by the police has been reduced significantly in 2007 compared to the previous years. The CPT and PDO reports, as well as reports of local NGOs, have highlighted multiple reasons for the incidents of ill-treatment of prisoners: (a) lack of initial and continuous training of detention facility staff, (b) turning the blind eye to allegations of ill-treatment by the management of detention facilities, (c) indifferent and often encouraging attitude of the prosecution, which did not take steps to investigate the matters or used plea bargain as a way to apply disproportionately mild sanctions for such crimes, (d) lack of adequate healthcare delivery to the inmates, (e) inadequate access to legal counsel by the inmates, and (f) lack of judicial oversight/actions on alleged or possible ill-treatment of prisoners.⁶ The case of Aleksii Bakhutov, cited in the 2007 PDO report, serves as a good illustration of the problems of ill-treatment, impunity, and access to justice during the time. During interrogations by the police, Mr. Bakhutov and his stepson admitted to killing Lasha Chopikashvili and were subsequently imprisoned based on this admission. Mr. Chopikashvili was later found alive and living well in his own home, while the investigation on torture and ill-treatment of these individuals and other persons connected to this case was in effect stopped and Mr. Bakhutov continued to serve his sentence.⁷

⁶ See CPT 2007 Report and the Parliamentary Report of the Public Defender of Georgia, 2007 (2nd half), pp. 150-165 at <http://www.ombudsman.ge/uploads/other/0/78.pdf>, as well as the ECtHR decision on *Erukidze and Girgvliani v. Georgia*.

⁷ *Ibid*, p. 161.

Box 3 *Baseline situation assessment per US State Department Human Rights Report*

“There was at least one reported death due to excessive use of force by law enforcement officers, cases of torture and mistreatment of detainees, abuse of prisoners, excessive use of force to disperse demonstrations, poor conditions in prisons and pretrial detention facilities, impunity of police officers, continued overuse of pretrial detention for less serious offenses, lack of access for average citizen to defense attorneys, lack of due process in some cases, and reports of government pressure on the judiciary.”

Source: *US State Department Country Report on Human Rights Practices in Georgia (2007)*

Over the years, various reports have noted that the situation with respect to the torture and ill-treatment of inmates was improved (e.g. the 2011 report of the CoE Commissioner for Human Rights, Thomas Hammarberg).⁸ However, the same Hammarberg report also notes that the situation has remained unchanged with respect to investigating the cases torture and ill-treatment and punishing the offenders, whereas of 83 investigations which were initiated in 2009, no convictions were made under the relevant articles of the criminal code (333, 144/1, and 144/3). The use of plea-bargain also remained an issue in 2011, as noted in the country report on combating ill-treatment developed by Jim Murdoch and the 2011 Hammarberg report.

In the post-October 2012 period, the CPT noted further improvements, as “the vast majority of the prisoners stressed that there had been a dramatic change for the better in the attitude by the management and the staff (and in the general atmosphere) after 18 September 2012.”⁹ However, it also noted deteriorating discipline in the prisons and recommended that staff control in prisons to never be relaxed to the degree that it creates security risks for the inmates, the staff, and the medical personnel. The recommendation to show zero tolerance (both in words and practice) to ill-treatment and torture of inmate population remained unchanged in the 2012 report, as well as the need to provide the relevant initial and continuous training to detention staff.

Juveniles in custody deserve specific attention, given the need to reinforce the protection of the rights of this vulnerable category of persons. To this effect, the situation worsened in 2007 with the adoption of legislative changes, which decreased the minimum age of criminal responsibility from 14 to 12 years. At the same time, some improvements were also made, compared to the previous years, with juveniles being able to contact their parents/guardians and being questioned by the police in their presence or in the present of their lawyer. However, issues of concern remained with respect to the age of criminal responsibility and with juveniles not being separated from the general population of persons in police custody and the police not having police staff trained for the specific legal procedures relating to juveniles, as provided in the Recommendation Rec(2003)20 of the CoE’s Committee of Ministers concerning new ways of dealing with juvenile delinquency and the role of juvenile justice. Other issues of concern related to juveniles in detention facilities included provision of age-specific educational, recreational, and sports activity programs that are offered to the detained juveniles and segregation of juvenile prisoners from the general prison population.¹⁰

The EU assistance in this area was delivered through several different instruments, which has allowed the EU to employ various approaches at national, regional and local levels to address the issue at hand. These included budget support, as well as provision of technical assistance, service, supply, and works contracts, and support to Civil Society organizations to monitor the GoG and to advocate for improved conditions of detention. Thus, initially, the EU supported (under TACIS) a project “Penitentiary and Probation Reform in Georgia,” implemented by a consortium led by Swedish Prison and Probation Service. The project had a distinct twinning character and aimed at experience sharing between the consortium members, the MoJ and its penitentiary and probation department. Also with TACIS, the EU provided supplies for

⁸ Please see at <https://wcd.coe.int/ViewDoc.jsp?id=1809789>.

⁹ See the CPT 2012 Report at <http://www.cpt.coe.int/documents/geo/2013-18-inf-eng.pdf>.

¹⁰ CPT 2007 report noted several such cases in Prisons No. 5 and No. 6 in Tbilisi.

penitentiary and probation reform in Georgia¹¹. TACIS also supported an assessment of the penal legislation in Georgia by PRI, which was used to develop reform strategies. Under the Rapid Reaction Mechanism (RRM), the EU supported the rehabilitation of Rustavi prison, according to international standards, so that it could serve as a model for a reformed and transparent penitentiary management system that is respectful of human rights.

Starting from 2008, the EU assistance to Justice sector reforms was implemented through two consecutive SPSPs in Criminal Justice, which involved budgetary support and complementary technical assistance.

Box 4 *Description of main TA projects under the 1st SPSP relevant to the indicator*

The EC launched and implemented a number of technical assistance projects supporting implementation of the [SPSP]. Primarily, the projects to be mentioned here are:

- "Capacity Building in Support of Rule of Law in Georgia" (03/2009 – 09/2011), which directly supports implementation of the Criminal Justice sector Strategy via assistance provided to the Council Secretariat in dealing with the sector and donor coordination and serving capacity building of the Legal Aid Service and the National Probation Service. These are two sub-sectors included in the Sector Strategy;
- "Support to the Public Defender's Office, Georgia" (10/2008 – 10/2010), supporting implementation of the justice system through the capacity building of the Public Defender's Office. Its three components concern (i) strengthening the monitoring capacities of the Public Defender's Office, (ii) improvement of its institutional capacity, and (iii) raising public awareness on rule of law and human rights issues;
- "Reform Options for the Penitentiary System and Probation System for Convicted Child Offenders";
- (12/2008 – 12/2010), strengthening (i) the penitentiary system for convicted child offenders and (ii) the probation system for released child offenders. The implementer of this project is UNICEF, directly involved in the implementation of the SPSP.

Source: Monitoring Report (MR-130720.01) Support to Criminal Justice Reform in Georgia 30/03/2010

Also relevant is the direct grant to the Penitentiary and Probation Training Centre (PPTC) under the Ministry of Corrections. It was to utilise TA funding linked with the Justice sector SPSP and support capacity development of the Centre in view of the entry into force of the new Law on Imprisonment, so that it is well prepared to provide trainings to the penitentiary and probation officers and contribute to the achievement of the goals under the Criminal Justice strategy.

Another recipient of large-scale EU support to address conditions of detention is the CoE, which has implemented several projects in this area, both regional and local. The CoE projects co-operated well with the PPTC and other public agencies, including the Penitentiary Department, to strengthen human rights and improve the provision of healthcare (including mental health care) in prisons, police detention and other closed facilities in Georgia in line with European standards. With support from the EU, the CoE has been able to bring international experts to assess the situation in Georgia's detention facilities (e.g. Jim Murdoch), support assessment of legal framework, developed Georgian language manuals for prison medical personnel, and provided capacity building opportunities to prosecutors, investigators, judges, and medical personnel.

To address the conditions of detention, the EU also supported local and international CSOs through various instruments, including EIDHR and other thematic programs. During the initial years covered by this evaluation, the EIDHR was the main instrument of CSO support for projects that worked toward assisting juveniles in conflict with the law and the prison population, combating torture in places of detention and rehabilitating victims of torture and ill-treatment, developing activity programs at the detention facilities, etc. These projects have complemented the EU's Justice sector support programs (e.g. projects implemented by Georgian Centre for Psychosocial and Medical Rehabilitation of Torture Victims GCRT, GIP, Institute of Democracy IoD), but it seems that they have not had the level of sustainable impact that could have been expected due to lack political will or constant changes in the Government, which during the project implementation led to limited access to detention

¹¹ C-205500: Supplies for Penitentiary and Probation reform in Georgia; C-205324: Supplies for Penitentiary and Probation Reform in Georgia, Tbilisi. Lot 2: Printers, Photocopy and Multimedia Equipment; C-161617: Supply of Vehicles for the Penitentiary Department of Georgia.

facilities and during the post-project period saw the dismissal of trained prison or probation staff either due to constant changes in the previous government or due to post-October changes in the political landscape. At the same time, the positive impact on the target groups (the juveniles in conflict with law, the prisoners, and the victims of torture or ill-treatment) are present in every project. It is noteworthy that with the additional EaPIC funds, the EU has increased CSO contribution to improving detention conditions and rehabilitation and re-socialization of prisoners, former prisoners, and probationers, by providing grant support for service delivery to local and international CSOs.

The conditions set for budget support, as well as the TA projects and the CSO interventions supported by the EU are, in large part, able to explain the positive trends that have been observed with respect to conditions of detention. Namely, the setting up of the Inter-agency Coordination Council in 2008 (one of the pre-conditions of the SPSP) made significant input in this area, especially, with its sup-groups working on penitentiary reform, probation, and juvenile justice. The EU's most notable contribution is with respect to juveniles, including improvements in education and living conditions for juvenile prison inmates, which have been noted in the CPT reports. Moreover, the implementation of the juvenile justice strategy and action plans (as part of the overall Criminal Justice reform strategy) led to lowered rates of prosecution and better detention conditions for juvenile offenders. In the areas, where indicators for budget support conditions were more focused on technical or procedural aspects, the impact of the EU support was less pronounced. See for example, conditions and their indicators under the penitentiary reform, namely, condition # 2, legal safeguards for prisoners improved. The indicators under this condition are more focused on technical and procedural aspects, e.g. drafting standards and making regular visits. In the view of the evaluator, these are the examples of technical and procedural indicators, which could, but do not necessarily lead to improved human rights conditions in the prisons. A set of progressive indicators that would go a step further than the drafting of standards or making monitoring visits, could have led to more tangible improvements. This said, the evaluation appreciates the fact that the process of designing a programme and negotiating budget support conditions and their fulfilment indicators greatly depends on the GoG priorities and strategic vision.

Box 5 Achievements of the TA project "Reform Options for the Penitentiary System and Probation System for Convicted Child Offenders" implemented by UNICEF during 2008-2010

"Project outputs: Penitentiary (72) and Probation (24) staff, including social workers, received training on Individual Reintegration Planning (IRP), Child Rights based approach; since 2010 IRP is implemented with regard to all children entering Avchala and Prison # 5; in 2010-2011 school year 85 children attended school and 109 children attended vocational training in detention; 90 juvenile probationers participated in restorative gesture programmes; the probation service employed social workers (10) in 6 locations to provide child probationers with individualised sentence planning; 140 Legal Professionals and corrections staff received training on diversion. The project was actively involved in developing the national Juvenile Justice Strategy 2009-2013 and strategies and action plans in the field of Probation and Penitentiary, Legal Aid and the new Criminal Procedural Code. The project has managed to well sustain most of its results and services through their integration into the Government structures and policy: individual reintegration planning, diversion, Specialized Parole Board for juveniles, education for children in detention are now matters of policy. The social work component is now in place in 13 locations under assumed financial responsibility of the Probation Service, although its expansion to other regions is hindered by budget constraints."

Source: Ex post monitoring report (MR-122280.03) of the project "Reform Options for Penitentiary System and Probation System for Convicted Child Offenders," 19/12/2012

With incessant lobbying from the EU, as well as other international and domestic actors many of which have been supported by the EU, the GoG also increased the minimum age for criminal liability back to 14 years. One of the more noteworthy developments in this regard has been the piloting the use of non-custodial options, such diversion and mediation, which the new government has been encouraged to implement on a larger scale (see under I-121). The EU can take much credit for this development as well, although, other international actors have also contributed to this success.

The EU support can also be credited for small improvements in torture and ill-treatment of detainees, by supporting (together with other donors) the development of the Code of Imprisonment, strengthening internal monitoring mechanisms within the Ministry of Internal Affairs and the Office of the Chief Prosecutor, establishing the National Preventive Mechanism (NPM) within the PDO (see under I-124), adoption of the 2011-2013 AP against Torture, providing training and re-training to police and prison staff, and supporting CSO monitoring efforts to combat torture and ill treatment (e.g. through local and global EIDHR projects). This progress was confirmed in the 2011 report of the CoE Commissioner on Human Rights, Thomas Hammarberg.¹²

However, the prison abuse videos that were aired on national television in 2012 confirmed the many allegations of torture and ill-treatment, as well as systemic failures of the law enforcement system. They also confirmed some of the findings of the 2010 country report on Georgia on Combating Ill-treatment and Impunity and Effective Investigation of Ill-treatment developed by Professor Jim Murdoch and long-standing claims of local watchdog CSOs, as well as high relevance of EU intervention in the area and the need for different (more holistic) conditions for budget support. Namely, the area where the EU support has been most successful is also the area, where budget support conditions covered a whole gamut of issues and were not formalistic or were not turning a blind eye to the most pressing concerns (e.g. in juvenile justice). In fairness, juvenile justice was also the area where the GoG had displayed political will to effect changes and where the EU had a more long term engagement through strong children's rights advocate organizations, including UNICEF.

In contrast, budget support conditions for penitentiary reform were more watered down and did not address many of the issues of concern that have been consistently problematised in the CPT and PDO reports, such as (1) turning the blind eye to allegations of ill-treatment by the management of detention facilities, (2) indifferent and often encouraging attitude of the prosecution, which did not take steps to investigate the matters or used plea bargain as a way to apply disproportionately mild sanctions for such crimes, and (3) lack of judicial oversight/actions on alleged or possible ill-treatment of prisoners. The field visit interviews with various stakeholders have shed light to some of the reasons. Thus, all CSO representatives working on penitentiary reform or the protection of the prisoners' rights have noted the extreme closed nature of the system and lack of access to not only CSOs but the EU as well to prisons and other closed institutions. Others have pointed at the nature of the process with which the EU and the GoG are able to agree on the budget support conditions, which leads to diluted results. More importantly, it has been noted by several respondents that once the conditions for budget support are set, it is of utmost importance to make the public, so that the stakeholders have information about what is to be done in the next time period and to advocate for more substantive reforms.

Sources of information used

- Reports of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (CPT) – 2007, 2010, 2012.
- US State Department Country Report on Human Rights Practices in Georgia (2007).
- Parliamentary Reports of the Public Defender of Georgia 2010.
- Criminal Justice Reform Assessment Report (2010) by Walter Pfluger and Charles Ehrlich.
- Report by Thomas Hammarberg, Commission for Human Rights of the COE following his visit to Georgia from 18 to 20 April 2011.
- Georgia in Transition: Assessment and Recommendations by Thomas Hammarberg, EU Special Adviser on Constitutional and Legal Reform and Human Rights in Georgia, September 2013.

¹² Please see at <https://wcd.coe.int/ViewDoc.jsp?id=1809789>.

- Specific Terms of Reference: Gap Assessment and Formulation of EU Justice Programme 2014-2017, FWC COM 2011 – Lot 1.
- Final Narrative Report of the project “Support to the Penitentiary and Probation Training Centre” (ENPI/2010/247-602).
- Monitoring Report (MR-130720.01) Georgia - GE - SUPPORT TO CRIMINAL JUSTICE REFORM IN GEORGIA 30/03/2010.
- Report on Compliance with General and Specific Conditions of the EU-Georgia Financing Agreement: Support to the Criminal Justice sector SPSP (2013).
- Ex post monitoring report (MR-122280.03) of the project “Reform Options for Penitentiary System and Probation System for Convicted Child Offenders,” 19/12/2012.
- Project Description “Support to Diversion and Probation Services and Increased Focus on Reforming Pre-trial options of Juvenile Offenders in Georgia,” ENPI/2012/306-601.
- Interviews with EUD, PRI, UNICEF, Minister of Justice, CoE, OHCHR, GCRT, and UNDP.

1.1.3 Indicator 113: Evidence of increased accountability and independence of Criminal Justice sector institutions

Presentation of the evidence gathered and detailed analysis

Criminal Justice system is the system of law enforcement institutions that are directly involved in apprehending, prosecuting, defending, sentencing, and punishing those who are suspected or convicted of criminal offence. Criminal Justice institutions must be independent from political pressures, as well as be accountable and transparent. The following public institutions are to be considered under this indicator: (1) the courts, (2) prosecution, (3) police, (4) state-funded legal aid, (5) penitentiary, and (6) probation.

Judiciary

The GoG started the so-called second round of judicial reforms in 2004, to improve the independence, accountability, and efficiency of the court system. These changes envisioned the creation of a truly three-tier court system and optimization of first instance courts (creating 17 regional courts from the previously existing 76). However, as the various assessment have noted, these initial changes did not bring the desired effect, even on paper, as the law was still skewed toward the executive dominating the judiciary. With the December 2006 Constitutional amendments and the 2007 changes in the Law on Common Courts, the High Council of Justice, the main court administration organ, stopped being the advisory body to the President on judicial matters and was empowered to appoint and dismiss judges without presidential agreement. The membership of the High Council of Justice (HCoJ) was also increased from 9 to 15 members, with the requirement that the majority be members of the judiciary, per CoE Consultative Council of European Judges (CCJE) standards.¹³ Additionally, the country got rid of criminal liability of judges for judicial decisions, instituted better financial independence mechanisms for the court system, adopted *ex parte* communications rules, introduced jury trials as a way to increase judicial independence, and created a European-style judicial training institution, which not only provided continuous training to sitting judges, but implemented the first 14-months-long¹⁴ initial training for judicial candidates selected by the HCoJ.

These positive changes notwithstanding, many issues of concern remained, as noted in various assessments¹⁵ and reports of the CoE Human Rights Commissioner. Thus, according to the 2009 TI Georgia report on the national integrity system institutions, while *de jure*

¹³ See Recommendation CM/Rec(2010)12 of the Committee of Ministers to member states on judges: independence, efficiency and responsibilities, principle 27

¹⁴ The length of initial trainings has since been decreased several times and is now only 10 months. Additional exemptions from the full training period also apply.

¹⁵ See Freedom House Nations in Transit (2009) report, ABA Judicial Reform Index v. 1 (2005) and v. 2 (2009).

independence of the judiciary was rated 75/100, its *de facto* independence score was significantly lower at 50/100. Similarly, the *de jure* score for accountability was 75/100, while its *de facto* counterpart was only 25/100.¹⁶ Connected to accountability is the issue of transparency, where Georgia regressed in 2007, as a result to prohibition of prohibition of filming in the court rooms. The creation of a Speaker Judge position did not alleviate the matters, as these judges were only based in Tbilisi and despite the many trainings received, did not were unable to convey the information in an understandable for a lay-person manner. Court decisions were not available to the public and according to the CSO reports continue to be unavailable to date, despite the case management system that was introduced in courts with USAID support (see more under I-114).

Box 6 2009 assessment of judicial independence and transparency by OECD AC Network

Integrity and trust in judiciary are considered issues of concern in Georgia and should be further addressed by the government. More transparency in the judiciary should be introduced, including through disclosing information about criteria for selection and reasons for dismissal of judges and ensuring transparent and speedy trial of corruption and human rights cases.

Source: OECD Anti-Corruption Network for Eastern Europe and Central Asia, Istanbul Anti-Corruption Action Plan Second Round of Monitoring – Georgia (March 2010), p. 42

Box 7 2011 assessment of judicial independence by COE HR Commissioner

Significant changes have taken place in the organisation of the judiciary in Georgia. Georgia's political leadership has expressed a firm commitment to the fight against corruption. The legislative framework is generally favourable to judicial independence, and pressure on judges is punishable by law. Nevertheless, the Commissioner found that further efforts are needed to safeguard the judiciary from undue interference. He recommended additional measures to prevent political influence on the High Council of Justice and to protect the individual independence of judges.

Source: Report by Thomas Hammarberg, Commission for Human Rights of the COE following his visit to Georgia from 18 to 20 April 2011, p. 2.

Main issues of concern were the following:

- The Conference of Judges rubberstamping the selection of HCoJ members by the Supreme Court Chairman, rather than truly electing these members;
- The courts' treatment of criminal and administrative cases, as well as high value commercial cases, privileged the policies and the provisions of the Government;
- Selection, appointment, and promotion of judges was not transparent;
- Disciplinary procedures were used against judges that did not follow the recommendations of their superior judges on various cases; independence of the Disciplinary Committee was undermined by the fact that HCoJ, which has the right to initiate disciplinary proceedings also was appointing the members of the disciplinary panel;
- Ex parte communications rules were underutilized and never used to sanction public officials for improper communication with a judge;
- Judges fail to provide reasons for their decisions on cases, contrary to the requirements of the law¹⁷;
- Judges enjoy near-total immunity from prosecution, which is a factor undermining accountability of judges (see the Venice Commission conclusion to this effect).¹⁸

¹⁶ Georgia National Integrity System Assessment (2011), Transparency International Georgia.

¹⁷ See the 2009 Parliamentary Report of the Public Defender, where the PDO notes that the failure of judges to substantiate their provisional and final decisions during court proceedings is one of the most problematic issues in the judicial system. The PDO even went further and asserted that judges tend to use a single template of decision for different cases, simply replacing the names of the individuals involved.

¹⁸ According to the 2005 opinion of the Venice Commission, "The near-total immunity from prosecution conferred on judges is not justified. Giving the power to waive such immunities as exist to Parliament creates difficulties both

Many of these issues of concern have also been raised in the 2011 ECtHR decision on *Enukidze & Girgvliani v. Georgia*, where the court ruled for the plaintiff and noted that

“it is striking that, in such a particularly complex case, the proceedings at first instance lasted only nine days, during which period it was hardly feasible either for the civil parties or even for the judges to study the voluminous case materials.”¹⁹

The following are some of the legislative changes that have been adopted to improve judicial independence and accountability in 2012:

- Voting for the election of the HCoJ member judges is done by closed ballot, every member of the Conference of Judges (and not just the Chairman of the Supreme Court) is empowered to make nominations, and the secretary of the HCoJ must be a judge elected by the Conference of Judges;
- Further legislative gaps supporting political or executive institutions of the judiciary removed. Namely, the executive branch representatives are no longer allowed to participate in the work of the Plenum of the Supreme Court and the members of the HCoJ appointed by the President of Georgia are no longer allowed to hold paid position (except for research, teaching and art) or from being a member of a political party;
- Both the composition and appointment of the members of the disciplinary council have been amended to ensure more independence and accountability of this panel (including publication of its decisions without the personal data of the judge concerned) and the consent of an individual judge is needed, with some exceptions, for his/her transfer to a difference court.

Prosecution

Following the October 2008 changes in the Constitution of Georgia, the General Prosecutor’s Office was merged with the MoJ and was renamed as the Chief Prosecutor’s Office. The Minister of Justice still maintained some prosecutorial powers, having the exclusive authority to prosecute such high level officials as the President, Chair of the Supreme Court, the PDO, and the head of the Supreme Audit Institution (SAO). The merger did not affect, at least in law, the constitutional independence of the office, as is required by international standards. The move to unify the two institutions was greatly supported by the United States, namely the US Department of Justice, which for years has provided significant TA and financial assistance to the Office of the General Prosecutor.

Box 8 *Assessment of the prosecution’s independence and accountability*

“Although it is supposed to be operationally independent by law, the Office of the Chief Prosecutor operates under guidelines set out by the Ministry of Justice. These guidelines are not a public document, since the Ministry regards them as “internal guidelines.” However, in as much as these guidelines affect the rights of defendants, most interlocutors did not consider them to be purely internal, and have therefore called into question the operational independence of the Office of the Chief Prosecutor as well as its transparency. The lack of transparency can also impact the equality of arms in a case, particularly taking into account elements getting introduced under the new Criminal Procedure Code, including disclosure requirements and discretionary prosecutions. The Action Plan calls for the establishment of a Prosecution Council, which according to the Action Plan would, in turn, address many of these issues; the Prosecution Council is not yet operational.”

Source: Criminal Justice Reform Assessment Report (2010) by Walter Pfluger and Charles Ehrlich, p. 44.

Since 2009, the prosecutors have been granted discretion to determine which cases to prosecute and prior to that the concept of plea bargain was ushered as a way to address the issue of court efficiency. Since then, the use of plea bargain increased exponentially, reaching

of principle and practice. The power of waiver of judges of the Supreme Court and the Constitutional Court should lie with the other court respectively.”

¹⁹ See the ECtHR ruling on *Enukidze & Girgvliani v. Georgia*.

59% of all cases in 2009²⁰ and 90% thereafter.²¹ Of the cases that the prosecutors actually brought to the court, around 99% resulted in conviction, with the prosecution demanding and winning hard jail time in more than 40% of the cases (a significantly higher rates than those found in West European states). The human rights defenders have accused the prosecutors in not being independent and making determinations based on the interests of the rule elites. The ECtHR ruling on *Enukidze & Girgvliani v. Georgia* was very critical of the work of the prosecution, confirming in essence what the watchdog CSOs have been claiming all along. Namely, the Court wrote that the Tbilisi prosecutor's office failed to conduct thorough, impartial, and proper investigation of the 2006 murder case, which implicated several public officials.²² Given these and other questions about prosecutorial independence, the 2010 CJR assessment recommended clear guidelines for the use of discretionary prosecution and plea bargaining, as well as improved treatment of victims, to address the public confidence in the prosecutorial decisions related to using these tools.

Accountability and transparency of all law enforcement agencies, including the prosecution, have left much to be desired. In an attempt to address this issue, the MoJ created a Prosecution Civic Council, which

“consists of representatives of various state agencies, international organizations and academia, [and aims] ... to institute public oversight over the decisions regarding recruitment, attestation or dismissal of prosecution service employees; to revise Ethic Code of the employees of the Prosecution Service and to supervise its implementation; to ensure public oversight over the activities of the Division of Control of Prosecutorial Activities and to ensure procedural supervision over investigation by the Inspector General’s office of MOJ.”²³

While a positive step toward ensuring independence and accountability of the prosecution, the Council has done very little to this effect. The information about the Council or its membership is not posted on the prosecution’s website (www.pog.gov.ge) and only four postings about the meetings of the Council are available on the MoJ website (see <http://www.justice.gov.ge/Search/Results>).

For improved accountability and transparency, the GoG also created the Community Prosecution Initiative,²⁴ which covers 18 regions of Georgia and also aims at conflict prevention and civic education. The initiative is to be implemented together with Local Councils, which consist of all local actors (e.g. municipality, businesses, etc.), who know the local problematique and can recommend actions directed toward prevention of crime. As with the Prosecution’s Civic Council, the information about these Local Councils is unavailable to the public, which defeats the purpose for which they have been created.

Box 9 Thomas Hammarberg recommendations for increased independence of prosecution

The professionalism of prosecution is key for a well-functioning system of justice. More needs to be done in this regard in Georgia. The structure needs to be reviewed and specialised education and training of prosecutors promoted. For instance, competence on investigative techniques must be developed – also to counteract the excessive reliance on “confessions” as the main evidence. In order to further develop the justice system in Georgia, the Government has to ensure the establishment of a truly professional Prosecution that would be fully independent from political party or other undue influence.

Source, *Georgia in Transition, Thomas Hammarberg report (2013), p. 14*

²⁰ Criminal Justice Reform Assessment Report (2010) by Walter Pfluger and Charles Ehrlich, p. 43.

²¹ Georgia In Transition, Hammarberg report, p. 13

²² Some of the examples of poor prosecutorial conduct noted in the rule of *Enukidze & Girgvliani v. Georgia* were the following: (1) failure to record that one of the persons in the line-up (law enforcement official) was identified by the witness, (2) failure to provide case materials to the injured party, and (3) refusal to question all the people who had been in telephone communication with the convicts.

²³ Criminal Justice Reform, Third Progress Report, January-December 2011, p. 21

²⁴ Ibid, p. 22

Police

The Georgian police was one of the first institutions that was reformed under the previous government. The virtually overnight dismissal of all policemen was at the time vocally criticised by many. However, the ensuing reforms (especially, the creation of the new Patrol Police) have dramatically improved the public perception of the police (70% approval rating in 2005, up from the previous year's 10%). Other reforms include the adoption and implementation of the new ethics code, the creation of the Human Rights Protection and Monitoring Division, re-vamping of the Police Academy and its curriculum, etc. This was done with support from various donors and with high political will to break with the past images and practices. Thus, the police continue to enjoy positive public perception, for years coming third after the Church and the Army.²⁵

Despite of success, the following concerns remain:

- Lack of transparent, inclusive, and consultative policy-making;
- Failure to properly investigate certain crimes (e.g. those against religious minorities or involving public officials or law enforcement officers²⁶);
- Excessive use of forces against political demonstrators.

Figure 3 Independence and accountability of the police and the prosecution

Total Score: 68/100			
Dimension	Indicator	Law	Practice
	Resources	--	100
	Independence	75	50
	Transparency	50	25
	Accountability	75	25
	Integrity	100	50
	Corruption Prosecution	75	

Source: Georgia National Integrity System Assessment (2011), Transparency International Georgia

Legal Aid Service

The situation with respect to the LAS is described in detail under I-123. For the purposes of this indicator, it suffices to say that the issue of the LAS independence was at the forefront of the debate about this institution from its creation in 2007 under the Ministry of Justice. The merger of the MoJ and the Office of the Chief Prosecutor, which led to the move of the LAS under the newly created Ministry of Corrections and Legal Aid, did not alleviate the concerns, except for the creation of the LAS Monitoring Board, which was to safeguard the institution's independence from the MCLA, the prosecution, and other public institutions. However, the selection of the Board members was prolonged and it did not seem to make significant impact on the independence of the LAS.

With the recent changes to the Law on Legal Aid, the LAS became an independent legal entity under public law accountable only to the Parliament of Georgia. The Board composition is much more conducive to the LAS independence (representatives from the PDO and human rights NGOs are present). The new Labour Code and the Law on Legal Aid have also

²⁵ See annual public perception surveys conducted by the International Republican Institute (IRI) at www.IRI.org.

²⁶ Case in point is the discussion of the role of the police in the investigation of the Girgvliani murder in *Erukidze & Girgvliani v. Georgia*.

supported independence of individual lawyers on staff. However, there are issues remaining when it comes to the lawyers engaged under the registry, who are not the LAS employees.

Box 10 *Remaining issues of concern regarding the LAS independence*

Appointment of lawyers on the external register are based on specific contracts, and their dismissal, therefore, is determined by the terms of their contract not as employees, and as contractors there will be a desire to keep their client (the LAS) happy to ensure continued future appointment. Further, as it appears that the allocation of cases to lawyers on the register is not determined by the new case assignment system, but by availability in the face of such factors as 'conflict of interest' and 'excessive case load', the impact of influence on the handling of cases cannot be said to have been completely removed. The Review recommends that this issue be addressed through the adoption of clear and transparent rules and procedures before the use of external registered lawyers is greatly expanded.

Source: Aide Memoire, Second Installment Review, Support to the Criminal Justice sector SPSP (July 2013), p. 18.

The LAS has not had issues with respect to public accountability and transparency. From its inception, it was implementing various public education campaigns and with support from donors started to conduct client satisfaction surveys, so as to identify problematic areas of its performance and make relevant changes. In 2011, the LAS was named as one of the most transparent public institutions in Georgia by the Institute for Development of Freedom of Information (IDFI), based on the review of its website and the timeliness and quality of responses to the Freedom of Information (FOI) requests from IDFI.

Penitentiary

When EU started to support penitentiary reform, the Department of Penitentiary was part of the MoJ and in this sense was following the perspective of the MoJ, which represents the authority of the State. With the government restructuring, which took place at the end of 2009, the Department became a part of the newly established Ministry of Corrections (MoC) and Legal Aid, which signalled the GoG readiness to conceive prisons in light of the rights of the inmates. However, access to prisons by independent experts and qualified CSOs to monitor the situation was curtailed after the Rose Revolution, in part because of the Government started to combat the control of prison population by the so-called "thieves in law." While it succeeded in this effort, already in 2006 non-Governmental organisations noted that this success came at a high price:

"A policy of quick resort to severe physical force, including lethal force, to maintain control over the prisons." (...) The brutal and systematic ill-treatment in prisons which came to light in September 2012 may also be a reflection of an atmosphere in which almost everything was allowed in order to control hard core criminals in the jails.²⁷

It was only in 2009, that Georgia created a National Preventive Mechanism (under PDO), to open the prisons to outside world and monitor the human rights situation there, in order to detect and denounce violations. From the hindsight, it is clear that neither the MCLA and its penitentiary department, nor the GoG, have heeded to the alarm signals issued by the NMP, CSOs, and international bodies, such as the CPT, about the human rights violations taking place in the prisons. It is also noteworthy, that while the Code of Imprisonment, which came into force in October 2010, obliges the Penitentiary Department to create access to the NPM missions (see Article 32 of the Code), the access was not always granted as prescribed by the Code and the Law on the Public Defender of Georgia. This was also in violation of the December 2010 Ethics Code for the Employees of the Penitentiary system, which notes that transparency is the operative principle of the institution. Most recently, the NPM is expanding and the roster of NPM experts has been renewed, in order to more effectively monitor prisons (see under I-124). Both the Penitentiary Department and the MCLA seem to be more open to the monitoring efforts and it is hoped that the reports of denying access will diminish or will be eliminated.

²⁷ *Georgia in Transition*, Thomas Hammarberg report (2013), p. 15.

Probation

The Probation Service, the predecessor to the current National Probation Agency (NPA), was under the MoJ, to implement the 2000 Criminal Code. The TACIS Policy Advice project was launched with specific aim to support the MoJ in establishing this service. For years, the Probation Service has been underutilized. The information from judges has been that they were reluctant to use probation as an alternative sentencing, because it was not functional. Another side of the story is that because the judiciary did not utilize probation, the Probation Service had not had the chance to develop.

In January 2010, the Probation Service became the National Probation Agency (NPA), one of the legal entities under public law, of the newly created Ministry of Corrections and Legal Assistance.

Box 11 Assessment of reforms by independent experts

This reform was aimed at providing stability to the Probation Service, as well as a degree of financial independence. However, one development to support the financial independence of the Probation Service was to allow it a system of self-financing, in effect that probationers would themselves pay for the services. ... this manner of self-financing has raised concerns that either financing would become elusive or access to this form of justice would be limited to those who could afford to pay. The European Rules on Community Sanctions and Measures, as further elaborated through Council of Europe recommendations, have stressed that the Probation Service be given adequate public funds and resources (including offices and equipment) so that it would not become dependent on alternative financing, and so that justice should also not become dependent on fee services.

Source: Criminal Justice Reform Assessment Report (2010) by Walter Pfluger and Charles Ehrlich, p. 37.

Unlike other law enforcement institutions, the NPA continues to face financial independence issues and as noted above, the GoG must ensure that the Agency is adequately funded through state budget, rather than from contributions from the probationers. As other Criminal Justice institutions, however, the NPA must address the issue of limited CSO engagement in policy dialogue and formulation.

EU Support to strengthen the independence and accountability of Criminal Justice sector institutions

EU support came in various shapes and forms, using the variety of instruments available throughout the years. As program documents demonstrate, the EU was very mindful of the work implemented by other donors and tailored its own interventions to complement these efforts or to divert its support to those areas that had significantly lower donor presence.

Judiciary

Box 12 Description of EU engagement with the judiciary relevant to the indicator

"While judiciary and the courts are not a direct beneficiary institution for this project, it will be an inbuilt principle for all operations that capacity building will involve regularly also the judges in order to enhance their capacities. It should be noted that traditionally the EC has not worked with judiciary reforms in Georgia as this field was and is very well covered by other major donors like USAID, GTZ and the World Bank. Considering this background a direct engagement with the judiciary as new beneficiary of EC assistance for this last TACIS AP was not considered to be feasible and therefore this indirect approach for involving the judiciary has been chosen."

Source: Project Fische, "Strengthening Rule of Law in Georgia," DAC-code 15030

According to the TACIS National Action Programme for Georgia (2004-2005), EU considers reforms of the procuracy and the penitentiary system as part of judicial reforms and notes the goals of these reforms to contribute to the efficiency, effectiveness, and transparency of these institutions.²⁸ Thus, while the court system was not the direct beneficiary of EU support, the issues of judicial independence, accountability, and efficiency have not been neglected in the

²⁸ See National Action Programme for Georgia (2004-2005), p. 4.

process of developing, updating, and monitoring the CJR Strategies and Action Plans or during political dialogue with the GoG. The several reiterations of the CJR Strategy and its implementation Action Plan, which have been developed with support from and as a pre-condition for EU assistance, have served well to other donors and Civil Society actors when designing specific interventions directed toward judicial accountability and independence.

Notably, the first SPSP designed to support the rule of law reforms in the country continued to employ the same approach to the judiciary. However, the ToR of the second SPSP was modified to target judicial independence issues.

Box 13 EU efforts toward judicial independence

“Although capacity building of the judiciary is not a specific objective of this project, the project shall support institutional independence of the Judiciary and promote the role of individual judges in the justice system, by engaging judges in the thematic workshops/seminars and roundtables organised by the projst. The judiciary may benefit of [sic] various project activities (including training, study visits, assessments, etc.) aiming at the implementation of Criminal Justice reform strategy and action plan”

Source: ToR for the 2nd SPSP TA project, p. 17

Thus, the awarded TA project’s goal to this effect is formulated as “strengthening the Judiciary and the role of individual judges.” The only available narrative report of the project for the period of November – February 5, 2013, notes that the “the Project institutionalized regular co-operation with the judiciary – High Council of Justice, Supreme Court of Georgia and High School of Justice. Empowerment of the judiciary being among top priorities for the country, the Project will work closely with all interested counterparts to make changes possible in the judiciary.” Institutionalization, as was noted during the field visit interviews, generally means a series of capacity building efforts, mostly channelled through the Supreme Court of Georgia. One of the examples is the review of judicial decisions by an international expert (Kevin Hughes), who provided feedback to the Georgian judges on how to improve the reasoning of the reviewed decisions. Another example was a study visit to Vienna for the staff of the High School of Justice. More importantly, the project supports the efforts of the MoJ on reforming the judiciary. This support involves technical assistance, as well as support with organizing public fora for discussing pressing issues of judicial reform. One such event, which was co-organised by USAID-funded project, CoE project (funded by one of the Member states), GIZ, and the EU-funded TA project, brought together various experts and all stakeholders to discuss issues of judicial independence and impartiality, as well as empowerment of the so-called “ordinary” judges. The conference ended with a list of recommendations agreed upon among the participants. It is important that these recommendations are revisited consistently to ensure follow up.

In more recent months, the EU has supported judicial independence, impartiality, and accountability through the work of the EU Special Adviser on Constitutional and Legal Reform and Human Rights in Georgia. Part of this work is to develop assessments and recommendations for future work, as well as engagement in a political dialogue with the GoG on the issues of concern.

Prosecution

The EU support to strengthening the prosecution has been more direct, dating back to the TACIS programming and the 2004 changes in the Constitution of Georgia, which made the Office of the General Prosecutor independent from the MoJ (which, incidentally was reversed twice in the next nine years). Thus, the objectives of the TACIS programme with respect to this institution were (1) to contribute to institutional capacity building of the newly created institutions, so that it is organized and acts in line with international standards, (2) to increase effectiveness, efficiency, transparency, and public control, in order to fight against corruption in the system, and (3) to improve respect of human rights in relation to people charges and/or sentenced. Consequently, EU supported activities under the earlier TACIC program centred on the provision of relevant TA and trainings on various subject matters.

In both the first and the second SPSP ToRs, support to the Office of the Chief Prosecutor is not listed as a separate objective. This maybe in part due to the fact that, since the Rose Revolution, the Office of the Chief Prosecutor has enjoyed technical and financial assistance

from various donors, most notably from the US Government agencies and implementers. Certainly because of these reasons the 2010 CJR Assessment recommended that the EU consider support to the prosecution “holistically with other reforms, particularly with improvements in the probation service and in the defence bar, to achieve fairer results,” inasmuch as “advance of some areas far ahead of others could actually decrease the fair application of justice in Georgia.”²⁹

During the timeframe of this evaluation, the EU support to the prosecution relevant to the indicator has been directed toward professionalization of prosecutors, as a way to increase their independence, enhancing public accountability of this institution, and improving co-operation with other Criminal Justice sector player and the Civil Society, so that the reforms initiated by the Office of the Chief Prosecutor take into consideration the problems across the Criminal Justice sector (prison overcrowding, access to justice of various vulnerable groups, such as minorities, juveniles, victims).

The Identification Fiche for the 2nd SPSP also identified preparedness of the Local Councils (noted above) as one of the expected results of the SPSP implementation. Consequently, one of the goals of the awarded TA project, as noted in the proposal, is “to support the reform process within the Prosecutor’s Office of Georgia – its structural development and capacity building”. While it is clear that more progress needs to be made to ensure effective public oversight of the prosecution’s work through these councils (which seem to have been supported by other donors as well), the EU was unable to make headways in improving accountability of the institution, because of lack of political will, which as noted by various stakeholders, including the representatives of prosecution. It was noted that the small window of opportunity to address this issue right after the October 2012 elections, is closing. One of the interesting findings of the field visit has been the role of the EU and EU-supported projects in ensuring communication between the judiciary, prosecution, and the bar, which as respondents have noted had been difficult to achieve in the aftermath of the elections.

LAS

The EU’s assistance has contributed to increased independence of both the LAS and the LAS lawyers. This included support with opening new offices, organization of annual conferences and publication of annual reports (through EU TA project), as well as trainings of lawyers (through the TA project and UNICEF), the introduction of the automated case assignment system (started with UNDP support, but seems to have been completed with EU assistance), various study visits to share European experience, and legislative assessments.

As noted, tangible results in this area have been achieved after fall 2012, initially, by decoupling the LAS from the Ministry of Corrections and Legal Aid and making it accountable only to the Parliament, and then by the new Labour Code, which created further legislative guarantees of professional independence of LAS lawyers.³⁰ The process of change was highly consultative and involved TA from international expert, Roger Smith, who reviewed the LAS draft legislation for compliance with international standards and provided recommendations to the LAS Working Group. The new law, which was adopted with support of the EU and other donors, incorporating the lessons learned from the previous years and comments from stakeholders, also ensures the LAS accountability before the Parliament and its Managing Board, which is designed as a collegial body with inclusive and balanced members and is charged with supervising the work of the institutions, so as to ensure its effectiveness and guarantee is independence and accountability. The review of the legislation, as well as the field visit interviews regarding its implementation, have noted a possible issue of concern related to the managing board of the LAS and its ability to ensure effective and independent functioning of the institution. Since the members of the Board are mostly representing different organizations, there is a concern that, in their activities as the members of the LAS Board, they will be guided more by the interests of their nominating institutions, rather than those of the LAS. The Board is much too new to be able to draw any specific conclusions at this point,

²⁹ CJR Assessment (2010), pp. 45-6.

³⁰ With these changes, the dismissal of LAS lawyers requires justification (the new Labor Code got rid of the “at will” termination clause) and an agreement from the LAS Managing Board.

but it is clear that capacity building on board governance issues is needed to ensure that the LAS board members are themselves independent when serving in this capacity.

This said, questions emerge about the effectiveness of EU efforts with respect to the previous LAS board and whether in the situation of evident lack of political will for the LAS' institutional independence, these interventions were warranted. The field visit confirmed that the EU efforts to support the previous board to become the guarantor of the LAS independence were ineffective. Given the composition of the board, it could also be noted that these efforts were doomed for failure.

As noted below under I-121, the EU started to work with the GBA later during the implementation of the SPSP. This seems to have two inter-related reasons: (1) the Association was heavily supported by the USG implementers and (2) until early 2010 it was not a viable enough institution to work with on long-term basis. The three goals of GBA support, strengthening the organizational capacity of GBA and its Training Centre, and improving ethical standards and disciplinary procedures, are connected to institution's independence and accountability of lawyers.

Box 14 EU support to GBA

"To support the capacity strengthening of Georgian Bar Association, the Project, in co-operation with JILEP, worked with the consultancy group *Synergy* to help GBA devise a long-term strategy and an action plan for 2014-2015. Together with JILEP, the Project trained the new members of the Ethics Commission in order to stimulate homogenous practice and to achieve sustainable development of this body. Members of Ethics Commission also attended a workshop on ECHR case-law, conducted by Professor Philip Leach and focusing on the role of professional advocacy in ECHR litigations. The Project finalized and tested 3 new criminal law modules for the GBA Training Centre and continued a series of 2-day ECHR trainings for GBA and LAS lawyers. The project assisted GBA in the publication of ECHR decisions in their quality law journal, as well with the publication and presentation of the Georgian translation of Professor Leach's book *Leach's book - "Taking a Case to the European Court of Human Rights", 3rd ed., Oxford University Press, 2011.*

Source: 3rd Progress Report, Support to the Criminal Justice System Reform in Georgia, August 2014, P. 13

It is too early to tell whether the EU efforts in this area have been effective. However, it is clear that the Bar Association needs support to make sure that Georgian citizens have access to ethical and high quality legal advice and representation when they need it. The field visit noted that there may be some difference between how the leadership views the EU support to improving access to justice in Georgia and how this is seen from the perspective of the GBA members. It may be worthwhile to inquire further in this direction and ensure that the EU interventions are based on the GBA membership needs. In this vein, it is also important to support the GBA in becoming a truly membership based organization (MBO). Thus, the regulatory framework related to the GBA needs to be reviewed from this perspective, paying specific attention to the extent to which the law, charter, bylaws and other regulations are susceptible to being manipulated by a few number of individuals who may find themselves at the leadership positions of the GBA. In addition, more effort needs to be made to reach out to the GBA members residing outside Tbilisi, supporting them locally to improve their knowledge and skills, as well as empowering them to become actively engagement in the GBA.

Penitentiary and probation

EC has been the main provider of financial assistance in Georgia to Penitentiary and Probation reforms through different programs launched following the Rose Revolution (TACIS, RRM EIDHR).³¹ Initially, these efforts were directed to curb corruption, to rehabilitate prison buildings, and to set up new institutions and establish new practices. The 2006 TACIS Action Programme for Georgia aimed at consolidating the previous years' efforts by strengthening the capacities of public institutions charged with penal reforms, enhancing the human resources capacities in prisons and probation management, improving the living conditions of

³¹ See the TACIS 2006 Action Programme for Georgia

the inmates and respect of human rights, and improving co-operation between public institutions and Civil Society.

With the two SPSPs, much of the effort directed to the Penitentiary Department and the NPA has been related to supporting them in achieving their institutional objectives in line with the Constitution of Georgia and international standards.³² Other indicators provide more specific description of the EU support, such as with respect to improving conditions of detention and greater focus on rehabilitation and re-socialization to reduce recidivism and prevent crime. Here the focus will be only on the accountability and independence of these institutions and the efforts that EU has undertaken to this effect.

One of the achievements, which should be highlighted, is the creation and expansion of the NPM, as a prison monitoring mechanism. The EU has been instrumental (through budget support, PDO TA project, and CSO grant assistance) in making this happen and, thus, making the extremely closed prison system open to the outside world. In a similar development, the grant projects awarded by EU under the EaPIC have also contributed to improved accountability and transparency of the system, by supporting CSOs in accessing the penitentiary and probation system and providing the needed services to the inmates and probationers. To make this happen, the Penitentiary and the Criminal Legislation Working Groups developed and the ICC adopted (at its 10th session) a concept note on the operational (read ethical) standards and working arrangements for NGOs providing services within prisons.³³ Prior to EaPIC projects, CSOs were implementing EIDHR funded interventions, which together with other specific objectives aimed at improving the system's accountability.

The field visit looked into how this has worked with the service providing NGOs and whether it has made the system more open to public scrutiny. Overall assessment of the NGOs has been that having EU grant support was allowing them to schedule meetings with the relevant officials, but often it was not enough to access the prisons, unless the project involved a rehabilitation component, toward which the officials were more supportive, given the political will to improve the physical conditions in detention facilities. The NGOs have noted that the NPM was a good undertaking, but was not enough to ensure openness of the prisons. While the trend in the post-2012 elections period is assessed by all as positive, almost all respondents have noted that the system is exhibiting the worrisome tendencies toward closing down to the outside observers. The interviewed EaPIC grantees have noted significantly improved access to detention facilities, given the EU funding and improved political will, but stressed difficulties with changes in the MCLA system staff and the overall trend toward less transparency.

Prior to the EaPIC projects and the concept note on the operational standards and working arrangements for NGOs providing services within prisons, the Ministry of Corrections and Legal Aid implemented a new code of conduct for prison employees, which seems to have contributed to more accountability.

Box 15 Implementation of the code of conduct

The implementation of the new code of conduct for prison employees has been the subject of ministry-led trainings and has led to disciplinary actions including dismissal, for violations. 263 cases of disciplinary action were reported in 2009, including 15 leading to dismissal, representing an increase on 2008 figures. According to observers, the higher figures for 2009 indicated an increased determination to deal with misconduct more than an increased level of misconduct.”

Source: Criminal Justice Reform Assessment Report (2010).

The Code of Imprisonment, which was adopted with EU support and which was reviewed by the COE for its compliance with international standards, also should have contributed to improved transparency and accountability of the penitentiary system, as it regulates, among

³² Notably, the first SPSP did not support the penitentiary department, but rather eased into the field through providing a grant to the Penitentiary and Probation Training Center. It was only during the 2nd SPSP that the EU targeted the then Ministry of Corrections and Legal Aid and its Penitentiary Department.

³³ The note was not designed to cover international obligations acceded to by the GoG, e.g. the activities of the CPT, the PDO, the NPM, or the International Committee of the Red Cross (ICRC).

other things, the work of the various organs in the system and the rules of engagement with CSOs and the public (Article 3). The Code envisioned the creation of the Permanent Commission of Supervision, which is charged with the overseeing the work of the Ministry's Local Commission (parole board), charged with making decisions on parole or application of a less severe punishment. While the latter commission is to be independent in making these decisions, the members are appointed and dismissed by the Minister (2013 version of the law) and the Permanent Commission, consisting of the MCLA representatives, majority and minority parliamentarians, member of the HCoJ and just one representative of an NGO sector, is to provide the overall supervision of the work of the parole board.

The field visit enquired with various stakeholders whether the new Code has in any way improved the penitentiary department's openness to CSOs and contributed to its overall accountability and transparency. The overwhelming response was that the tangible positive changes toward openness that were observed were in great part connected to political will and not necessarily to the Code or other regulations. This said, some of the respondents also stressed the importance of having legislation in line with European standards, so that both local and international actors have solid framework for advocating for positive change. The field visit has also observed a certain level of fatigue among stakeholders about the "good laws" that are not implemented. The donor community, the EU included, needs to consider this in its future efforts.

The EU efforts with respect to the National Probation Agency were not directly relevant to the indicator. However, the work to develop the capacities of the NPA and its predecessor, Probation Service, could indirectly contribute to its independence and transparency. It is also noteworthy that the CJR strategy and action plan call for an increase in budget, staffing, and offices for probation. This requirement was found to be fulfilled by the SPSP review and, according to the sector assessment, the credit for staff recruitment procedures and trainings should go to the EU-financed TA project.³⁴ The evaluation will look into this issue, once the reports from the TA projects are available, as well as during the field visit.

During the desk phase, it seemed that the issue of financial independence of the NPA was not addressed by the EU. As the visit to the Agency has demonstrated, the Delegation has been vocal about the notion of taking fees from the probationers, whereby those, who can afford it are able to "buy out" their visits to the probation officer for a relevant fee determined by the authorities. According to the NPA, the Agency has an average annual income of GEL 800,000 only from the collection of these fees, which mostly goes to the salaries and also to provision of training and other services to the probationers. The NPA is under the impression that this is not an issue of equality under law, as they review each case and make risk assessments. This said, it has been noted that the NPA and the GoG are considering abolition of such a system and if were to take place, they credit EU's incessant requests to follow the European standards and practices.

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1.1.4 Indicator 114: Case management system in place and operational

Presentation of the evidence gathered and detailed analysis

Efficiency has been one of the pressing issues for the Criminal Justice institutions, which is why the GoG and the donors have prioritised the creation of the Integrated Criminal Case Management System (ICCMS). The use of ICT in Georgia in the implementation of reforms for the benefit of people started only in post-2004 period, which serves as a baseline for this indicator.

The idea behind the system, developed by the MoJ in coordination with the Office of the Chief Prosecutor, Ministry of Internal Affairs, Ministry of Finance, and other enforcement bodies, is to make the work of the law enforcement authorities more efficient and to eliminate, as much as possible, paper work. The system, as it has been described, integrates all agencies involved in the criminal case in one system and gives the users the ability to search any person in the pool of entire cases and thus immediately gains the information if the person has ever been part of any case with any status. The ICCMS was also designed as a statistical/analytical tool, which would allow the Analytical Department of the MoJ to elaborate policy recommendations based on the information gathered through the System (e.g. a recommendation related to using discretionary prosecution on certain crimes).

Box 16 Assessment of the ICCMS

“All prosecutors interviewed by the Review Team are using the ICCMS and found that it saves time for filing court papers. Secondly, the prosecutors mentioned the ICCMS as helpful in relation to investigations, which are also part of the system. The files from the investigators are sent electronically for review instead of the prosecutor waiting for the investigator to deliver the file. Since prosecutors now have more responsibilities for investigations, the ICCMS should continue to play a significant role in assisting prosecutors with overseeing investigations.”

Source: Review of Selected Activities in Georgia Supported by US Department of State Bureau of International Narcotics and Law Enforcement & US Department of Justice Office of Overseas Prosecutorial Development Assistance and Training, Special Thematic Report (2012) prepared by Georgia Monitoring Project, p. 17

The USG and the EU were the two main donors that supported the work of the GoG in this area, with aim to improve the efficiency of the system, which is in line with the priority of enhancing access to justice for the citizens of Georgia and improving the implementation of the sector reform Strategy. Other donors and stakeholders were involved in the development of the system through the ICC, where the original idea and its subsequent reiterations have

been presented and discussed. Based on the information provided, the main EU contributions to this endeavour have been through provision of TA and capacity building.

Namely, the EU provided TA on improving the ICCMS to address the wider need for reliable and comprehensive Criminal Justice statistics, as a basis for policy decisions. Thus, the EU-funded project, Criminal Justice Statistics in Georgia, assessed the system and developed recommendations for its improvement, which were shared with the MoJ. In addition, on the request of the Ministry, the EU funded several waves of Georgian Crime Survey to provide annual statistics of victimization rates, perceptions of crime and long-term trends of crime committed in the country.³⁵ These seem to be in line with the CJR 2010 assessment, which recommended that the EU

“provide support to the MoJ Analytical Department...in terms of implementation of the Case Management System as an integrated tool to enhance planning and management capacity within the Ministry and develop tools for statistical systems and relevant analytical capacities. In this respect, Twinning, TAIEX and SIGMA would all be useful tools to allow for targeted interventions and support to management.”³⁶

The EU has also supported ICCMS trainings, together with the GoG and the USG.

The ICCMS was implemented on the territory of Georgia in 2011 and since then, the criminal cases were fully managed electronically, until the judiciary disconnected itself from the ICCMS after the October 2012 elections. According to the CJR 3rd Progress Report of the GoG (2011), the GoG planned to give access to ICCMS to defence counsel. The ICCMS implementation was done in parallel with case management efforts that were undertaken by the judiciary. Namely, while the MoJ was working on the ICCMS, the court system worked on its own case management system, with support from the USAID-funded project, which was to support the judiciary in improving court administration and case management. The case management system development was headed by the Supreme Court and it covered criminal, civil, and administrative law cases and its development coincided with the work undertaken under ICCMS. At the end of 2011, there were three case management systems that affected the work of the courts. One was the CSM developed with Supreme Court by the USAID JAMR project, another developed and used by the appellate courts (this was a simpler system that tracked the status of cases and provided notices to parties and counsel about pending hearings and deadlines, and the ICCMS. According to the USAID JAMR project evaluation, by the end of 2011, the systems were not compatible and did not allow access to private attorneys.³⁷ The field visit confirmed that this is the case to this day.

The field visit interviews have shed additional light to the development and the current status of the ICCMS. It is universally considered that the ICCMS has been supported by the USG efforts and the EU contribution to this effort was fairly minimal. This divergence from the original intentions seems to be explained by the EU's decision to withdraw some of its support from the prosecution, given its dominance among the Justice sector institution, as well as the sheer volume of support provided to the prosecution from the USG and the USG support (from USAID-funded projects) to other, competing case management systems. Despite the fact that significant donor effort has been put into the ICCMS, its potential is not exploited. The ICCMS is still not open to the Bar and the judiciary stopped using the system after October 2012. Thus, to this point, the ICCMS, despite its potential, has not contributed much to the efficiency of the system or to generating reliable and comprehensive Criminal Justice statistics. Some respondents have noted that the EU's presence may have been a welcome development for ensuring the opening of the ICCMS to the Bar. As noted above, the prosecution is highly appreciative of the role of various EU-funded projects and the Delegation for supporting even basic communications with the judiciary, given that since the October 2012 elections the judiciary has disconnected itself from the ICCMS system.

³⁵ Note re. Disbursement of a Second Installment of EUR 5 million, Support to the Reform of the Criminal Justice System in Georgia, ENPI 2008.

³⁶ CJR Assessment Report (2010), pp. 45-6.

³⁷ Evaluation of USAID/Georgia's Judicial Administration and Management Reform (JAMR) Project: Final Report, Howard Fenton and Ekaterine Popkhadze, October 2011

N.B. The EU has supported development of case management systems for other targeted institutions, such as PDO and LAS, but these are dealt with under relevant indicators.

Sources of information used

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- Interview with the representatives of the Main Prosecutor's Office, US DOJ representatives, Human Dynamics project staff and EUD.

1.2 JC12: Improved access to justice

EU support has made tangible contributions to improved access to justice in Georgia. One of the effects of EU support in this area has been the contribution toward enhancing the links and collaboration between Justice sector institutions, international donors, and local Civil Society organizations in affecting positive change. This was done as a result of good planning of the first SPSP and making intergovernmental collaboration and donor coordination a pre-condition to the sector support program. EU TA projects have also been providing support to the relevant working groups of the ICC (PDO and the Legal Aid), which also contributed to effective coordination. The EU capacity building support to the ICC Secretariat suggests that there is a potential of sustainable impact in this area.

In addition, the EU has been at the forefront of supporting Alternative Dispute Resolution in criminal cases in Georgia. The EU and TA project implementer, UNICEF, should be credited for sound assessment of the situation with respect to juvenile justice and amending the project to include the creation of diversion and mediation mechanism for juvenile offenders. This particular intervention seems to have had catalytic impact; diversion is now applied to adult population as well.

The EU support to the establishment and functioning of the LAS has also improved access to justice in Georgia by enhancing institutional capacity and independence of the LAS, as well as individual independence of the LAS lawyers. This was achieved through provision of budget support, as well as technical assistance to various LAS departments, the LAS leadership and the Legal Aid working group. The EU supported trainings and other capacity building activities, and contributions to its public outreach efforts. The review has noted that the contributing factor for the progress made with respect to the availability and effectiveness of legal aid services has been the openness of the LAS leadership to the training opportunities made available to the LAS staff attorneys and registry lawyers. Another contributing factor to success was the heavy involvement of other donors in LAS capacity building efforts. While the LAS is experiencing significant staff turnover, this has not jeopardized the long-term impact of these trainings on improved access to justice for the following two reasons: (1) the trained lawyers who have left the LAS continue their work as legal professionals and (2) the LAS has been able to maintain core legal staff, mostly through providing career growth opportunities within the institution.

The EU has been instrumental in supporting the strengthening the institutional capacity of the Public Defender's Office to act independently and effectively in defence of human rights in Georgia. This was done through:

- Providing budget support and through BS conditionalities that have ensured steady increase in PDO state budget allocations

- Providing institutional capacity building support through CB and TA projects, including funding the NPM and its experts;
- Implementing various trainings for the PDO staff and invited experts;
- Making the enhanced role of the PDO in Justice sector reforms as an additional disbursement condition for the AAP 2011 (the EU already on PDO functioning independently); and
- Contributing to its public outreach efforts.

The fact that the PDO has a constitutional mandate and is independent in his actions has made it easier for the EU and other donors to work in tandem with the institution to contribute to its effective and independent function. Clearly, this was not the case with the LAS leadership, which does not have a constitutional mandate and is dependent on the goodwill of the supervising Minister. A good mix of instruments to support Criminal Justice reform contributed to successfully advocating for financial independence of the PDO.

EU efforts directed toward improving access to justice have made tangible impact on many people's lives, who benefited from legal aid either through the LAS) or through EU grant-recipient CSOs. Significantly more effort, however, is needed to improve access to justice for Georgian citizens, especially, minorities, who are facing additional obstacles of language, marginalization, and stigma. In this respect, it is important to improve the citizens' awareness of their rights and responsibilities, as well as where and how to seek remedies.

1.2.1 Indicator 121: Justice services are accessible for resolving disputes (accessibility to courts (backlogs), costs of justice services (court fees), existence of ADR, public education)

Presentation of the evidence gathered and detailed analysis

In a rule of law state, people should be able to access formal institutions of justice to resolve their disputes peacefully and effectively. Accessibility of justice services includes the following:

- Availability and affordability of legal advice;
- Absence of unreasonable hurdles and/or fees when seeking justice;
- Timely decisions rendered by courts;
- Availability of Alternative Dispute Resolution (ADR) mechanisms;
- General awareness of the citizens about the existing remedies.
- Availability and affordability of legal advice

In Georgia, people are able to receive legal advice through (1) private law firms and attorneys, (2) state-funded legal aid services, and (3) human rights CSOs that implement free legal aid grant projects. Most lawyers providing legal advice and representation are the members of the Georgian Bar Association. However, the law allows legally trained professionals, who are not the members of the GBA, to render legal advice and provide legal representation in courts (with specific restrictions). The "*pro bono* culture" in Georgia's legal profession is not visible, although, many Tbilisi based law firms have started to provide *pro bono* legal assistance to the population. Fees for legal services charged by private lawyers are not regulated and vary depending upon the case, region, and visibility (or qualification) of a lawyer.

According to the ABA 2007 report on the state of the legal profession reform, in 2007, Georgia still had an insufficient number of qualified practicing attorneys, with the western regions of the country having a disproportionately low number of advocates.³⁸ Not surprising, the research found that there was a "huge need" for legal aid, especially, given the fact that the LAS was not providing services in civil and administrative law matters. The same report also notes that

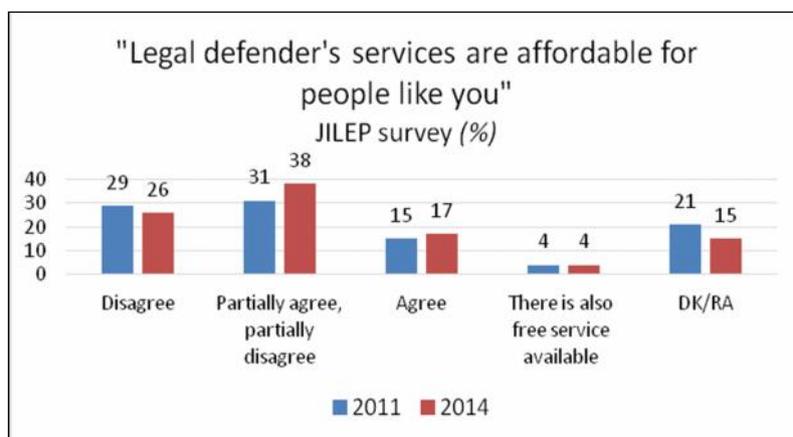
"advocates practicing outside the capital do not have adequate access to legal information and other resources necessary to provide competent legal services.

³⁸ Legal Profession Reform Index, Volume 2, American Bar Association's Rule of Law Initiative, 2007, p. 37

Although reluctant to reveal the actual amounts of their earnings, many advocates reported that remuneration for legal services is not enough to make a living solely from the practice of law.³⁹

This is in partial contrast with the results of the 2009 public opinion results, according to which only 8% of the Georgian public believed that the legal services are affordable in Georgia and only 15% felt positively about the competence of the available legal advice.⁴⁰ The 2011 and 2014 surveys provide a more optimistic picture about the affordability in of legal advice, presumably due to improved coverage provided by the LAS.

Figure 4 Affordability of legal advice in Georgia



Source: CRRC judicial system surveys funded by USAID (2011 - 2014)

Improvements are noted on the qualifications front as well. However, the respondents of the 2014 survey noted that while qualification of the LAS lawyers may not be bad, there is a need to regulate their workload for them to be able to do a good job for the LAS clients. As for the issue of competence, only 31% agree that the competence of LAS lawyers is high.⁴¹ However, it is still higher than the average rate given to the competence of the entire profession in 2009.

- Absence of unreasonable hurdles and/or fees when seeking justice

Accessibility of justice services is also connected to the ability of citizens to defend their rights through the court system. While the state has the obligation to ensure that adjudication is affordable to all citizens, it is not precluded from imposing certain procedures or formalities for a person to seek judicial remedies. According to the Georgia Civil Procedure Code, one such formality is court fees (from GEL 100 to GEL 3,000 for first instance court). Initially, the Code allowed the court to take into consideration the citizen's income and free him or her from court fees to be paid to the state budget. With the July 2007 changes, the judge's discretion was limited and it was to be decided based on the income of the party and his or her family members and the amount levied as court fees. However, further changes in the code (affected in January 2008), the court could free the party from pay the fees only based on evidence that the party is registered in the state database for socially vulnerable citizens and receives social support. These changes were in line with the 2007-2010 BDD document, which noted that one of the justification for further improvements in the judicial system was to transfer it to self-financing.⁴² According the reports of the Ombudsman, these changes are tantamount of exceedingly difficult formal barriers to access courts and has many times deterred citizens from protecting their rights through the courts.⁴³ The recent change in the Civil Procedure Code, lowering court fees for cases that fall under court mediation, may alleviate this problem.

³⁹ Ibid, p. 28.

⁴⁰ Legal and Court System Survey and Focus Groups: Armenia, Azerbaijan, and Georgia, Report of the Main Findings (2009), Caucasus Research Resource Centers, p. 18.

⁴¹ Data from the 2012 and 2014 CRRC research funded by USAID

⁴² The Government of Georgia, Basic Data and Directions 2007-2010, p. 78.

⁴³ See the Parliamentary Report of the Public Defender (2nd half of 2008), p. 24.

- Timely decisions rendered by courts

Prior to the drive to use ICT in the implementation of reforms to benefit the citizens, all case files were kept on paper, which significantly delayed the administration of justice. The case backlogs were substantial and necessitated reforms, which started in late 2005. More information about efficiency issues, see I-114.

- Availability of ADR Mechanisms

Baseline is well set by the 2007 ABA LPRI report, which notes that “the Code of Ethics requires advocates to advise their clients to settle a case or find alternative ways to resolve a dispute. However, the only formal alternative dispute resolution available is arbitration, and its use is generally limited to small-scale disputes between individuals. Formal mediation does not exist; however, advocates often advise their clients to settle matters outside of the courtroom.”⁴⁴ The same report also noted that arbitration is rarely employed by businesses as a means of settling their disputes, as the law precluded businesses access to commercial arbitration, seemingly in part because the GoG has lost several important cases in commercial arbitration. Needless to say, the notion of criminal alternative dispute resolution has not been broached either by the authorities or local Civil Society.

At the time of the evaluation, changes have been effected in this area. Following the 2010 amendments to the CPC, the prosecutors have been granted discretionary power not to prosecute cases of first-time juvenile offenders who have committed less serious crimes. As a result, the MoJ and MCLA started to implement Juvenile Diversion and Mediation Program (pilot launched on November 15, 2010), with the purpose to expand the use of alternatives to prosecution in dealing with juvenile offenders, diverting them from criminal prosecution and propose alternatives to criminal responsibility. If the prosecutor chooses to use its discretionary power, he/she involves a social worker and a mediator, to conclude a civil law agreement with the juvenile or his/her parent or legal representative. The civil law agreement is signed by the juvenile, his/her parents, prosecutor, the social work on the case, and the victim. As noted by the Centre for Crime Prevention and Innovative Programs under the MoJ, while mediation is currently used as a mechanism for restorative justice, in the future, it will try to increase the use of mediation not only in cases of diversion, but also in parallel with or after imprisonment, as a way of rehabilitation and re-socialization of prisoners and victims.⁴⁵ A similar program for adult offenders started in October 2011.

Table 2 Juvenile and Adult Diversion Statistics

	2010	2011	2012	2013 (1st quarter)
Juvenile Offenders	2	81	120	25
Adult Offenders	N/A	130	1,247	279

Source: Office of the Chief Prosecutor, http://pog.gov.ge/geo/projects/current?info_id=86.

Another noteworthy development on this front (though not part of CJR) is the December 2011 changes in the civil code, which have instituted court mediation as an alternative mechanism to resolve disputes.⁴⁶ The Civil Code determines the types of cases that could be referred to court mediation and if a case is deemed as such, the court fees for first instance case are much lower (1% or the minimum of GEL 50, with 70% returned to the party, in case of successful mediation, as opposed to 3% and the minimum of GEL 100). The Law of Georgia on Arbitration also came into effect in January of 2011, to rehabilitate the previously discredited ADR mechanism among the public and commercial institutions.

- General awareness of citizens about the existing remedies

The Georgian citizens' awareness of existing remedies was historically very low. They were not well versed in their rights and obligations or about ways of protecting their rights. The 2007

⁴⁴ ABA LPRI report, p. 41.

⁴⁵ See at <http://prevention.gov.ge/page/31/eng>.

⁴⁶ See Article 187.1 through 187.9 of the Civil Code.

LPRI notes, for example, that at the time of data collection the “GBA [did] not offer public legal education programs, nor [was] public education included as one of its objectives.” The same report comments positively on the newly created LAS for its public outreach efforts, though recommends that the LAS improve its public awareness efforts in the regions of Georgia, where indigent and minorities reside.⁴⁷ In the 2007-2010 BDD document, the GoG also noted that the “main hindering factor to successful implementation of the [LAS] project may be lack of awareness of population in regard to their rights and commitments of the state to in the sphere of provision of free legal aid.”⁴⁸

In the 2010 survey (also by CRRC), the LAS compared poorly to other Justice sector institutions (courts, police, etc.) regarding its visibility in the new and old media.⁴⁹ Over the years, however, Georgians have reported increased knowledge of free legal aid services. In 2011, 53% of the respondents were aware of the services provided by the LAS, while the 2014 figure notes 4% increase. In contrast, 13% increase was seen in people’s awareness of the delivery of free legal aid by CSOs during 2011-2014, which may be explained by the fact that significant funds have been channelled through local CSOs for the provision of free legal aid under the USAID funded project, with all the funded projects including targeted public awareness campaign about the services rendered.⁵⁰

EU Support

Accessibility of justice services to citizens is a complex matter and requires coordination of all Justice sector institutions and Civil Society. One of the most notable EU support in this area has been the contribution toward enhancing the links and collaboration between Justice sector institutions, international donors, and local Civil Society organizations in affecting positive change. This was achieved with good assessment of the situation when drafting the first SPSP and making intergovernmental collaboration and donor coordination a pre-condition to the sector support program. This pre-condition was fulfilled by the GoG by the 2008 Presidential Decree creating the CJR Inter-Agency Coordination Council with membership from public institutions, civil society, and donor community. The work of the ICC and its working groups, including the adoption of detailed Action Plan for the implementation of the CJR, has been instrumental in improving interagency co-operation and coordination of the GoG with international donor community. Given the pre-SPSP experience, the EU has been vigilant to keep a careful eye on the work of the ICC, in order to timely detect the breakdown of this coordination mechanism. It must be noted that while multiple other donors have worked in this area for years, it was the EU SPSP that ensured real and lasting coordination between local and international actors.

Box 17 Assessment of sector coordination through ICC

“The interaction between officials in different agencies, and even between officials within the same agency, and between agencies, Civil Society and the international community engendered by the mechanism continued. Initiatives towards liberalisation introduced since 2008 grew in strength, finding accord with the policies of the new Government, while the major innovations in Criminal Justice principles and management enacted since the election found a ready mechanism for elaboration and effective implementation and monitoring of impact. Furthermore, the Council and its working groups remains a powerful tool for dialogue and consultation, a feature recognized by the Government in its commitment to its revival and renewal.”

Source: Aide Memoire, Second Installment Review, Support to the Criminal Justice sector SPSP (July 2013), p.3.

The EU contributions in terms of availability and affordability of legal advice, efficiency and accessibility of justice, and awareness of citizens to seek remedies have been made through

⁴⁷ ABA LPRI Report, p. 42

⁴⁸ The Government of Georgia, Basic Data and Directions 2007-2010, p. 83

⁴⁹ Attitudes to the Judiciary in Georgia: Assessment of Legal Professionals and Business Leaders, Survey Report, CRRC Georgia, June 2012, p. 10.

⁵⁰ Attitudes to the Judiciary in Georgia: Assessment of General Public, Legal Professionals and Business Leaders, CRRC-Georgia, May 2014.

all available aid modalities and various actors. Thus, making legal advice more available and affordable to the Georgian population is evident through EU's efforts to strengthen the LAS (as discussed under I-123). As public knowledge and perception surveys have demonstrated, the country has come a long way when it comes to the ability of Georgian citizens to receive legal advice, which in large part can be explained by the functioning of the LAS. In addition to support to the LAS, the EU has funded several projects that include provision of legal aid to the vulnerable groups (see I-123 below).

As noted, the GBA is also an important link in this regard, as most practicing lawyers are also members of the Association. Initially, the work with the GBA was under the purview of the USG-supported actors and the original SPSP and the TA project did not include support to the GBA. This component (and the additional EURO120,000) was added to the TA project later in 2010,⁵¹ envisioning (1) strengthening the organizational capacity of GBA; (2) strengthening capacity of its Training Centre, and (3) improving ethical standards and disciplinary procedures. With support from the EU, the GBA has been more actively involved in the CJR process (although, initially, it took a while for the GoG to include the GBA representative in the ICC), including review of CPC and other legislative changes. After many years of complaints from legal professionals, the GBA also decided to improve its examination system (previously, an exam constituted randomly selected 100 multiple choice questions from the pool of 3,000 published (with correct answers) prior to the exam), which should greatly contribute to enhance qualification of the GBA members. The EU-supported TA has assisted the GBA in membership training and the GBA Ethics Commission in improving its disciplinary processes, which, in the long run, will contribute to improved availability of qualified legal aid to the Georgia population. The field visit interviews confirmed the need for the EU to be engaged with the GBA, with the caveat that donors have historically flocked the Bar, given its legal mandate. Thus, engagement with the GBA needs to be mindful of not only of duplication of efforts at any given time, but also of learning from past experiences, in order to build on the successes and not to repeat the mistakes already made (see discussion about the GBA under I-113 above).

The EU has been at the forefront of supporting ADR in criminal cases in Georgia. Criminal alternative dispute resolution started in early 1970s in Ontario, Canada and has since gained significant momentum in Western democracies. It has also been a subject of significant scholarly debate on its merits and "privatization of public harm." The good practice of diversion, as applied to both juvenile and adult offenders, supports multiple objectives, including:

- Crime prevention;
- Rehabilitation and re-socialization of the offender and the victim;
- Court efficiency;
- Prevention of subsequent legal disputes.

The EU and its TA project implementer, UNICEF, should be given credit for sound assessment of situation with respect to juvenile justice and amending the project "Reform Options for the Penitentiary System and Probation System for Convicted Child Offenders in Georgia" (TACIS) to include the creation of diversion and mediation mechanism for juvenile offenders.⁵² As a result of these efforts, the GoG first initiated the pilot Juvenile Diversion and Mediation Program (launched on November 15, 2010), with co-operation between MoJ and MCLA, which arguably resulted in the creation of the new legal entity of public law under the MoJ, the Centre for Crime Prevention and Innovative Programs, in 2012,⁵³ and expansion of the program on the entire territory of Georgia since 2013. UNICEF continues to support these efforts with the project "Support to diversion and probation services and increased focus on reforming pre-trial options for juvenile offenders in Georgia."

⁵¹ Although the GBA was able to benefit from TAIEX program, which provided support to its governing bodies to discuss various institutional issues, even prior to 2010.

⁵² See Addendum 2 to the Contribution Agreement to TACIS/2008/168-260.

⁵³ The Center was established by the Presidential Decree #779 and the Decree of the Ministry of Justice #154.

Box 18 UNICEF capacity building efforts related to juvenile diversion and mediation

UNICEF supported the Ministry of Justice in developing the training modules for social workers and prosecutors on a diversion programme for juveniles. The training module includes materials for participants as well as a training methodology for identified trainers. Fourteen trainers were identified by the training institutes and underwent training in 2013. All training materials developed thus far will be integrated into the training programme of the respective training institutes, namely the Training Centre of Justice (TCJ), the Training Centre of Prosecutor's Office, Probation and the Penitentiary Training Centre. The identified trainers conducted five trainings for a multidisciplinary group of 130 professionals - prosecutors, social workers and mediators – involved in diversion methods.

Source: *UNICEF Annual Report 2013 – Georgia*, p. 5.

Box 19 Assessment of the GoG commitment to diversion and mediation

"The enthusiasm for and commitment to diversion was self-evident among those involved at all levels, but was particularly strongly exhibited by those prosecutors, social workers and probation officers that directly dealt with juveniles at odds with the law. The accelerated growth in the coverage of the availability of diversion, the sensitivity of its application, and its use whenever possible was impressive."

Source: *Aide Memoire, Second Instalment Review, Support to the Criminal Justice sector SPSP (July 2013)*, p.28.

As noted in the first and second instalment reviews of the second SPSP, while the progress in this area is evident, questions remain about how the prosecutors were using their discretionary powers to determine which cases would be diverted from the courts and whether the juveniles should have even come before a prosecutor, given the insignificance of their offences. These questions will be addressed in the coming months by UNICEF, which will cooperate with the MoJ to conduct a qualitative and quantitative analysis of juvenile diversion cases, looking specifically, at the use of prosecutorial discretion, so as to develop recommendations for further reforms.

Most recently, the EU has started to provide capacity building support to the Centre for Crime Prevention under the MoJ of Georgia. The focus of these efforts is to help the Centre in its rehabilitation work with the newly released prisoners, as well as in the implementation of diversion and mediation programs and carrying out crime prevention activities. This work is fairly recent, but has been positively viewed by the Human Dynamics (HD) project, as well as the MoJ and the Centre. The latter has also been very positive in its assessment of the support that the system is getting through the services provided by the EaPIC grantees (noting specifically projects implemented by HWA and Cross Cultures Project Association).

Another area of EU's efforts has been informing the public about their rights, as well as the existing remedies. These were addressed, in part, under I-123 and I-124 and will not be repeated here. The TA projects include a portion on public outreach, which has been contributed to improving the public's awareness of their rights and existing remedies. The most recent initiative is to work with the PR departments of all partner agencies to spread the information about the changes in the CPC and the Criminal Code. Other efforts include supporting the development and functioning of the LAS, PDO, and GBA websites, assistance with preparation of bi-lingual annual reports and Georgian language leaflets about rights and remedies, organizing workshops for journalists or communication trainings for the staff of beneficiary agencies, assisting with garnering TV coverage through special programs or PSAs. While the beneficiaries have been very positive in the need to support communications trainings and outreach efforts, stakeholders have still noted lack of public awareness about their rights, as well as about the findings of the PDO. Some have also noted the need to ensure that the public outreach activities are focused less on improving the image of the institution in question and more about the need to address the knowledge gaps in the society. In the future, it may be useful if the EU supported the production of those public outreach materials that have the highest return of the investment (read: that have the potential reaching the highest number of citizens). This may mean that the EU projects should no longer support website design, update and translation costs, as well as costs associated with developing, translating (in English), and paper publishing institution's annual reports, especially, since these types of activities have been supported by the EU since its initial engagement with

Georgia. When designing future interventions, the EU should keep in mind that according to the Caucasus Research Resource Centres (CRRC) surveys (both the Caucasus Barometer and the Media survey), the Georgian public is getting most of its information from TV channels and while the reach of the internet is increasing, the internet usage is concentrated on social media sites.

In addition to the EU TA projects and the GoG itself, public awareness activities have been undertaken by EU-supported civil society organizations implementing grant projects funded under EIDHR, NSA/LA, and EaPIC instruments. These include broadcasting PSAs, printing and distributing flyers/brochures about rights and remedies, publicizing the findings of research and monitoring efforts, etc. Thus, the project entitled “Introducing the 4Rs in Georgia” implemented by GCRT included stakeholder and public awareness rising on the rights and needs of prisoners and former prisoners as one of its specific objectives, while the IoD EIDHR project on rehabilitation of juveniles in conflict with law included TV advertisements and newspaper inclusions about juvenile rights as part of the overall project design.

The review of documents shows that the EU support to the GoG has not looked into the issue of formal barriers to accessing justice services, though, as reforms continue to move ahead, it may want to consider assessing the extent to which the court fee structure, as well as the criteria set forth in Georgian legislation with respect to access to higher instance courts, are in line with international and European standards. While these are not Criminal Justice sector issues per se, they are important to be considered as the ultimate goal of the EU support to the rule of law and Criminal Justice reforms in Georgia is to ensure improved protection of human rights and fundamental freedoms. Considering the new initiatives regarding the reform of the Supreme Court, the EU may want to engage in supporting discussion of the existing formal barriers to accessing justice, be it through providing legislative assessments to experience sharing.

Other donors

While multiple donors and implementers have addressed the issue of accessibility of justice services, the EU must be credited for significantly improved coordination between public agencies and donors under the 1st and 2nd SPSPs, which has had positive impact on improving access to justice for Georgian citizens. At the same time, it must be noted that some of the most significant changes under this indicator, such as institutional and professional independence of the LAS and its lawyers, have taken place with the change in political will, which the EU has always notes as the key condition for its continuous support of reform processes in Georgia. Because of good coordination with donors by the GoG, the EU support under this indicator did not duplicate other efforts (or vice versa), which included the Dutch MFA funding for UNICEF, USAID support to legal aid grant scheme under the JILEP program and its work with the GBA through American Bar Association, the USDOJ support to PH International and the Chief Prosecutor’s Office on issues of juvenile diversion and mediation, etc. The review of documents shows that the EU support to the GoG has not looked into the issue of formal barriers to accessing justice services, though, as reforms continue to move ahead, it may want to consider assessing the extent to which the court fee structure, as well as the criteria set forth in Georgian legislation with respect to access to higher instance courts, are in line with international and European standards.

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- FG Discussion with the LAS.

1.2.2 Indicator 122: Legal aid services are available, adequately funded, and utilized

Presentation of the evidence gathered and detailed analysis

The right to free legal assistance emanates from Article 6 of the European Convention on Human Rights (ECHR) that guarantees the right to fair trial in both criminal and civil proceedings. The existence of legal aid is necessary to ensure “equality of arms” between the parties of a case. The right to legal assistance is explicitly noted when a person is faced with a criminal charge Art. 6 (3) and consists of the right of an accused to (1) *pro se* representation, (2) select legal assistance of his/her liking, and (3) to receive free legal aid, when he or she is unable to pay for such assistance or when the interests of justice so require (e.g. for cases that may involve deprivation of liberty or when the accused is from a vulnerable group). The Court practice has shown that only the right to receive free legal aid is absolute and must be guaranteed by the member states. The Court practice is also slowly establishing a (more restrictive) right to legal aid for civil cases, as it is deemed necessary for the enjoyment of the right to effective access to the courts as enshrined in Art. 6(1) of the ECHR. When free legal assistance is necessary, ECHR provides that the assistance of the lawyer must be effective and not illusory.

The following is the description of the baseline situation in 2007 and the progress made over time:

The Legal Aid Service (LAS) was created under the MoJ, per 2007 Law of Georgia on Legal Aid. It was an integral part of the Criminal Justice Reform strategy, which was elaborated with the support from the EUJUST THEMIS Mission. After the merger of the MoJ and the Office of the General Prosecutor, it was not possible to keep LAS under the MoJ and the decision was made (contrary to the urging of Civil Society and international experts) to house the LAS under the newly created Ministry of Corrections and Legal Assistance, with the provision that the independent board will be set up to ensure the LAS independence from public authorities. The setting up of the LAS coincided with significant reforms in the structure and operation of the courts, as well as the adoption of the new Criminal Procedure Code, which introduced adversarial system and jury trials. These changes created many challenges, as well as opportunities, for the newly established institution. Among the issues that the newly created office had to deal with developing and implementing strategic action plan, putting management systems in place, setting up of the bureaus across the country, selecting and training the needed staff (including staff attorneys), expand its services to reach vulnerable groups, and wage public awareness campaign to inform the public about their rights and obligations and the services that are provided through the LAS.

Box 20 *Baseline situation per sector assessment report*

The period since 2008 has seen a noted development in the capacity of the Legal Aid Service. Its annual budget was increased drastically from 1,500,000 GEL in 2007 to 2,871,000 GEL in 2008 (and remains at 2,560,900 GEL in 2010)... Eleven Legal Aid bureaus have been established across Georgia, with two additional consultation canterers, including outreach to marginalized members of society and including for national minorities. In 2009, the Legal Aid Service accepted over 9,000 cases: 8,205 criminal and 1,028 cases involving compulsory psychiatric treatment. In addition, the Legal Aid Service performed nearly 10,000 consultations, including private consultations, hot-line assistance, and drafting of legal documents. These numbers were roughly double those of 2008.

Source: *Criminal Justice Reform Assessment and Formulation of Follow-up SPSP (2010)*, Walter Pfluger and Charles Ehrlich, p. 39.

According to the 2011 report of Thomas Hammarberg, while the GoG has taken significant steps toward ensuring availability and effectiveness of legal aid, “the system faces problems related to resources,” as the number of cases which could benefit from legal aid has increased significantly over time.⁵⁴ However, the budgetary allocations have not kept up with increased public awareness of and need for free legal aid. Rather, it has virtually not increased since 2008, despite the fact that new LAS bureaus were opened in the regions of Georgia (e.g. in 2011, the LAS opened an office in Tsalka). This is an interesting development, considering the fact that the budgets for law enforcement agencies and the prosecution have been increased over the same time period. The following table shows the LAS annual budgets from its inception to 2013:

Table 3 *LAS funding*

Source	2008	2009	2010	2011	2012	2013
Budget	2,871,000	2,895,000	2,560,900	2,802,563	2,950,092	2,840,461
Grants	100,424	178,000	41,000	50,448	29,562	0

Source: *Legal Aid Service website* www.legalaid.ge

Resource allocation, staff capacity, and independence of the institution will be the three most important issues to be addressed in the future, as effective provision of legal aid (in criminal and later in civil and administrative matters) will be impossible to accomplish without budgetary resources to higher more qualified lawyers and legal assistants, or at least provide remuneration to non-LAS service registry lawyers, who can be engaged by the LAS. Also noteworthy is the CPC requirement that the defence lawyers conduct independent investigations. Neither the LAS nor the GBA or most practicing lawyers possess the capacity to carry out such investigations effectively. For this to be accomplished, the LAS needs both budgetary resources and qualified staff. The issue of the LAS independence also will need some attention. The major positive step to this direction has already been taken by making the LAS accountable to the Parliament. Assistance will be needed for further institutional strengthening of the institution and, most importantly, of its board.

Independence of the institution, which is only partially connected to the budget allocations, is an issue that has been at the forefront of stakeholders’ concerns. As noted before, the placement of the LAS under the MCLA, after the merger of the MoJ and the General Prosecutor’s Office, was not considered to be the most optimal solution of the issue of independence and possible conflict of interest. However, despite the Civil Society and the donor community urging, the GoG still pursued this route of action, but created the LAS monitoring board (MB) as a way to guarantee its independence. The work of the MB in terms of ensuring the LAS independence has not been given due attention and predictably, legal professionals interviewed by CRRC as part of the 2012 Attitudes of the Judiciary Survey displayed very little knowledge of the LAS MB, with 39% reporting that they are ‘not familiar at all’ with this body. According to the survey report, the most common answer among the legal

⁵⁴Report by Thomas Hammarberg, Commission for Human Rights of the COE following his visit to Georgia from 18 to 20 April 2011, p. 12.

professions interviewed was “I’m hearing it from you for the first time that they have a monitoring board.”⁵⁵

While challenges remain, client satisfaction surveys commissioned by the EU funded project for the LAS show positive changes in public confidence in and satisfaction about the work of the LAS. According to the March 2012 Aide Memoire on first instalment review of the SPSP “recent public opinion surveys reportedly put the LAS on a par with the Georgian Young Lawyers’ Association (GYLA) in terms of public trust, and well ahead of the Georgian Bar Association (GBA) as a whole (of which LAS and GYLA lawyers are members).”⁵⁶ This may be in part due to the adoption of the case assignment system which has made the workload of the LAS lawyers a bit more manageable or due to the significantly improved acquittal rates - 17 in 2011, as opposed to 2 in 2010 – 0. The last year has seen another significant positive development, with the LAS leaving the system of the Ministry of Corrections, becoming a truly independent institution accountable to the Parliament. It is likely to be positively reflected in public opinion poll as the independence of the LAS was one of the problematic issues since its creation in 2007.

The EU assistance in this area was delivered through several different instruments, which has allowed the EU to employ various approaches to ensure that legal aid services are available, adequately funded, and utilized by Georgian citizens. These included budget support, as well as provision of technical assistance, and limited support to CSOs to provide free legal aid to the vulnerable groups.

One of the main providers of technical assistance to the LAS has been Human Dynamics, through two consecutive projects “Capacity Building in Support of Rule of Law in Georgia” and “Support to the Criminal Justice System Reform in Georgia” under the 1st and the 2nd SPSP respectively. In both cases, the aim with respect to the LAS was to develop and then improve the ability of the LAS to perform country-wide and in line with the strategic planning of the Service and the Ministry of Corrections and Legal Assistance. The technical assistance provided to the LAS ranges from supporting the development and testing of the Code of Professional Standards for the LAS lawyers, capacity building of the LAS legal staff, improving the human resource management, implementing longitudinal client satisfaction surveys, and holding conferences and otherwise reaching out to the public and the relevant stakeholders (which is an important aspect of utilizing the existing services and was addressed under I-121).

The ToR for the first intervention is more detailed about the goals that the EU wanted to accomplish with respect to the LAS. These included the following:

- Strengthening of the capacity of the Public Awareness Unit of the LAS, to plan and implement public awareness campaigns;
- Support to the Monitoring and Analysis department to ensure internal quality control;
- Implement client satisfaction and needs assessment surveys for improved service delivery;
- Development and implementation of the 2009-2011 training plan for the LAS staff attorneys, legal advisors, and private lawyers engaged through the registry (with more focus on the new CPC);
- Adaptation of the case management software (to include civil and administrative cases);
- Support with developing the LAS eligibility criteria for civil and administrative case referrals.

The ToR for the project “Support to the Criminal Justice Reform in Georgia” maintained some of the same objectives (e.g. capacity building, case management, public awareness), but also

⁵⁵ Attitudes to the Judiciary in Georgia: Assessment of Legal Professionals and Business Leaders, Survey Report, CRRG Georgia, June 2012, pp. 4-5.

⁵⁶ Aide Memoire, First Instalment Review, Support to the Criminal Justice Sector SPSP (March 2012), p. 38

added support to the monitoring council of the LAS, improved co-operation with GBA, and specialization in juvenile representation.

Box 21 LAS related efforts of the TA project “Support to the Criminal Justice System Reform in Georgia”

“To date, the project is progressing well in accordance with a work plan... [It] assisted the Legal Aid Service (LAS) Human Resources Unit in revising job descriptions, duties and responsibilities of existing staff. Foreseen training, seminars and workshops were also implemented. Further, the project assisted LAS in formulating a new case assignment system and provided support for translation, editing and printing of the 2012 Annual Report of the LAS.”

Source: Monitoring Report 146860.01, “Support to the Criminal Justice System Reform in Georgia”

The HD TA projects also provided support to the Legal Aid working group of the ICC, which met consistently to assess the progress made on the implementation of the CJR Strategy AP and work on the pressing issues facing the LAS. The information about the meetings of the Working Group since January 2012 is available on the MoJ website, although the list of WG members requires an update. As the most recent meeting notes show, the LAS is still facing mainly the same issues as before in terms of staff capacity, regional coverage, resource allocation, and the still postponed obligation to provide legal representation on civil and administrative cases. The LAS needs that were noted in reviewed documents were confirmed during the field visit. In addition, the field visit also identified another need, which was not evident from the documentation – that of the office space. The LAS administration is housed in an abandoned building, formerly occupied by the MoJ of Georgia, which the LAS Tbilisi Bureau is housed elsewhere, notably in equally dilapidated premises, which according to the respondents is creating unnecessary hardships for the LAS employees in delivering services. Moreover, considering the premises of all other law enforcement institutions, the state of the LAS office space raises questions about the level of the GoG’s commitment to this institution.

As was noted under I-112, there continues to be scepticism in the public and stakeholders related to the quality of free legal aid and independence of the legal aid scheme lawyers, especially when it comes to representation of inmates. The specific issues of concern remaining about the LAS independence have been discussed under I-112 above and it relates to the capacity of the Board members to set aside the interests of their nominating institutions when making decisions with the LAS board. Other capacity issues facing the LAS are its lawyers’ ability to conduct independent investigations (the new CPC requirement). The same issue is faced by most practicing lawyers (members of the GBA). This, however, does not disparage the progress already made, but rather underscores the work that is still to be done and the importance of political will in making it happen. As noted under I-121, the EU is also supporting improved coordination between the LAS and the GBA, which the field visit confirmed to be one of the more difficult tasks to handle, not the least because of the ways in which the previous government pitted these two institutions against each other. It seems that the one most pressing issue that needs to be involved is related to the services provided by the LAS lawyers on cases involving plea bargaining. Both the LAS and the GBA are of the mindset that the law should be amended to give the private attorneys access to the clients, who are not indigent and cannot afford legal counsel. The EU could provide technical assistance in supporting this initiative.

The EU support to Civil Society organizations to monitor the work of the LAS or to provide free legal aid services to those who need them has been fairly limited, in part because other donors have been active in this area during 2010-2014. For example, USAID has granted around USD 1 million to local CSOs to provide free legal aid in criminal, civil, and administrative law to the country’s population and to advocate for improved independence and effectiveness of the LAS. This said, several EIDHR grantee CSOs have implemented projects with legal aid component for the vulnerable groups (e.g. Association Toleranti has provided legal aid to the Meskhetian repatriates in Georgia, while the Association of Women of Multination Georgia has provided legal aid to ethnic minority groups residing in Samtskhe Javakheti and Kvemo Kartli regions) or in areas of strategic importance to the country (e.g. labour right related free legal aid by GYLA and the protection consumer rights by IoD). Considering the importance of the equality of arms principle, the ECtHR

case law about the right to legal aid for civil cases, and the still limited capacity of the LAS, EU support may be well placed in support of local CSOs who are able to provide free legal aid in civil and administrative matters to those who needed.

The EU can take credit for the progress made with respect to the availability and effectiveness of legal aid services, not just because of the TA and capacity building provided to the LAS, but because of the coordinating work of the ICC and the Legal Aid Working Group at the ICC. As noted in the review documents, the LAS case management system has made a difference in the workload of the lawyers and, therefore, on the effectiveness in providing legal aid to their clients. Contributing factor to the effectiveness of the EU capacity building efforts seems to have been the openness of the LAS leadership to training opportunities provided to the LAS staff attorneys and register lawyers.

As noted under I-113, the EU's assistance has contributed to increased independence of both the LAS and the LAS lawyers. Tangible results in this area have been achieved after fall 2012, initially, by decoupling the LAS from the Ministry of Corrections and Legal Aid and making it accountable only to the Parliament, and then by the new Labour Code, which created further legislative guarantees of professional independence of LAS lawyers. The process of change was highly consultative and involved TA from international expert, Roger Smith, who reviewed the LAS draft legislation for compliance with international standards and provided recommendations to the LAS Working Group. The new law ensures the LAS accountability before the Parliament and its Managing Board, which is designed as a collegial body with inclusive and balanced members and is charged with supervising the work of the institutions, so as to ensure its effectiveness and guarantee its independence and accountability. Although, the new government's political will to make such changes must be underscored as a contributing factor to this success, the EU should be credited for not allowing regress in this area, while political will was less conducive to the LAS independence.

It must be underscored that the EU's efforts directed to the LAS were greatly aided by other donors, as well as good donor coordination in this area. These include the Norwegian Mission of Rule of Law Advisers to Georgia (NORLAG), USAID and USDOJ through various implementers, and Open Society Georgia Foundation (OSGF). While the support provided by OSGF was at the initial stages of the system's development, NORLAG and the USAID/USDOJ interventions coincided with the timeframe of this evaluation, and have contributed to the progress made

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- Report on Compliance with General and Specific Conditions of the EU-Georgia Financing Agreement: Support to the Criminal Justice sector SPSP (2013).
- Focus Group Discussion with the LAS.
- Interview with the LAS, GBA, HD, UNDP.

1.2.3 Indicator 123: Ombudsman's (public defender) Office operating effectively and independently

Presentation of the evidence gathered and detailed analysis

The Public Defender's Office is one of the national human rights institutions, which was established in 1997. It has not enjoyed much credibility before the Rose Revolution, in part, because of the appointments made by the ruling party and the novelty of the institution in the Georgian landscape. The situation with the PDO started to improve after 2004 and according to the assessment of the co-operation between the PDO and Raoul Wallenberg Institute conducted by Swedish International Development Co-operation Agency (SIDA) in 2006, the PDO has been able to become a functional institution, increasing its effectiveness and efficiency, though still facing pressing challenges that "relate to capacity development within managerial, monitoring, and other professional skills."⁵⁷

Since 2008, the Ombudsman has been successful in advocating for improved institutional support from the state budget. Thus, in late 2009, the PDO spearheaded efforts to amend the then existing legislation to ensure that the Office will receive at least the same amount of budgetary support that it received during the previous year (Art. 25.3 of the Law on the Public Defender). These legislative changes also gave the Ombudsman the right to act as *amicus curiae*⁵⁸ in courts and address law enforcement agencies with non-binding recommendations to launch an investigation into a case or criminal proceedings against an alleged perpetrator. At the same time, the requirement to develop a bi-annual Human Rights Report was abolished, which was also a welcome development as it freed up the PDO staff time to work on implementing the National Prevention Mechanism (NPM) under the Optional Protocol to the Convention Against Torture and support the citizens in defending their human rights. It is noteworthy that during the evaluation period the PDO has been able to increase its coverage of various parts of the country, with representative offices located in Akhalkalaki, Batumi, Gori, Kutaisi, Marneuli, Telavi, and Zugdidi.

The PDO's work has over time gained high recognition and has been reflected in various public opinion polls. According to the survey conducted by the Estonian Institute for Open Society Research,

"The Public Defender's Office enjoyed the highest trust of any institution in Georgia after the Georgian Orthodox Church. The number of public complaints filed with the office increased from 1500 in 2005 to 5100 in 2008, which would either be an indication of a massive increase in human rights violations (a conclusion not supported by other data, nor by the observations of the Public Defender's Office itself) or an indication of an improvement in the public perception of the Public Defender."⁵⁹

The 2011 Georgia National Integrity System Assessment conducted by TI Georgia provides an interesting comparison of the institutional capacity of the PDO with those of other institutions making up the system.

Table 4 Institutional capacity of Georgia's integrity system institutions

Ombudsman	Judiciary	Executive	Law Enforcement	Parliament	Public Administration	Civil Society
63/100	43/100	69/100	68/100	54/100	50/100	40/100

Source: Georgia National Integrity System Assessment (2011), Transparency International Georgia

The TI assessment shows that the PDO has the highest correlation of *de jure* and *de facto* situation as it relates to its independence, transparency, and accountability than another other

⁵⁷ Gunar Olesen and Nino Saakashvili, Defending Human Rights in Georgia: An Evaluation of the Co-operation between the Public Defender's Office in Georgia and the Raoul Wallenberg Institute, October 2006, p. 6.

⁵⁸ Amicus Curiae (friend of the court) refers to someone who has no relevance to any particular side in a case. Instead, this person volunteers information regarding a point of law or something else relevant to the case that s/he feels may help the court in deciding a matter related to it. One way to give the courts this information is through a legal opinion, which is referred to as an Amicus Curiae brief.

⁵⁹ See Criminal Justice Reform Assessment and Formulation of Follow-up SPSP (2010), p. 59

public institution. It is the third in the overall institutional capacity score, but only due to the higher level of resource allocation to the law enforcement agencies and the level of independence provided by law to the executive branch. This assessment also shows that the budget resources allocated to the PDO are not adequate to the work that it is supposed to perform as the primary domestic human rights watchdog institution.

The issue of allocation of resources was raised in the first and second instalment reviews of the Support to the Criminal Justice sector SPSP:

Box 22 Resource allocation to the PDO

“The allocation from the state budget for the PDO in 2011 is more than the 2010 figure, but only if the budgetary assistance from UNDP, which comes through the state budget, is excluded. If not the amount of money coming through the state budget in 2011 was less than for 2010. In addition, the PDO is dependent on donor funding for certain items, and did not receive the full amount requested for fulfilling its duties in its 2012 allocation. This state budget allocation could, therefore, be construed as not ‘adequate’.”

“Furthermore, the draft BDD for FY2014-2017 shows a budget allocation for 2014 of GEL 2,100,000, a slight decrease over the 2013 allocation (which is incidentally prohibited by the legislation).”

Sources: Aide Memoire, First Instalment Review, Support to the Criminal Justice sector SPSP, p. 42 and Second Instalment Review, p. 106.

Another issue faced by the PDO (although less so in the recent times), is the lack of political will to heed to the Ombudsman’s recommendation. Over the years, the PDO has experienced difficulties in having the relevant public authorities responding to its recommendations. The fact that government agencies were neglecting their legal obligation to respond to the PDO recommendations within 20 days has been noted in almost every annual report submitted by the Ombudsman to the Parliament of Georgia. At times, the criticisms voiced in the reports have led to trainer relations between the ruling majority party and the Public Defender’s Office, resulting in the Parliament only “taking notice” of the PDO report covering 2007, rather than endorsing it, as has been customary.⁶⁰

Apart from serving as the National Preventive Mechanism, the PDO will also be overseeing the implementation of the newly adopted anti-discrimination law. As with NPM, when the Department of Prevention and Monitoring was created to examine the conditions of persons deprived of liberty, the PDO will be creating a special department, which will be responsible for anti-discrimination cases filed with the Ombudsman. It is expected that the new Equality Department will be created in fall 2014.

EU support

The EU supports the PDO through various mechanisms, of which most notable, perhaps, is the TA project “Support to the Public Defender’s Office in Georgia.” Based on the very limited information gather, the project has been instrumental in supporting the work of the office, so that it operates effectively and independently. The EU has also been supporting the PDO through the Comprehensive Institution Building (CIB) instrument, mostly to support the activities of the NPM.

⁶⁰ Shadow Report on the Implementation of Georgia’s European Neighbourhood Policy Action Plan, Georgian NGO Coalition (2007-2008), p. 2.

Box 23 Overview of EU support to the PDO

“While earlier EU support helped to finance investment costs involved in training and, initially, the expansion and physical maintenance of regional offices, subsequently the establishment of a national electronic complaints system (through a network of PDO regional offices and local NGO offices, notably those of GYLA), the CIB programme is specifically directed at supporting the activities of the NPM. Although the timing suggests this is a direct response to the explosion of complaints in the aftermath of the events in the prisons in the summer of 2012, the programme, also delivered through budget support, was identified and agreed in 2011. EU’s conception of this funding is that it is to be directed at capacity building and not recurrent costs, and hence it specifically excludes staff salaries and office utility and running costs. However, besides training and other capacity building activities, it is also being used to cover recurrent operating expenses, including the transport and per diem costs for travelling to other regions of Georgia and most significantly also the fees incurred in using NPM experts or consultants from the roster.”

Source: Aide Memoire, 2nd Instalment Review, Support to the Criminal Justice sector SPSP (July 2013), pp. 83-4.

Based on the reviewed documents, it is clear that the GoG has put more emphasis in developing the capacities of law enforcement agencies, than that of the LAS or the PDO. Therefore, it is not surprising that the EU contribution to the function of the PDO is one of the most notable. For example, as was noted by the EUD during the inception visit interview and confirmed by the SPSP implementation reviews, the issue of provision of adequate amount of state funds for the core activities of the Public Defender’s Office has always been an issue, especially, in the post-2008 war period. At the time, the pre-condition related to budget support to the PDO was instrumental in ensuring that the already small state budget for the Office would not be cut. However, the issue of providing adequate state support to the PDO’s core activities has been noted in both SPSP reviews. The second review highlights the fact that the budget has not been allocated for the Tolerance Centre (previously supported by the UNDP and USAID) and for the proper functioning of the NPM. The review notes that the EU has been funding NPM expert for several years, including through the EU CIB grant, to ensure that it functions properly.⁶¹ Apart from funding the NPM expert fees and travel, EU has also supported various capacity building activities for them, mostly through the TA project Support to the PDO of Georgia.

The EU has also been instrumental in supporting the strengthened role of the PDO in the Criminal Justice reform and vis-a-vis other Justice sector institutions. In fact, it was due to the consistent failure to respond appropriately to the concerns voiced by the Public Defender in his semi-annual and then annual reports, that the EU insisted that a new criterion that addressed the need to enhance the role of the PDO in Justice sector reforms has been added to the disbursement conditions for the AAP2011 SPSP.

The PDO has always been a member of the ICC and also participated (though minimally) in the formulation of the 2009 CJR Strategy. The PDO representatives are members of the working groups created under the ICC. However, for quite some time, the PDO Parliamentary Reports were not adequately reviewed by the MPs or the GoG and the PDO observations were not adequately reflected in the CJR Strategies and Action Plans. Although, PDO initiative did result in positive legislative changes that were enacted in 2009, including the creation of the NPM. In the recent years, this has changed, in part, because of the EU support and, in part, due to the changing political will and realization that ignoring the concerns of the Ombudsman can have negative consequences for the ruling party.

⁶¹ *Aide Memoire, 2nd Instalment Review, Support to the CJR Sector SPSP (July 2013), p. 84.*

Box 24 *Assessment of the recent PDO participation in the ICC*

The PDO provided a letter in July 2013 that indicated comments made on proposals for police and legal aid reforms, particularly on new draft laws [on police and the LAS]. Whether these proposals were reflected in amended drafts is unclear, but the process of consultation provided by the working groups is a valid way for the PDO, as other members of the working groups, to influence the process both as experts and as the PDO. In addition, the PDO presented written comments on the Penitentiary Action Plan on 3rd June 2013, in part reflecting the PDO's findings in its 2012 Annual Report. The Working Group meeting of 12th June 2013 was informed that amendments had been made to the Penitentiary Action Plan in the light of comments received from its members, and a note (available to the Review only in Georgian) outlines the MCLA response to the PDO comments. A brief survey of the final version of the action plan adopted at the ICC Tenth Session on 14th June would appear to support the view that the revision also responds to the comments of the PDO, at least insofar as MCLA agreed, but the situation is not very clear as the MCLA comments were not available.

Source: Aide Memoire, 2nd Instalment Review, Support to the Criminal Justice sector SPSP (July 2013), p. 85.

Similarly, the Parliament has held more serious discussions of the Ombudsman's Annual report and the PDO has also noted its opinions about the accumulation of sentences and appeal procedures for the seizure of property. While the Georgian authorities have heeded to these recommendations, the time lag between when the PDO made representations and when the relevant changes were adopted in the CPC was significant. In the first case, it was more than three years. However, as the review also noted, the GoG needs to be more open to the input of the PDO and "adequately reflect the findings of the Public Defender in its policy measures and amendments to the Criminal Justice institutional, legislative and regulatory framework and management of the regime."

EU support to the NGOs has not had much direct impact on the effectiveness and independence of the PDO. However, as project documents seem to indicate, the PDO representatives were invited to various meetings and events organized by the projects and the information about human rights situation was provided to the PDO, which was then used in the Ombudsman's annual and semi-annual Parliamentary reports. In this sense, the work of EU's EIDHR grantees was contributing to the effective functioning of the Office.

Other donors

Given the importance of the PDO and the scarcity of resources or goodwill toward the institution, it should not be surprising that the EU was not the only international actor that has worked with the Office. During the first years of its creation through the initial years covered by this evaluation, other donors have been more active in this field. The PDO has benefited from technical and direct budgetary support from such institutions as SIDA, UNDP, CoE, OSCE/ODIHR, DFID, UNICEF, USAID (through various projects), the Dutch MFA, etc. Most projects have aimed at developing the capacity of the PDO, its specialized centres and/or regional offices, in order to carry out its mandate in an efficient and effective manner. The situation in this regard was so dire that according to the 2010 UNDP evaluation, the PDO regional offices in Marneuli and Akhalkalaki did not have phones.⁶² For this purpose, these actors have mobilized external experts for capacity building, provided funds to equip the regional offices.

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⁶² Assessment of Development Results: Evaluation of UNDP Contribution (Georgia), UNDP Evaluation Office, May 2010, p. 18.

- Gunar Olesen and Nino Saakashvili, *Defending Human Rights in Georgia: An Evaluation of the Co-operation between the Public Defender's Office in Georgia and the Raoul Wallenberg Institute*, October 2006.
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- *Shadow Report on the Implementation of Georgia's European Neighbourhood Policy Action Plan*, Georgian NGO Coalition, 2007-2008.
- *Assessment of Development Results: Evaluation of UNDP Contribution (Georgia)*, UNDP Evaluation Office, May 2010.
- Interviews with the Deputy PDO, UNHCHR, UNDP, EUD, LAS, GBA.

1.3 JC13: TA and capacity building improved adherence to international standards and conventions

TA and capacity building have been part of almost every EU intervention targeting the Justice sector, including many EIDHR projects implemented by CSOs. Some areas of support (e.g. juvenile justice and probation reforms) have seen better coordination of these efforts. The good coordination has been achieved due to (1) existence of a solid Criminal Justice Reform Strategy and relevant action plans, (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 will of public authorities appears to have been a major factor in determining the effectiveness of TA efforts directed at improving adherence to international standards and conventions (for example, prosecutorial trainings on the various aspects of the Criminal Procedure Code, implementation of juvenile diversion and mediation and other child rights based approaches, reform of the Civil Registration Agency). However, in the areas where the GoG lacked the willingness to achieve real change, the efforts have been less effective, as is the case with transparency and independence of the judiciary or improving the plea bargaining system, including its transparency. In the case of the court system, lower effectiveness may be explained by the fact that, until recently, the judiciary was neither directly targeted by the EU efforts nor eager to be supported by the EU. Notably, prolonged EU engagement with a targeted institution has been a factor favouring greater progress towards European standards.

The longer-term impact of the EU's capacity building were somewhat diluted by the unstable public administration environment, with multiple institutional mergers and break ups, changes in the leadership of the institution and the ensuing staff turnover, which in large part is connected to Georgia's failure in implementing meaningful civil service reforms. Clearly, trainings provided to lawyers (LAS staff or GBA members) will continue to have longer-term impact in support of improved access to justice for the citizens. However, the impact of these trainings on improved performance of the LAS have been diluted by the fact that the significant number of trained staff attorneys are no longer working with the agency. Similarly, given a high staff turnover rate at the NPA and the penitentiary system, the capacity building efforts directed toward improved adherence to European Prison Rules or the UN Standard Minimum Rules on Non-custodial measures are somewhat weakened.

1.3.1 Indicator 131: TA and capacity building promoted adherence to international standards and conventions

Presentation of the evidence gathered and detailed analysis

The GoG had to show progress toward adherence to multiple international standards and conventions, as it relates to its Criminal Justice policies and practice, juvenile justice, conditions in penitentiaries, and probation service. To help the GoG with fulfilment of these conditions, the EU also provided TA and/capacity building support.

The following is the description of EU support under each area:

- Criminal Justice policies and practices are in line with CoE Standards

The adoption of the new CPC has been one of the main legislative changes under this subheading, as it ushered in a new, American model of criminal proceedings, in part show complete break from the past and increase public confidence in the judiciary. While this was a US-style reform, the 2010 CJR assessment notes that the GoG “nevertheless worked with European institutions to ensure compliance with European requirements, and the procedures adopted are all employed by one or another European country. The reform did involve European Union-funded experts and visits to and participation of the Council of Europe. The Council of Europe provided extensive comments and input, which were discussed and incorporated into the Code.”

Similar to the sector assessment report, both the 1st and 2nd instalment reviews of the 2nd SPSP noted full compliance with this condition, providing the following as examples:

- Development and the adoption of the Concept Paper on Prison Overcrowding, which emphasizes the use of community services and other alternative sanctions, as well as parole and shorter sentences (1st instalment review);
- Development and adoption of the Concept of Revision of the Criminal Code of Georgia in 2013, which is in line COE standards, as it was developed hand-in-hand with the drafting of the General Part of the Criminal Code and “involved consideration of papers and reports by, and the participation of, a wide range of national and international experts,” including expertise by Dr Richard Vogler of the University of Sussex, UK under the EU "Capacity Building in Support of Rule of Law in Georgia" project, dated 15th January 2012 and expertise by Polish Judge Agnieszka Klonowiecka-Milart under the EU "Support to the Reform of the Criminal Justice System in Georgia" project.

The JCs above have more specific information about EU-supported TA efforts that have promoted adherence to international standards and conventions in this area, including the review of penal legislation by PRI so as to inform the drafting of reform strategies, support in developing the imprisonment code and other regulations to ensure improved adherence to international standards, etc. Notably, the HD implemented TA projects seem to have been supporting the MOJ with TA and capacity building so that its relevant departments have the needed research and analysis capacity to ensure that the GoG reforms in this sector are in line with international standards. The EU has also provided targeted TA and capacity building to the ICC Secretariat (housed in the MoJ) to better coordinate the reform processes.⁶³

The TA projects involved assessment and gap analyses, some of which have been ignored by the GoG, as was the case with the first assessment conducted by Jim Murdoch (through the COE project), while others have been utilized to make changes. As a general rule, the advice of experts has been considered and, where political will existed, changes have also been made. The field visit confirmed that the TA support provided by all EU-supported projects has been appreciated by the beneficiaries, including on the highest level. Some of the stakeholders and Civil Society organizations have noted, however, that more concrete efforts should be undertaken to disseminate both assessments and gap analyses, so that the information provided therein is not just for the limited number of individuals, but rather for the entire sector. This will ensure that assessment reports and gap analyses are better utilized by the CSOs in their advocacy campaigns or in other efforts directed to improved rule of law and human rights protection in Georgia.

In cases where two or more TA projects were supporting one and the same agency (generally one funded by the EU and another by a member state), the beneficiaries and the stakeholders have noted good co-operation among the projects. A good example of this is co-operation between the SIDA and EU-funded projects supporting the much needed reforms at the National Bureau of Enforcement). The field visit also confirmed good co-operation between local Civil Society organizations and the EU-supported projects, such as UNICEF’s co-operation with GCRT and others that work on juvenile justice reforms. During the early years

⁶³ The EU has also supported the MoJ’s Civil Registry Agency (CRA) with TA and capacity building for better implementation of Georgia’s international obligations (e.g. visa facilitation, combating corruption). This will be addressed under Indicator 133.

covered by the evaluation, there were two projects (one funded locally by the Delegation and another through a global call) where duplication of activities was clearly evident (this was in the juvenile rights area). However, the institutions were able to address this issue and the EU showed the needed flexibility to ensure synergies and avoid duplication.

The concerns about the EU-supported TA were mostly about the lack of time within the beneficiary departments or institutions to identify the needs and request assistance. This is not surprising, given the fact that one MOJ department may be serving the secretariat functions for several working groups or depending upon the GoG priorities, various institutions or departments may be called onto performing additional duties that are perhaps not in their direct purview.

The EU has been mindful (as well as reminded of) that its capacity building efforts have to be reviewed and considered from a more holistic perspective. Thus, while capacity building of prosecutors in implementing the new CPC maybe a worthwhile effort in line with the indicator above, it may have an overall negative impact on the extent to which international standards are adhered to by the beneficiary country. The inability of the Bar to provide CLE to its members on the new CPC, for example, could mean that in the adversarial court proceedings, the defence counsels will be inferior to well-trained prosecutors, which, in turn, could jeopardise the adherence to the international standards related to access to justice.

- Juvenile justice reforms are in line with the UN Convention on the Rights of the Child (UNCRC)

As noted already, the EU interventions have been effective in steering juvenile justice reforms in line with the principles of UNCRC. This includes progressive implementation of the use of diversion (see I-121) and other non-custodial approaches in the best interest of a child, as well improved access to education for juveniles within the Criminal Justice system (I-122).

Most of the TA and capacity building assistance to achieve positive outcome under juvenile justice has been done through UNICEF, which also coordinated the juvenile justice working group under the ICC. The ex-post monitoring of the second TA project implemented by UNICEF (Reform Options for the Penitentiary System and Probation System for Convicted Child Offenders in Georgia) confirms that the TA rendered through the project as involved the drafting of the 2009-2013 National Juvenile Justice Strategy and its implementation actions place, as well as juvenile rights related components of the strategies and APs in the penitentiary and probation fields, as well as in the new CPC. In addition, to the TA, the project promoted adherence to international standards and conventions through training 72 penitentiary and 24 probation staff, including social workers on the Individual Reintegration Planning (IRP), Child Rights based approach. In part as a result of these TA and capacity building efforts, IRP is implemented with regard to all children entering Avchala and Prison #5. Furthermore, in 2010-2011 school year 85 children attended school and 109 children attended vocational training in detention; 90 juvenile probationers participated in restorative gesture programmes; the probation service employed social workers (10) in 6 locations to provide child probationers with individualised sentence planning; 140 Legal Professionals and corrections staff received training on diversion.”⁶⁴

These findings have been confirmed by the assessment conducted for the 2nd instalment, which notes that the criterion of “at least 20% of first time offender juveniles having committed less grave or grave crimes and who are subject to prosecution in six cities (Tbilisi, Kutaisi, Rustavi, Batumi, Samtredia, and Gori) since January 2012 diverted from the Criminal Justice system” has been achieved.⁶⁵ Likewise, the use of individual sentence planning for both convicted juveniles and juvenile probationers is confirmed, including its use by the parole boards for review of early or conditional release. At the same time, the GoG is recommended to consider that,

⁶⁴ Ex post monitoring report (MR-122280.03) of the project “Reform Options for Penitentiary System and Probation System for Convicted Child Offenders,” 19/12/2012

⁶⁵ Though noting significant variance in the use of diversion between the targeted cities, with Kutaisi, having the lowest rate of just over 20%.

“European best practice is for most juvenile convicts to be automatically released conditionally for the last third of their custodial term, ...as it acts as an incentive to participate in rehabilitative activities while in custody and through probation.”⁶⁶

The GoG performance in terms of improved access to education for juveniles within the Criminal Justice system has also improved (see also I-112), although juveniles in pre-trial detention seem to be receiving less access than those in regular schools or at convicted juvenile institutions. Similarly, the review noted that vocational opportunities for juveniles are lacking and that there is no independent accreditation mechanism for the education programs implemented for juveniles within the Criminal Justice system by the Ministry of Education or the Ministry of Youth and Sports. The review also noted other deficiencies, described in the box below.

Box 25 *Problems of compliance with UN standards*

However, it must be stressed that the success of any education or rehabilitation / resocialisation programme is dependent on the conditions and the regime of detention applied, and all three pre-trial facilities are seriously deficient in this respect, even more so when it is considered that the individuals concerned are as yet innocent. Juveniles are held in small crowded poorly equipped cells with extremely limited periods outside of the cell except for the three classes and an hour of exercise in an entirely inadequate space. Opportunities for personal fulfilment (and homework) both within and without the cells is non-existent. Other activities and vocational skills development are also lacking... Despite the prisons being of relative recent construction or refurbishment, they remain totally at odds with the best practice of such confinement and represent a regrettable lost opportunity to bring Georgia even close to European standards. Indeed, the Review would venture to suggest that in this respect the Government is at odds with its obligations towards pre-trial juvenile detainees under the United Nations Rules for the Protection of Juveniles Deprived of their Liberty.

Source: Aide Memoire, Second Instalment Review, Support to the Criminal Justice sector (July 2013), p. 7.

The EU supported TA and capacity building implemented by UNICEF and HD TA projects, as well as Civil Society grantees has promoted adherence to the UNCRC standards (as provided, for example, in Articles 3, 4, 28, 39 and 40) and other child rights based approaches in this area both independently and in co-operation with each other. However, as the 2nd instalment review has noted, substantive changes are still to be made in this regard. As was described already under I-121, the EU-funded TA and capacity building have worked well in ensuring coordination between various agencies in the successful implementation of juvenile diversion (described under I-121).

- European Prison Rules and other COE standards as they relate to conditions in the penitentiary

As noted under I-112, prison overcrowding and ill-treatment of detainees have been the two consistent problems of the country's penitentiary system. The EU efforts in this area, as well as with respect to juvenile detainees, have been summarized and assessed under I-112. Here, the focus will be on how TA and capacity building efforts have promoted adherence to international standards, as they concern (1) prison overcrowding, living standards, and healthcare and (2) legal safeguards for prisoners.

The adoption of the new Code of Imprisonment and the Code of Ethics for the Employees of the penitentiary system involved TA and capacity building efforts funded not only by the EU, but also other donors. As was noted in the 2010 CJR assessment, the new Code of Imprisonment was generally in line with European standards, though, some interlocutors have voiced doubts about its full compliance.

The desk review of the available documents also demonstrates that TA and capacity building were involved in (1) developing each prison healthcare strategy and AP, (2) restructuring the MCLA Medical Department, (3) training of doctors working with penitentiary, and (3) introduction of civilian quality PHC systems in prisons. It seems that these types of TA and

⁶⁶ Aide Memoire, Second Instalment Review, Support to the Criminal Justice Sector (July 2013), p. 6

capacity building efforts have been provided, to some extent, by EU funded NGOs, such as GIP, RCT/Empathy, and others. TA projects support by the EU also contributed to these efforts; however, these contributions were more effective, where political will to effect real change was present.

Similarly, TA and capacity building efforts have contributed to lowering prison overcrowding and improving living standards, supporting better adherence to international standards and conventions. This involved a set up and training of members of parole boards, as well as the leadership and staff of the penitentiary institutions on the standards of treatment of detainees. As noted under I-112, the EU supported a TA and capacity building project implemented by Swedish Prison and Probation Service, which had a distinct twinning character. The available documents demonstrated that it was not very effective in improving the penitentiary system's adherence to European Prison Rules and other COE standards as they relate to conditions in detention facilities. The field visit interviews have shed some light to the reasons for this ineffectiveness: (1) lack of institutional capacity within the MCLA's Penitentiary Department and prison management, (2) lack of political will in the Ministry and the GoG to substantively reform the system, and (3) selection of a twinning partner. On the other hand, TA and capacity building support with respect to improved healthcare in detention facilities has been more effective given that budget support conditions, political will to improve the situation, and good co-operation among the EU-funded projects. Having said that, it must be underscored that the recent large scale amnesty has had a much greater impact on reducing prison overcrowding than the TA and capacity building efforts. This is considered as an opportune time by both TA project implementers and the GoG to address institutional and capacity issues within the penitentiary and probation systems.

The EU-supported TA and capacity building to the PPTC, as noted under I-112 have also promoted the adherence to European standards and conventions, by training penitentiary officers on the standards of behaviour set forth by the Code of Imprisonment and the Code of Ethics for the Employees of the Penitentiary System. EU TA support has also contributed to the development of the initial training program for prison employees, which according to the PPTC representatives has been effective both in terms of its results of the individual trainees, as well as in terms of creating a cadre of qualified local trainers (through TOT and cascade trainings), who will be or are already engaged by the PPTC. At the same time, however, the PPTC noted that they have no budget to implement the initial training curriculum ably designed with support from the EU-funded COE project and will require financial support from the EU to undertake this endeavour. The PPTC also received support from the HD TA project on developing and implementing training curriculum for social workers and prison managers. The latter seems to be a very important undertaking, showing an improved commitment by the GoG to address the plight of prisoners. In addition, TA and capacity building support to the HR monitoring unit of the MCLA (set up in January 2013) to undertake regular monitoring (both planned and ad hoc) of conditions in detention facilities and of complaints voiced by the detainees with high likelihood also promoted adherence to international standards and practices. However, time needs to pass to assess the work of the HR monitoring unit and the contributions made by the EU-supported initiative. The recent EaPIC grantees, many of which were also recipients other EIDHR and NSA/LA grants, also promoted adherence to international standards in this regard (e.g. GIP and GCRT).

As noted under previous judgment criteria, prison overcrowding and conditions in detention are not just issues of the MCLA's making. It is rather a complex matter, which has been addressed through provision of TA and capacity building targeting other Justice sector institutions, e.g. the prosecution, MoJ, MoHLSA, PDO, NPA, and LAS, most notably through efforts to liberalize Georgia's Criminal Justice policies and developing non-custodial measures. The TA and capacity building provided to the PDO to develop and expand the NPM has, for example, contributed to adherence to international standards with respect to conditions in prison. The same can be noted about the TA provided in drafting or assessing Criminal Justice regulations discussed above.

Problems remain, however, and Overcrowding is still an issue in Georgian prisons. According to the Georgian authorities, the standard living space in semi-open type establishment per inmate should not be less than three square meters, three and a half square meters for the

closed-type or high security establishments, not less than four square meters for juveniles and four and a half square meters for women. This is still not complying with the minimum standard set forth by the European Prison Rules.⁶⁷

Box 26 Additional issues of compliance with international standards

Performance with respect to provision of vocational programs over the recent years has been poor. Compliance has been achieved technically, largely as a statistical quirk, but there is no sustainable ongoing vocational education and the overall objective of establishing such programmes across the penitentiary sector as a significant component of a general move towards greater emphasis on rehabilitation and resocialization has not been achieved. Furthermore, the numbers involved are extremely small when compared with a prison population in 2012 of around 22,000 (about 3%). However, a new agreement with MoES looks like establishing a serious vocational education programme from late 2013, a reflection also of the new Government's greater commitment to vocational education across the wider community. Numbers envisaged continue to look small, however, even with a prison population of 11,000 after the amnesty.

Source: *Aide Memoire, Second Instalment Review, Support to the Criminal Justice sector (July 2013)*, p. 7.

- Probation Service improved compliance with European Rules on Community Measures and UN Standard Minimum Rules for Non-Custodial Measures

The evolution of the Probation Service into the National Probation Agency and a general description of EU support to the Agency have been provided above under I-113. Here the review will focus only on the extent to which the EU-supported TA and capacity building has promoted adherence to the European Rules on Community Measures and UN Standard Minimum Rules for Non-Custodial Measures.

Box 27 Description of some of the EU supported TA to the NPA

The EU-funded Rule of Law Project has contributed to development of the case management system by elaborating risk-assessment tool and individual sentence planning methodology, which will allow the Probation Service to manage probationers in accordance with the level of their actual risk of re-offending. Other TA efforts include efforts aiming at streamlining its management structures, including human resources and financial management, as well as general capacity building through training of staff and assisting in developing and implementing new approaches and procedures, including individual sentence planning. For example, with the EU support, the Agency developed a Manual on and proforma for Risk and Needs Assessment and Individual Sentence Planning for probationers. The Manual provides a guide for probation officers on how to initiate and carry out assessment, evaluate results and fill out the risk assessment and Individual Sentence Planning Forms.

Source: *The 2010 CJR Assessment Report and Aide Memoire, Second Instalment Review, Support to the Criminal Justice sector (July 2013)*.

The review of available documents suggests that in 2011 the NPA developed a Community Service Concept, which was reviewed by the Probation Working group of the ICC and adopted by the ICC in June 2013. The concept was mainly focused community service, as one of the alternatives to custodial measures, as opposed to having a broader approach to promote more widespread use of non-custodial sanctions as a way of addressing prison overcrowding. According to the 2013 assessment, "the whole process of finalisation and approval appears to have been orchestrated to comply with the requirement of the ENP AAP2011 criterion," and has since lost its relevance. However, the use of non-custodial measures seems to have increased over time, with individual sentence planning applied to all female probationers in Tbilisi and juveniles across the country and substantive increase has been noted in the number of individuals involved in community service, vocational training, education, drug rehabilitation, and other rehabilitation or reintegration programs.

To adhere to the international standards, the NPA has also been supported through CSO grant projects funded by the EU. The lack of narrative reports from these projects make is

⁶⁷ See the GoG response to the July 2013 CPT report.

difficult to track what has been done and how the different EU-supported activities dovetailed each other.

The NPA has seen many changes over the years and it still required support to sustain the already achieved results, as well as to improve on the adherence to Council of Europe Recommendation 2000(22) on the European Rules on Community Sanctions and Measures and the UN Standard Minimum Rules for Non-Custodial Measures. The emphasis should continue on rehabilitation and probationary measures should include education, socialization, vocational training, and drug rehabilitation as applicable to the needs of an individual probationer. Other issues that need to be brought in compliance with international standards is the case load of probation officers and strengthening of the supervision of prisoners released early on parole.

The desk review has noted that the TA and capacity building has been part of almost every EU intervention targeting the Justice sector, including many EIDHR project implemented by CSOs. It seems that some areas of support have seen a good coordination of these efforts, such as the case with probation and penitentiary reforms. The good coordination has been achieved due to (1) CJR Strategy and relevant action plans detailing the reform efforts in these areas, (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.

Sources of information used

- Ex post monitoring report (MR-122280.03) of the project “Reform Options for Penitentiary System and Probation System for Convicted Child Offenders,” 19/12/2012.
- Aide Memoire, Second Instalment Review, Support to the Criminal Justice sector (July 2013);
- The Response of the Government of Georgia to the July 2013 CPT report.
- Final Narrative Report of the project “Support to the Penitentiary and Probation Training Center” (ENPI/2010/247-602).
- Criminal Justice Reform Assessment Report (2010) by Walter Pfluger and Charles Ehrlich.
- GIP Tbilisi Foundation’s project proposal “Enhancing respect for rights of prisoners through promotion of their right to health, including mental health,” EIDHR 2010/242-349.
- GCRT project proposal ““Supporting the development and functions of the half-way house – first open type prison in Georgia,” EIDHR 2012/292-215.
- Project Summary for the joint EU/COE project on cybercrime in Georgia.
- Project summary of the joint EU/COE regional project on co-operation against cybercrime under the Easter Partnership Facility.
- Interview with HD TA project staff and others.

1.3.2 Indicator 132: Good international practice to tackle corruption at all levels implemented.

Presentation of the evidence gathered and detailed analysis

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, lack of transparency and accountability of government institutions, including the judiciary, and low levels of institutional independence of key Justice sector institutions charged with upholding the rule of law in the country. The 2003 Rose Revolution is often dubbed as an anti-corruption revolution, as it was the issue of corruption and complete neglect of the rule of law that brought people to the streets to change the old regime.

While Georgia’s scores under TI’s Corruption Perception Index have improved over the years, the country still has some way to go to address the root causes of corruption, many of which are connected to the Criminal Justice sector. Thus, according to the recommendations issued

by TI Georgia after the unveiling of the 2007 CPI results, for improved rating, Georgia had to (1) reform the civil service, (2) increase scrutiny of public officials' assets, (3) disclose information about plea bargaining cases, (4) increase access to publically held information (6) improve transparency and efficiency of public procurement system, (7) ensure policy-relevant public spending, and (8) reform of the judiciary.⁶⁸ Recommendations from subsequent years (2010 and 2013) included (1) increased CSO involvement in policy planning and execution, (1) strengthening the capacity and independence of the Office of the Chief Prosecutor, State Audit Office, and independent regulatory bodies, (3) ensure public and parliamentary oversight of the MIA's activities, (4) create an independent anti-corruption agency, (5) improve public procurement system and ensure transparent budget spending, (6) adopt the "revolving door" legislation, and (7) ensure the independence of the judiciary.⁶⁹

The third monitoring report of the OECD Anti-Corruption Network for Eastern Europe and Central Asia highlights the following issues of concern at the time of its adoption in 2013:

- Improved enforcement of the 2006 legislation on criminal liability of legal persons for corruption related crimes, including through awareness raising and trainings of prosecutors
- Reduction of the minimum level of sanction for passive bribery and elimination of practice of extensive use of plea bargain to achieve the same result.
- Ensure prosecutorial independence, including through improving procedures for appointment and dismissal of the Chief Prosecutor, as well as procedures and grounds for disciplining and dismissal of other prosecutors
- Consider removal of investigation function from the prosecution service to avoid conflict of interests
- Implement a meaningful civil service reform, so as to ensure neutrality and impartiality of civil service and to shield it from political influence
- Improve access to publically held information
- Ensure independence and impartiality of the MoF's Dispute Resolution Board and SAO
- Promote judicial independence, transparency, and accountability, and
- Encourage business integrity.⁷⁰

Box 28 Description of recent measures undertaken by the GoG to foster judicial transparency

"There were some positive developments in terms of ensuring transparency of the judiciary, in particular legislative amendment requiring publication of disciplinary decisions concerning judges. The latter, however, does not seem to be properly implemented and such decisions in any case do not include name of the judge. Basic criteria for promotion of judges are set in the law and they appear to be too wide and open for subjective assessment. In line with the IAP monitoring recommendation jury trials were extended to criminal cases, including those related to corruption, against former and current high-level public officials. Georgia also complied with the IAP second monitoring round recommendation to consider replacing fixed term tenure of judges with a permanent tenure – relevant constitutional amendments were prepared and even adopted by the parliament (will come into force in October 2013). However, the reform itself appears to be incomplete, since judges of the Supreme Court will still be appointed for a 10-year tenure and the possibility of probationary period was introduced."

Source: OECD Anti-Corruption Network for Eastern Europe and Central Asia, Istanbul Anti-Corruption Action Plan, Third Round Monitoring Report, Georgia (2013)

⁶⁸ See the 2007 Corruption Perception Index for Georgia at http://transparency.ge/sites/default/files/post_attachments/CPI%202007%20Eng_0.pdf.

⁶⁹ See the 2010 and 2013 Corruption Perception Index for Georgia at <http://www.transparency.ge/en/post/corruption-perception-index-cpi/corruption-perception-index-2010-released-georgia-ranks-68th> and <http://transparency.ge/en/post/corruption-perception-index-cpi-2013> respectively.

⁷⁰ OECD Anti-Corruption Network for Eastern Europe and Central Asia, Istanbul Anti-Corruption Action Plan, Third Round Monitoring Report, Georgia (2013)

As noted in the Inception Report, the underlying rationale for the EU support to strengthen the rule of law and Criminal Justice institutions in Georgia is three-fold. To begin with, supporting the rule of law in the partner country is part of the EU's overall objective of promoting good governance, combating crime, corruption, and illicit traffic, and supporting the partner country in fulfilling its international and national legal obligations in the field of human rights. Second, improving the performance of Justice sector institutions will improve democratic governance in Georgia, which, in turn, will contribute to stability and security in the country. Lastly, strengthened human rights institutions, increasingly accountable and transparent public sector, and independent and impartial judiciary will contribute to economic growth and eradication of poverty in Georgia. Not surprising, the EU efforts to reform the Criminal Justice sector also involved anti-corruption measures, many of which have already been discussed above.

“Transparency International ranked Georgia 55th out of 177 countries on its corruption index in 2013, which represented a slight setback (with a score of 49 against 52 in 2012). The government reconvened the Anti-Corruption Inter-Agency Council in January, with an extended membership, particularly for NGOs, and began working on a new action plan for 2014-2016. Acknowledging past progress in the fight against corruption, the government made a commitment to reinforce mechanisms to fight alleged high-level corruption, but effective reforms towards these ends are yet to be implemented.”⁷¹

The EU support to contribute to improved independence and accountability of the targeted Criminal Justice institutions, as well as the issues that remain to be addressed, have already been discussed, mostly under I-113. These included provision of TA as it relates to transparency, integrity, accountability, and independence of targeted institutions, as well as conducting trainings on international best practices and ethical conduct.

In addition, the EU has also encouraged the targeted Criminal Justice sector institutions to move to programme budgeting, which is one of the TI recommendations for the GoG to combat corruption. Thus, the EU has monitored the extent to which state budget, respective draft budget, and the Basic Data and Directions (BDD) have reflected expenditures to comply with the Criminal Justice Strategy objectives and activities detailed in the CJRS Action Plans. In addition, the EU TA project, in co-operation with the ICC Secretariat, has supported capacity building on program budgeting, monitoring mechanism and logframes for the targeted institutions and on-going TA to prepare and revise action plans and budgets.

One of the MoJ institutions, which have been historically targeted by the EU, has been the Civil Registry Agency. As noted in one of the CRA's presentations about the successes of the Agency, prior to the reform efforts the CRA exhibited the following weaknesses: (1) unmotivated and unqualified staff, (2) corrupt practices, (3) negative public opinion, (4) lack of budget resources, and (5) lengthy and confusing service provision procedures.⁷² Thus, under the TACIS Programme, the efforts were directed toward developing the CRA institutional capacity, as well as implementing anti-corruption measures to improve service provision. The CRA was later targeted through the THEMIS mission and then the TA project “Capacity Building in Support Rule of Law in Georgia, with aim to strengthen its capacity for better implementation of international obligations of Georgia. The experts of the project developed the concept of the biometric system in Georgia in support of the visa facilitation process, implemented a public opinion survey to gauge people's attitudes toward biometric passports, and seem to have supported the CRA in the introduction of the electronic IDs, regulation and well-functioning of the addressing system, and further enhancement of the services provided to the citizens.⁷³ TA and capacity building of CRA to better implement Georgia's international

⁷¹ European Commission, High Representative of the EU for Foreign Affairs and Security Policy, Implementation of the European Neighbourhood Policy in Georgia. Progress in 2013 and recommendations for action, Brussels, 27 March 2014

⁷² http://www.slideshare.net/E-Gov_Center_Moldova/civil-registry-agency-giorgi-gabrielashvili-eng-as-of-sept-15-9590426

⁷³ http://eeas.Europa.eu/delegations/georgia/press_corner/all_news/news/2010/20100518_01_en.htm

obligations, including those related to combating corruption, have been undertaken as part of the CIB Programme, where CRA has been one of the ten key institutions identified by the GoG for significant involvement in the Programme. It also seems that the TA project “Support to the Reform of the Criminal Justice System in Georgia” has provided TA to the Public Service Hall (which includes several MoJ agencies, including the CRA). The field visit confirmed that that TA and capacity building has contributed to the CRA being better able to implement Georgia’s international obligations. The CRA was very positive in its assessment of the EU support, but also have noted that they feel empowered to independently take on the challenges that lie ahead. The CRA staff is also knowledgeable about various EU aid modalities (which was not the case with most GoG counterparts) and has consistently taken advantage of TAIEX for capacity building and experience sharing.

Sources of information used

- Corruption Perception Index for Georgia (2007, 2010, and 2013), Transparency International.
- OECD Anti-Corruption Network for Eastern Europe and Central Asia, Istanbul Anti-Corruption Action Plan, Third Round Monitoring Report, Georgia (2013).
- GEPAC Evaluation Report (2010) by Tilman Hoppe.

2 EQ2 on 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?

2.1 JC21: Performance of the PFM systems

We assessed this JC based on the results of PEFA and other assessments (I-211), the strengthening of the overall fiscal position as a result (I-212, and the establishment of a sound legal and regulatory framework for PFM (I-213). To summarise, PEFA and other assessments confirm tangible progress in many areas of PFM. A sound legislative and regulatory basis for PFM has been put in place and there has been fiscal strengthening and consolidation. EU SPSP contributed, but limitations must also be recognised. The fiscal space created by budget support was welcome, but relatively small. While legislative changes made corresponded to budget support Policy Matrices, especially early in the evaluation period, capacity for implementation (discussed under JC 22) remained weak, throwing into question the steadily increasing attention to legislative approximation as opposed to consolidation of gains made in the form of more effective execution.

PEFA assessments, 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 reforms. Successful results have been obtained particularly in the area of budget credibility, revenue administration, predictability in budget execution, public procurement and external audit. One of the strengths of EU support has been the close alignment of its policy conditionalities to the weaknesses identified by various PFM assessments. In this way, despite the absence, as pointed out at several points, of a holistic approach to PFM reforms and effective monitoring and assessment of the impact of the implemented reforms, relevance was achieved.

Improvements in various areas related to PFM have increased fiscal transparency. Improvements in operational efficiency have contributed to improved service delivery. Financial transfers under the PFM SPSPs, although not significant as compared to government revenues as a whole, helped to create fiscal space allowing for implementation of policies without undermining the fiscal position of the government. The government remains committed to durable fiscal adjustment and its efforts led to a continuous improvement in the overall fiscal balance since 2010. As the achieved improvements in the efficiency and effectiveness of the revenue administration leave limited opportunities for the government to increase revenues through revenue administration measures, additional revenues would need to be ensured by strengthening strategic allocation of resources (e.g. by improving the quality of capital spending) and achieving efficiency gains as result of improved budget execution and controls. EU-supported reforms in the area of public procurement have increased the transparency of public spending and budget credibility.

Progress has been achieved with respect to improving the legislative and regulatory base (see I-213 for a list of legislation and other measures implemented). Many legislative changes, especially at the beginning of the SPSP operations, were part of the associated Policy Reform Matrices. Over time, the focus of legislative reforms has shifted from modernising legislation to ensuring its effective application in practice. With the declaration of Georgia's EU aspirations, government efforts are currently directed to harmonising legislation with the EU requirements, e.g. in the areas 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 I-221). While results overall have been positive, these capacity weaknesses have reduced the translation of legislative changes into concrete improvements in PFM execution.

2.1.1 Indicator 211: PEFA assessments and other PFM- related assessments (e.g., by IMF) identify positive changes

Presentation of the evidence gathered and detailed analysis

With the implementation of PFM reforms following the Rose Revolution, significant progress was achieved mainly as result of

- the entering into force of a new Budget Law,
- the introduction of a new Tax Code,
- the introduction of the Medium term Expenditure Framework (MTEF),
- the development and operationalization of the Treasury Single Account (TSA), and
- the entering into force of a new law on State Procurement.

Despite progress achieved, reforms had slowed down by 2008 and specific weaknesses in PFM were persisting. These weaknesses were confirmed by the PEFA assessment conducted for the first time in Georgia in 2008. The assessment was conducted to provide an updated and systematic diagnostic of the PFM system and to serve as a base line (mid-2007) for “complementing the Government’s efforts to monitor progress in the PFM reforms going forward”⁷⁴. A follow-up PEFA assessment was conducted in 2013. It measured performance of PFM systems as of 2012 and the progress achieved since the first PEFA.

Box 29 Main achievements since 2008 PEFA assessment

Georgia has advanced significantly its budgetary and financial management systems since the previous PEFA assessment Report of 2008. The basic set of systems has been put in place for strategic budget planning, budget formulation and execution. The integrated public financial management system is being implemented and according to the Ministry of Finance (MoF), several key modules are already in place. These include Treasury Operations, Spending Institutions, Budget Preparation, Payroll and External/Internal Debt Management modules introduced by the MoF Financial Analytical Service in January 2012. The full launch of the system is expected by the end of 2013. 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. Important progress has been achieved on the front of program-based budgeting, furthering the Government’s objective of greater results-focus in fiscal planning. The concept of program-based budgeting was adopted in the 2009 Budget Code, and significant advances has been made since then - reaching all the way to the full presentation of the 2012 draft budget in programme forms to the Parliament of Georgia. Legal framework governing public procurement was further amended, Electronic Government Procurement (E-GP) 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.

Source: PEFA 2013, page 8.

Overall, the 2012 PEFA assessment showed significant improvement in the performance of the PFM systems for 18 performance indicators (out of the 28+3 indicators of the PEFA framework). When looking at the overall scores, the number of indicators which were scored with an “D” or a “C” decreased from 16 to 10, and the number of performance indicators which got a score “A” or “B” increased from 14 to 21. Slippages in performance were observed for three performance indicators: PI-3 (aggregate revenue out turn compared to original approved budget), PI-22 (timeliness and regularity of accounts reconciliation), and PI-28 (legislative scrutiny of external audit reports). However, the PEFA 2012 report does not discuss explicitly the performance changes between 2008 and 2012 and the underlining factors. In some cases the difference in performance may not be due to changes in performance, but rather, to difference in the data used, or the methodology/approach used etc. Therefore, it is not clear whether the improvements in all scores reflect exclusively improvements in performance.

While significant improvements have been observed, the functioning of the Georgia’s PFM system and its ability to deliver on the three main objectives of a well-functioning PFM system (aggregate fiscal discipline, allocative efficiency and operational efficiency) is undermined by a

⁷⁴ PEFA, 2008

number of weaknesses. These are mainly in the areas related to PI-15 (Effectiveness in collection of tax payments), PI-18 (Effectiveness of payroll controls), PI-26 (Scope, nature and follow-up of external audit) and PI-28 (Legislative scrutiny of external audit reports). The table below summarises the main performance changes and pertaining weaknesses under individual PEFA dimensions.

Table 5 Overview of Georgia's PFM performance and changes over time

PEFA indicators	PEFA 2008	PEFA 2012
Credibility of the budget: PI-1 to PI-4	Budget credibility was affected by the large deviations between the actual and estimated expenditures and revenues. Particularly the tax revenue collections were exceeding the estimates. Monitoring of the expenditure arrears was working reasonably well.	Three out of the four performance indicators (PI) assessing budget credibility have improved, and one has been downgraded. Credibility remains to be adversely affected by lack of monitoring of fiscal risks.
Comprehensiveness and Transparency: PI-5 to PI-10	The budget formulation and implementation was based on administrative, economic and functional classifications following the 1986 GFS standards. Georgia was in the process of moving to the new 2001 GFS methodology. Public access to fiscal information was considered generally good except that the budget documents were missing explanation of the budgetary impact of a number of policy initiatives. The performance in this area was undermined by the lack of consolidation and analysis of fiscal risk of SOEs and legal entities of public law (LEPL).	Four PI improved and two remained unchanged since the 2008 PEFA. Improvements relate to budget classification, transparency of intergovernmental fiscal relations, improved access to information on public procurement. Weakness remain in respect to lacking information in budget documents on financial assets, monitoring & consolidation of fiscal risks from public enterprises.
Policy Based Budgeting: PI11 to PI-12	There budget calendar was clear and orderly, and allowed sufficient time for budget preparation. Fiscal aggregates were forecasted only on the basis of economic classification, a fact which undermined the effectiveness and quality of the MTEF. While there existed sector strategies these were not fully costed and there was weak linkage between the investment decisions and the their future budget implications.	The policy based budgeting has been improved with the establishment of the 2009 Budget Code and Basic Data and Directions document (BDD) which allocates multi-year ministerial budget ceilings based on Government priorities formulated in the ministerial Medium Term Action Plans. Weaknesses remain in the area of public investment management practices particularly for monitoring and evaluation.
Budget Cycle: Predictability and Control in Budget Execution: P-13 to P-21	Tax administration: The legal and regulatory framework for tax administration is relatively clear but there were discretionary powers. There was no reliable and credible tax appeals and arbitration mechanism in place. Tax audits were not yet based on a risk assessment; this was in the process of implementation. The tax collections were affected by the uncollectable historical tax arrears which needed to be	Eight out of nine respective indicators were upgraded. Approval of a new legislation decreased the discretionary powers of tax authorities; introduction of risk-based selection for tax audits; introduction of E-Treasury system, improvements in the effectiveness of the payroll through establishing a direct link between the payroll and personnel database, internal control has been further strengthened. Weaknesses remain in respect to the

PEFA indicators	PEFA 2008	PEFA 2012
	<p>addressed.</p> <p>Expenditure management and control: Cash management was functioning relatively well. Despite some mechanism for expenditure control, this was not necessarily effective. The payroll system was decentralised and there was no overall effective payroll control. Significant weaknesses were observed in the functioning of internal control and audit function. Significant weaknesses were observed in the functioning of the procurement systems. This was mainly reflected by the heavy reliance on single sourcing and deficient systematic approach to monitoring and reporting of procurement due to the decentralized procurement system.</p>	<p>effectiveness of the tax dispute mechanisms, unresolved tax arrears accumulated in the past, the payroll audit, effectiveness of the internal audit.</p>
Accounting, Recording and Reporting: P-22 to PI-25	<p>In-year reporting was considered good except that information on expenditures and revenues of LEPLs whose liabilities are not part of the government were missing. Information on resources received by service delivery units was not available. The quality of the financial statements was undermined by the lack of consolidated information on overall financial position and information on government assets and liabilities. Reconciliation of bank accounts was functioning well.</p>	<p>Improvements were observed in three indicators. These relate to improved bank reconciliation practices, scope and coverage of in-year budget reports, quality and timeliness of annual financial statements as a result of introduction in 2008 of accounting guidelines. Despite the progress, weaknesses remain in respect to the quality and comprehensiveness of the financial statements.</p>
External Scrutiny and Audit: P-26 to P-28	<p>The external audit function was underdeveloped. The external audit was not following the international standards and the quality of the audit reports had space for improvement. It was also characterised by lack of capacity. The legislative scrutinizes audit reports and conducts hearing but the effective follow up on recommendations was lacking.</p>	<p>Two PIs improved and one was downgraded. Progress has been observed in terms of the scope and nature of the external audit through improved audit standards and methodology, and in-year budget amendments through introduction of limits to overall expenditure increase. The performance of the legislative scrutiny of external audit reports has deteriorated as result of inadequate hearings and limited follow-up.</p>
Donor practices: D-1 to D-3	<p>Financial information was being provided by the donors but this was not in line with the government budget classifications and needs. Nearly all donor aid was applying own procedures and ignoring the national procedures.</p>	<p>The performance of donor practices did not change. Budget support continues to fall short of forecasts, while donors provide information on estimates and actual to the government it does not generally corresponds with the government classification, and less than 50% of the aid funds are managed through national procedures.</p>

Source: Synthesis based on the PEFA 2008 and PEFA 2012 assessments.

Other improvements in the area of PFM performance are possibly reflected by improvements in a number of international organisation indices related to Doing Business, Corruption Perception and Open Budget (see Box 30 below).

Box 30 PFM related performance improvements

In last three-four years Georgia is getting high marks in the World Bank "Easy Doing Business" ratings. According to WB, Georgia in 2011 is on 16th place in the list of countries by simplified and business friendly regulatory procedures.

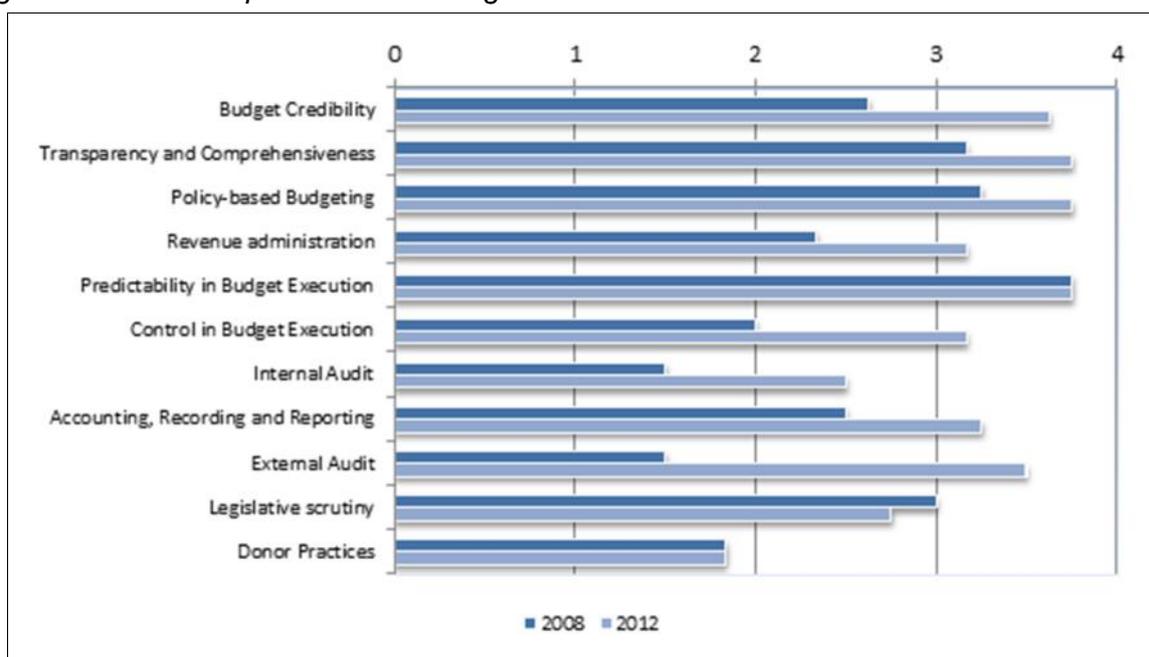
Transparency International Reports show that the level of corruption has significantly decreased since 2003, which is also an evidence of the progress. Georgia is holding 66th place by Corruption Perception Index in 2009. To note, Georgia was holding 128th place in 2003.

Georgia's position in "Open Budget Index" has increased from 33% in 2006 to 53% in 2008 and to 55% in 2010 that indicates marked improvement too.

Source: EUD Georgia, PFM Annual Report 2011, April 2012

When analysing performance changes based on the PEFA assessments, performance improved for all PEFA dimensions except in the area of legislative scrutiny (see Figure 5 below). As can be concluded based on the analysis above, performance is relatively better for the "upstream" functions of PFM, and relatively lower for the "downstream" PFM functions. The least-performing areas according to the latest PEFA were internal control and legislative oversight. Also, donor performance continues to have an adverse impact on the functioning of the government PFM systems in Georgia.

Figure 5 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.

Sources of information used

- The assessment of this indicator has been made mainly based on the PEFA assessments 2008 and 2012.
- Interviews with government officials.

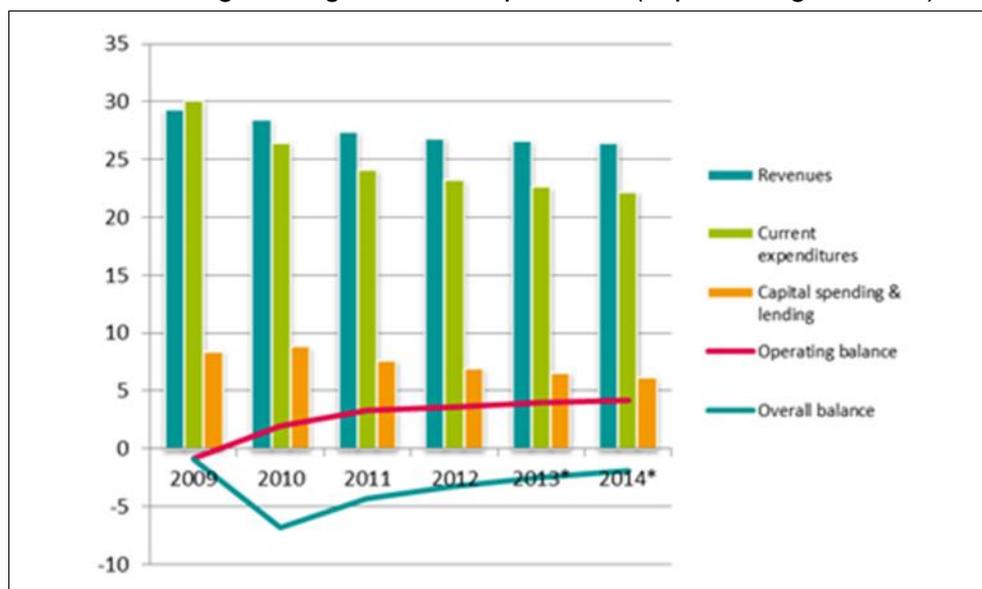
2.1.2 Indicator 212: Fiscal position strengthened and major fiscal issues successfully addressed

Presentation of the evidence gathered and detailed analysis

To stimulate economic activity after the 2008-2009 crisis (and in the context of the post-2007 international financial crisis) the government pursued an expansionary fiscal policy, resulting in the widening of the budget deficit in 2010 (see Figure 6). With the first signs of recovery in

2010 and in view of bringing the deficit down to a sustainable level and ensuring macroeconomic stability, the government restated their commitment to durable fiscal adjustment over the medium term in their 2010 medium-term fiscal framework. Adjustment was anticipated mainly on the expenditure side and aimed at scaling back the capital budget. Given the results achieved in strengthening the efficiency and effectiveness of revenue administration, the government saw limited opportunities to increase revenues through revenue administration improvements. According to IMF reports, Georgia's tax system is considered to be efficient and ranks superior to many countries in the region. The fiscal adjustment on which the government embarked led to a continuous improvement in the overall fiscal balance since 2010.

Figure 6 Annual general government operations (in percentage of GDP)



Source: IMF, Country Report No. 11/31, Washington DC, January 2011.

Note: (*) – IMF projections.

During the last ten years revenue as a percentage of GDP peaked in 2009, after which revenue continuously decreased. This decrease consists mainly of decrease in non-tax revenues and grants. Georgia's tax-to-GDP ratio has been stable at about 24-25 percent. According to the IMF⁷⁵, the tax-to-GDP ratio (for both 2010 and 2011) was lower than anticipated largely reflecting

“a lower yield of all taxes (including new ones), one-off factors, but also the withdrawal of the VAT measures on private health and private education that were to be introduced in 2011”.

In view of preserving Georgia's favourable investment climate and avoid increasing the tax burden over time, the authorities introduced a constitutional amendment requiring that an increase in the upper rate of any existing general state tax, or introduction of any new general state tax, except excises, be subject to a referendum starting from January 1, 2014. According to various sources (including the IMF and the WB), this limitation of tax revenues along with the increase in social benefits is likely to put pressure on the government's finances.

In reaction to political uncertainty both before and after the October 2012 elections, the economy slowed down in 2012. To reduce the deficit while delivering on its promises to increase social expenditures, the new government focused its fiscal consolidation efforts on streamlining and re-prioritising capital expenditure and on containing current expenditures. The prospect of reduced capital expenditures going forward has increased the urgency of instituting a sound public investment management system. Over the medium term, capital expenditures are expected to be sustained at the 2013 level. Public capital expenditures have

⁷⁵ IMF Country Report No. 11/31, January 2011.

been a significant driver of Georgia's growth in the past and have a crucial role to play in future. This is because the country faces a large infrastructure gap in the areas of roads, water and energy. To maximize the effectiveness of the lower level of public investments, the establishment of an effective public investment management (PIM) system will be crucial, especially at project identification and appraisal stage. Yet, over the evaluation period, interest in a more robust PIM system was not been strong in Georgia. Contributing to this, Civil Society has played only a weak role in advocating for improved capital expenditure management.

During the Art IV consultation with the IMF in August 2013, the government confirmed its intent to accelerate fiscal consolidation efforts and reprioritize government expenditure toward social spending; improve the quality of capital spending, while maintaining key infrastructure projects; and increase budget transparency and accountability. According to the IMF (IMF Article IV Consultation, August 2013), to make growth more inclusive the government aims at redirecting public spending from capital investment, which as a share of GDP is one of the highest in the region, to social expenditures, which is one of the lowest in the region. Spending on pensions has been the largest component of social expenditures and ad hoc increases in pension benefits has put pressure on the government's fiscal position. According to the WB Public Expenditure Review⁷⁶,

“public finances in Georgia are likely to come under pressure over the short- to medium term in the context of large increase in recurrent expenditures and the limited scope to raise revenues”.

This has been confirmed by the interviews.

To conclude, fiscal adjustment through consolidation on the expenditure side has led to improvements in the overall government fiscal position. While fiscal adjustment focused mainly on consolidation on the expenditure side, this was possible due to the improvements achieved in the area of tax administration, a key aspect of PFM reform. Given the role of public capital expenditure as a driver for Georgia's growth, further efforts to improve the public investment management system are needed. As evidenced by the PEFA 2012 assessment (see the discussion on I-211 above), external oversight is one of the least performing PFM functions in Georgia, while it is one of the major drivers for change in demanding accountability for the quality of public expenditure, including of capital expenditure. Government is committed to higher social expenditure, justifiable based on regional comparisons, but the ad hoc approach to pensions spending is placing fiscal gains at risk.

Sources of information used

- PEFA 2008 and 2012 assessments.
- IMF Reports (No. 11/31, January 2011; No. 11/87, April 2011; No. 13/95, April 2013; No. 13/264, August 2013; No. 14/250, August 2014).
- WB, Public Expenditure Review, Strategic Issues and Reform Agenda, Report No. 78143-GE, June 2014.
- Interviews with government officials; IMF Resident Office in Georgia; Civil Society.

2.1.3 Indicator 213: Legal and regulatory framework for PFM and related norms and standards established

Presentation of the evidence gathered and detailed analysis

According to the PEFA 2012 assessment and as confirmed during field mission interviews,

“Georgian legal and institutional framework for PFM is well defined and comprehensive and reflects several major legislative changes that have been implemented since the PEFA 2008 assessment”.

Since 2008 a number of important PFM-related pieces of legislation have been enhanced and entered into force. Among these are:

⁷⁶ PER, 2014.

- The Budget Code (2009);
- The Tax Code (2010);
- Amendments to the Law on State Procurement (2010) and other regulations on public procurement including:
 - Order on the Rule of Identifying Objects of procurement and Defining their Homogeneity (2010);
 - Order on Temporary Regulation on Implementing Public Procurement Electronically (2010);
 - Regulation on Activities of the Council of Discussing the Disputes related with Procurement at the Agency of Public Procurement (2010);
 - Regulation on Holding Simplified Procurement, Simplified Electronic Tender (2011);
 - Conditions and Rule of Public Procurement of the Project Service by Means of Competition (2011);
 - Regulation of Accountability of the Procuring Organization (2011);
- Law on State Internal Audit and Inspection (2010);
- Law on State Internal Financial Audit (2011);
- Law of State Audit (approved in 2008 and amended in 2011);
- Amendments to the Law on State Audit Office (2011 and 2012);
- The Code of Ethics of the Auditors of the State Audit Office (2013).

These legislative and regulatory changes reflect the Government of Georgia's interest in further modernisation of public finances and its commitment to advance PFM reforms. It is safe to conclude that these enhancements contributed to the observed improvements in the overall performance of the PFM systems between 2008 and 2012. Causality is particularly obvious in the area of public procurement. Although the comparison is not possible in strict terms as a result in the change of the methodology, the performance in the area of public procurement improved from a "D+" score in 2008 to an "A" score in 2012. According to the latest assessment, the legal framework for public procurement meets all six PEFA requirements.

The same is true for revenue administration. According to the PEFA assessment, the clarity and comprehensibility of tax liabilities has improved substantially. The score of the respective indicator increased from a "C" in 2008 to "A" in 2012. The Tax Code covers all taxes and is aligned with EU standards. Discretionary powers of tax authorities were substantially reduced as result of enhancement of the IT platform for tax compliance and the introduction of other safeguards.

As reflected by the PEFA scores, the regulatory and legislative enhancement in the area of internal and external audit have contributed to advancing performance in these areas. According to an independent EU assessment cited in the PEFA 2012 assessment, the legal framework for internal audit in Georgia is aligned with the Guidelines for Internal Control Standards for the Public Sector issued by the International Organization of Supreme Audit Institutions (INTOSAI). In the area of external audit, the improvements are reflected by the adoption and implementation by the State Audit Office of Georgia (SAOG) of the audit standards and an audit methodology that approximates International Standards of Supreme Audit Institutions (ISSAI) as issued by the INTOSAI. Also the performance Audit Manual which was developed by the SAOG in 2011 is based on international standards i.e. ISSAI.

The quality of the PFM related legal and regulatory framework has been reported by various officials and development partners to be generally good. What is more problematic is its adequate application and effectiveness in practice (e.g. the persistence of internal audit).

Some legislative improvements were part of the policy dialogue under SPSP programmes between the EU and the government. Related conditionalities were included in the Policy Reform Matrix; among these:

- SPSP I: Draft Law on *Supreme Audit Institution* in line with international standards adopted; a draft law on *public internal financial control and internal audit* compliant with international standards and EU best practices drafted and submitted to the Parliament; draft law on *public procurement* drafted and submitted to Parliament;
- SPSP II: all budget documents (including BDD and draft Budget Law) submitted to the Parliament in one package; Law on State Internal Audit and Inspection aligned with INTOSAI and gradually implemented; gradual approximation of the public procurement system to EU standards; customs valuation practices in line with WTO standards.

The main driver of these legislative reform measures, particularly under SPSP I, was the weaknesses of the PFM systems identified in the PEFA assessments. With the advancement of discussions on the Association Agreement, the driver of further legislative improvements changed. The focus moved from fixing the “systemic weaknesses” to “aligning” the respective Georgian legislation to the EU regulations.

Sources of information used

- The analysis is based on the PEFA 2012 assessment, programme related documents and the conducted interviews.

2.2 JC22: Relevant PFM reforms implemented by GoG and continuous commitment to PFM reforms

The JC was assessed based on the continuity of reforms (Indicator 221) – i.e., that reform was not a stop-and-go or two-steps-forward-one-step-back process – and the putting place of capacity adequate to design and implement reform. The relevance of reform measures was judged by whether it matched independent assessments of needs (Indicator 222). Finally considered is the putting in place of effective structures for coordination and monitoring of reforms (Indicator 223). To summarise, the relevance of reforms was high. While there was continuity of the reform implementation, the fact that the PFM reform approach consisted of a bundle of specific reforms rather than one holistic approach which would appreciate the sequencing and prioritisation of reforms taking into account the necessary prerequisites, tended to make coordination difficult. It also tended to orient monitoring of the implementation of reforms towards outputs rather than impacts.

Since the Rose Revolution all government PFM reforms were guided by strategies specific to the targeted area (e.g., a revenue service strategy, a public internal financial control or PIFC strategy, etc.; see Indicator 221 in Volume 2 for a list). These strategies have been informed most importantly by PEFA identification of weaknesses and to a lesser extent by additional analysis of the factors underlying the weaknesses. The relevance of these individual reforms to needs is not seriously in question. Government ownership of the reforms is generally held to be high, but fluctuated over the evaluation period.

One of the major challenges affecting the implementation of PFM reforms and the sustainability of the achieved progress is deficiencies in the institutional capacity and the inadequacy of existing skills and knowledge. Despite EU support, 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. In many PFM institutions (less so the MoF), these weaknesses were aggravated by high rotation of staff and frequently changing leadership, as well as by political interference and power relationships. The lack of a capacity development strategy at all levels (individual, organizational, institutional) resulted in missed opportunities for mobilizing capacity development support from development partners including the EU.

Although the PFM reform strategies cover most of the PFM areas, the reform measures are not integrated in a single overarching strategy, which would adequately inform the proper sequencing and prioritisation of reforms taking into account the necessary prerequisites and existing constraints, but rather presented in individual strategies or action plans. There was a Ministry of Finance PFM Reform Policy 2009-13, but this does not cover important PFM areas falling outside the mandate of the MoF (e.g., procurement and external audit). This

made the Reform Policy a document of the MoF rather than of the whole PFM sector and disregarded the importance of proper sequencing and prioritisation of reforms in various PFM areas and the implications which reform measures in some PFM areas may have on other areas. The existing strategies also undermined the role of other central level and sub-national budgetary agencies, and their importance for successful reform implementation at all levels. Although the MoF coordinates the implementation of reforms through the PFM Coordination Council, there is room for a more inclusive and participative design of PFM reforms taking into account the existing capacity and other constraints. In the absence of an integrated reform approach which would encourage and facilitate comprehensive and effective monitoring and assessment of PFM reform, the focus of the government monitoring has been predominately on individual activities and delivered outputs rather than impact. Related to this, it also makes more difficult the engagement of broader groups of stakeholders, such as Civil Society, in the discussions on the design of PFM reforms and their effectiveness on the functioning of the PFM systems.

With coordination and monitoring mostly at the output level, there was insufficient discussion on the sequencing and prioritisation of reforms, or the extent to which the desired expectations underlined in the PFM Reform Vision were being achieved. Line ministries and other public agencies were not involved in the discussion on the design of PFM reforms. Despite the importance of their involvement in rolling out the reforms to lower levels and their contribution needed to successfully implement the reforms, their role was weakened as they were not involved in strategic discussions. The same was true for the Civil Society. While there is an opportunity for the Civil Society to participate and become engaged in the monitoring of the PFM reforms, and despite some improvements noted, over most of the evaluation period there was no platform which would allow CSOs to engage in the design of the PFM reforms.

2.2.1 Indicator 221: PEFA PFM strategy continuously evolved and adequate capacity put in place

Presentation of the evidence gathered and detailed analysis

Since their launch, PFM reforms in Georgia were guided by formal PFM reform strategic documents. Among the first ones were;

- PFM Strategic Vision 2005;
- Accounting Reform Strategy (2006); and
- Ministry of Finance Strategy 2007-2011.

To address the weaknesses identified in the 2008 PEFA assessment, the government updated its PFM reform strategy and the presentation of the PEFA findings was, therefore, deliberately followed by the presentation of the updated PFM Reform Policy Vision 2009-2013. The PFM Reform Policy Vision 2009-2013 reconfirmed the established objectives of PFM reform and re-asserted the government's commitment. The new vision on PFM reforms was approved by the MoF. Reform measures in the Strategy focused on budgeting, resource management, accounting and reporting, development of internal audit, and IT systems. Georgia does not have a single *overarching* PFM reform strategy; instead, it has separate strategies for selected PFM areas and annual action plans. In addition to the PFM Reform Policy Vision and Action Plan 2010-2013, the government and respective agencies developed a number of plans/strategies in specific PFM-related areas including:

- MoF Revenue Service Strategy 2007-2011 (2007);
- PFM Reform Policy Vision 2009-2013 (2009) and the PFM Reform Action Plan 2010;
- Public Internal Financial Control Strategy (2009);
- PIFC Policy Paper and Action Plan 2010;
- MoF Internal Audit Action Plan 2010;
- A government decree on Adoption of the Plan of establishing the Programme Budgeting (2010);
- IPSAS Implementation Action Plan (2010-2012);

- Chamber of Control (later SAO) Strategic Development Plans for a three-year period updated yearly starting from 2009-2012 to 2014-2017 and respective action plans;
- Capacity Development Plan of the Chamber of Control (2010);
- E-procurement Action Plan of the State Procurement Agency (2010);
- Anti-Corruption Strategy.

The 2012 PEFA findings were taken into account in the revision of the PFM Reform Policy Visions 2010-2013. A follow-up PFM Reform Strategy 2014-2017 was developed and approved by the MoF in 2014. In addition to the PEFA weaknesses, it takes into account other government obligations assumed under various agreements with the development partners providing technical and financial support (including the Association Agreement with the EU). While the EU is a major partner in PFM, is not the only one, nor is the Association Agreement the source of EU commitments. Thus EU budget support is a key, but not the only force driving reforms.

One of the components of the PFM Reform Policy Vision 2010-2013 was to improve qualifications of MoF staff. However, the MoF does not have a formal Action Plan or vision dedicated to PFM capacity development. Training courses and other capacity development activities are part of the reform initiatives in specific PFM areas reflected in the individual action plans. Capacity needs (or gaps) assessments are conducted by some institutions (including MoF), but not in a systematic and formalised manner.

The MoF's capacity development focus is mainly on training. Nevertheless, Georgia is facing some capacity issues beyond the individual HR level which cannot be dealt with through training only. Mostly these are related to the institutional and enabling environment. For example, the capacity of the legislative branch to scrutinise the budget and external audit reports is influenced by the political incentives for scrutiny. Contrary to good practice, the chairman of the Budget and Finance Committee - the equivalent of a Public Accounts Committee - is member of the ruling party rather than of the opposition. In the case of the State Audit Office, while its capacity could be further improved in respect to some specific aspects at the individual level (e.g. performance audits, IT audits etc.), it is mainly affected by broader institutional and enabling environment aspects as it is not fully independent according to international standards. In the area of internal audit, the major capacity issue is at the individual level. The number of skilled and experienced internal auditors is limited and even if properly trained, as a result of the high turnover of staff, the skills and experience acquired are not internalised and institutionalised within the internal audit function. The high turnover is in particular due to the regular compulsory rotation of the financial officers. Moreover, internal auditors are considered and therefore reimbursed as financial officers, and given the relative lower remuneration it is very difficult to attract qualified auditors in the government sphere. To sum up, capacity issues vary among the institutions concerned.

After 2008 the capacity (at least in terms of staff numbers and staff turnover) improved as result of public sector reforms including optimization of staff and making the salaries more competitive with the private sector. Overall, it is considered that the human resources and institutional capacity for PFM at the MoF is better than at the other line ministries and at the sub-national level.

The TA provided under the second phase of the PFM SPSP included capacity building activities in most of the areas. However, reports suggest that the institutional capacity is still deficient in all areas. According to the Final Report on the Support to PFM Reform Support Programme II, the absence of adequate capacity remains a significant problem in Georgia at all levels. This is additionally affected by the major and frequent staff changes at senior- and middle levels which leads to further loss of already deficient capacity as well as weakening institutional memory. A specific example cited concerns programme-based budgeting. According to the same report,

“there are still institutional shortfalls in capacity at the central level and line-agency level for full understanding and application of the programme budgeting approach, notwithstanding the progress made so far. These factors relate to methodological and practical implementation and conceptual issues, and inhibit the effective utilisation of the enhanced performance information to support improved budget management.”

In April 2010, in view of enhancing the capacity of its personnel, the MoF established the MoF Academy for Public Finance which facilitates the development of PFM professionals. However, the training courses provided by the MoF Academy are generic (e.g. fundamentals of the PFM related legal framework, official writing and communication, etc.), while specialised training (e.g. on such topics as PIFC etc.) are demand driven and organised on a case-by-case basis. At the moment, neither the MoF nor the MoF Academy have a structured and systematic programme for training and professional development of government planners, accountants, procurement officers, internal auditors and other civil servants dealing with PFM at central and sub-national levels. Other agencies have established their own Academies for training staff (e.g. State Procurement Agency, Revenue Administration etc.) Given the infancy of some of these training institutes, they do not have yet capacity development strategies informed by systematic capacity needs assessments and structured training programs. The SAO of Georgia had a dedicated Capacity Development Plan (2010) and in the most recent Strategic Development Plans a chapter dedicated to capacity development. SAO's capacity development measures are informed by institutionalised annual capacity needs assessments. To conclude, the existence of a PFM Reform Policy Vision and individual Action Plans reflect a clear government commitment to advance PFM reforms. Implementation of reforms, and eventually the achieved results, however, are undermined by deficiencies in the existing capacity at all levels and in all functions, as well as by deficiencies in the results-based monitoring of the implementation of the reforms and the results they deliver. The latter point will be discussed under Indicator 223.

Sources of information used

- PEFA assessments.
- SPSP Programme documents and monitoring reports.
- EU PFM Annual Monitoring Reports.
- Other EU TA project documents and monitoring reports.
- Interviews with MOF, MOF Academy, SAO, SPA, Civil Society representatives, DPs and EU representative.

2.2.2 Indicator 222: PFM reform strategy responded to weaknesses identified in the PEFA and other assessments

Presentation of the evidence gathered and detailed analysis

The PFM Reform Strategy is an official document approved by the MoF. Given that this strategy is not comprehensive in covering all PFM functions it includes measures which fall exclusively under the MoF's mandate and is therefore not approved by the Government as a whole.

There are a number of elements which are necessary, while not necessarily sufficient, for the success of the PFM reforms. The quality of the PFM reform strategy is assessed based on a number of aspects reflected in the Table 6 below.

Table 6 *Assessment of the quality of the PFM reform strategy*

Elements of the PFM Reform Strategy	Comments on the PFM Reform Strategy
In-depth analysis of the problems that need to be addressed, i.e. factors causing the problems and possible solutions	The Georgian government used the PEFA 2011 assessment in updating the PFM reform strategy 2009-2013. The SIGMA (2010) study initiated at the request of the EUD made an assessment of the e-procurement system and informed further reform areas in public procurement in the context of the DCFTA negotiations. The Strategy for Reforming PFM Systems in Georgia covers the weak areas identified in the PEFA assessment and emphasises that the PEFA will be used to measure progress. However, it does not specify any performance targets or desired results to be achieved (e.g. linked to the PEFA indicators), nor does it make any reference to the specific weaknesses identified in the PEFA assessment.

Clear definition of a long-term vision and specific objectives of the PFM reforms	Georgia has managed to develop a relatively holistic approach to PFM reforms i.e. addressing all functions of PFM. While the “PFM Reform Policy Vision 2009-2013” defines the vision for PFM reforms from a holistic perspective (i.e. it covers the full budget cycle except procurement and external audit), not all elements are integrated in the PFM reform strategy. Individual PFM functions are dealt with in separate strategies.
Linkage of PFM reforms with other related reforms, in particular overall public administration reforms	PFM reforms are not formally coordinated with broader Public Administration (PA) reforms although the dynamics of PA reforms considerably influence the implementation of PFM reforms, particularly, in respect to the capacity for PFM reforms through the existing incentives and performance systems, career development and remuneration of civil servants etc. Although PMF reform strategy has not been clearly linked to a PA reform strategy, improvements in the HRM of the public servants as result of public pressures in 2007 beneficially influenced the capacity of the MoF (see also below the element on capacity building. A draft Public Service Reform Strategy 2014-2017 is currently being developed. This may offer a possibility to formally link and integrate PFM reform efforts with the related public administration reform measures.
Clear sequencing and prioritisation of reform measures (incl. horizontal and vertical roll-out of reforms)	Since the PFM Reform Vision is exclusively guiding the MoF work, it discounts the role and involvement of other stakeholders in PFM reforms and the interaction among them. It underlines the challenges in each phase of the budget cycle and the reform actions, but it lacks a clear medium-term sequencing and prioritisation of these actions, which is done in the Action Plan, though for the planning year only, rather than for the entire timespan.
Analysis of potential risks and identification of mitigation factors/measures	The Strategy does include an analysis of the potential risks and respective mitigation measures.
Full estimation of the costs needed for implementation of reforms (incl. management costs) and identification of available funding sources and gaps	None of the PFM reform strategies so far (neither the MoF strategy nor the SPA or SAO strategies) have been costed yet. Given the MoF’s intention to advance the programme based budgeting and the requirement that line ministries and other budgetary agencies should cost all their programs, it is unfortunate that the MoF did not make an estimate of the costs associated with the implementation of the PFM reform strategy – which can be considered as a MoF programme . This does not only undermine the credibility of the strategy, but also does not facilitate government efforts in mobilising financial support from the development partners for the implementation of the proposed reform measures.
Clearly established institutional mechanism (incl. roles and responsibilities) for coordination and implementation of reforms	In Georgia, the PFM Reform Policy Vision 2009-2013 does not elaborate on coordination of its implementation. The Action Plan of the MoF, though, establishes a Coordination Council for coordination and management of reforms at MoF level, which includes its senior management. The coordination council is functioning well and other stakeholders, including MPs, NGOs, international organisations and the private sector, are also invited to the meetings. Despite that the coordination council is well established and functioning, its effectiveness is nevertheless undermined by the predominant focus on monitoring the implementation of specific actions mentioned in the Action plans and less on the results achieved and their implications for the functioning of the PFM systems.
Adequate attention paid to capacity building and awareness raising measures (incl. incentive schemes, communication, change management)	In Georgia after 2008 optimisation of the staffing in the public sector and making the salaries more competitive with the private sector capacity bottlenecks seem to have been reduced significantly, and reforms gained a momentum. Nevertheless, capacity development remains to be one of the elements which influence the pace and effectiveness of the PFM reforms. The PFM reforms strategy does not include a dedicated Capacity Development Plan.

	<p>Given the lack of a formal Public Service Reform Strategy until recently, it was also not possible to formally link PFM reforms to public service reforms.</p> <p>The main focus of capacity development until now has been on training. Ministry of Finance established a PFM Academy to enhance the skills and knowledge of its personnel. Other PFM related institutions (e.g. SAO, Revenue Administration, State Procurement Agency) established their own training Academies.</p>
<p>Establishment of a monitoring and evaluation mechanism for implementation of reforms to inform correcting measures or redirection of reforms if necessary</p>	<p>The PFM Reforms Strategy briefly mentions that a mechanism for monitoring its implementation will be established. The effectiveness of this mechanism is discussed under I-223.</p>

Source: PFM Reform Strategy and interviews.

The PFM reforms are informed by the weaknesses identified in the PEFA assessments, as well as other assessments conducted for specific areas such as internal audit, procurement etc. However, while the PFM reform strategy underlines the weaknesses related to all PFM functions, the PFM strategy and action plan deals only with the reform measures under the mandate of the MoF. Implementation of PFM reforms in the other areas (e.g. procurement, internal and external audit, revenue administration etc.) is scattered across the respective institutions and is not coordinated effectively in respect to sequencing and prioritisation of reform measures taking into account the extent to which the required prerequisites and capacity are in place.

Sources of information used

- The synthesis is based on a review of the PFM Reform Policy Vision 2009-2013 and the PFM Reform Action Plan 2010, as well as review of all the other strategic documents mentioned under Indicator 221.
- Interviews with the relevant stakeholders including MOF, Georgia Revenue Service State Procurement Agency, State Audit Office, Development Partners, Civil Society (see the list of interviewed people).

2.2.3 Indicator 223: Effective structures and mechanisms in place for coordination and monitoring of implementation of PFM reforms

Presentation of the evidence gathered and detailed analysis

The first PFM reforms started early in 2000. Up to 2007 the major reform efforts were directed to eliminating bottlenecks in revenue administration. Eager to maintain momentum for reforms and due to their radical nature, the government did not envisage wide consultation on its reform measures. That, in combination with weak capacity to plan and manage, did not facilitate sectoral consultation and coordination of PFM reforms until the PEFA assessment. The first PEFA assessment, along with the discussion of a potential EU budget support programme, motivated a more strategic and coordinated approach to PFM reform. With the update of the PFM Reform Strategy and government's restatement of its intention to continue PFM reforms, coordination of PFM reforms slightly improved in the period 2009-2010 with the establishment of some formal structures (including the establishment of the PFM Reform Coordination Council). The MoF does not have a dedicated Division which is responsible for the management and monitoring of the overall PFM reforms. Instead, the International Investment Projects and Euro Integration Division, which among other things is also responsible for monitoring implementation of the EU SPSP programmes has been tasked with monitoring implementation of the PFM reforms.

According to the PFM Annual Monitoring Report 2010 prepared by the EU Delegation,

“the main challenge for the PFM system is the absence of an overarching PFM reform strategy and weak institutional capacity of the public institutions to properly plan, manage implementation and monitor results”.

Another type of problem faced by donors and non-state actors face in Georgia is the reluctance of Government to engage in a dialogue on policy/reform related issues. Further review of the available documents and the interviews conducted during the field mission suggest that the problem is not so much the lack of an overarching PFM reform strategy as such, but more the lack of an inclusive and participatory approach for the design of reforms, as well as, a meaningful and *effective* mechanism for monitoring and coordination of implementation of reforms. This lack adversely affects sequencing and prioritisation of reform measures taking into account the results which are being achieved, their implications for the functioning of the PFM systems and the extent to which the necessary prerequisites and capacity are in place for further advancing the reforms. This is illustrated by the continuous and recurring efforts to improve the medium term orientation in budgeting by better linking strategic planning and medium-term budget estimates; as well as the effort to move from old-fashioned expenditure control (inspection style) to modern internal audit practices.

The MoF ownership needed to manage and coordinate the implementation of PFM reforms evolved over time. At the time of launching the first SPSP, the MoF did not fully appreciate the benefits of a well-established monitoring and coordination mechanism; as a result there was strong resistance to establishing such mechanisms. In one of his letters (22.07.2009) to the head of the EU Delegation in Georgia, the Minister of Finance mentioned that in March 2009 the MoF hired a long-term national consultant responsible for the coordination of PFM reforms implementation and that in June 2009 it established a Public Council to provide additional guidance to the PFM reforms and to ensure better public outreach and awareness. The Public Council comprised nine members representing media, Civil Society, business and legislature. The Identification Fiche for PFM SPSP II, prepared in August 2009 states, however, that as of that day the government did not have in place any monitoring, evaluation or reporting system aimed at following the progress of reform process, although in March 2009 the Ministry had agreed to establish such a mechanism and the EU provided respective TA under the PFM SPSP I.

Given little progress in establishing a monitoring and coordination mechanism in the MoF, the establishment of a special Working Group attached to the Budget and Finance Committee of the Parliament early 2010 was a step forward in establishing structures for monitoring, management and consultation on PFM reforms implementation. The committee included representatives from CoC (now SAO), SPA and the Cabinet of Prime Minister. Donors were also invited to these meetings. However, the life span of this Working Group was very short and after two meetings it ceased to exist.

Following continuous pressures from development partners (particularly the EU), in March 2010 the MoF established by decree a PFM Coordination Council to coordinate and monitor the implementation of PFM reforms. It comprises 18 senior management members. The responsibility for daily implementation is under the responsibility of the corresponding department managers. The Council meets quarterly. Representatives of the donor community and local Civil Society organizations are invited to the meetings. The Coordination Council functions well. Although in the beginning the meetings did not take place regularly; this improved over time. At times the government commitment to have a participatory and inclusive process of coordination and monitoring implementation of reforms was questionable. According to EU internal reports, while meetings were generally documented and the minutes of the meetings were shared with donors and CSOs, in practice the meetings took place less often than as envisaged. For instance, in 2011 there were only two meetings. Starting in late 2012, however, the Coordination Council gained momentum and currently it meets on a quarterly basis as envisaged and serves as an effective platform for sharing information on the implementation of annual action plans.

Despite effective monitoring at the activities/outputs level, the Coordination Council fails to take the monitoring and management of reforms to a higher level. The Coordination Council does not discuss the implementation of the broader PFM reforms strategies and the benefits of the individual activities on the performance of the PFM systems. Moreover, despite the multitude of PFM reform strategies, until now no evaluation of any of these strategies took place. As a result, no lessons have been formally drawn and incorporated in the updated

follow-up strategies and action plans. Consequently, important elements which influence PFM reforms (e.g. capacity constraints) are systematically left out the picture.

According to various sources, Civil Society and media are not very active in exercising their oversight role regarding the efficient and effective use of public resources. One of the main reasons for this is lack of specific knowledge and skills in the PFM area. In the past years little attention has been paid by development partners to capacity development of Civil Society in this area. Civil Society in the PFM area, as elsewhere, is fully dependent on external financing. Only very recently, the EU in co-operation with SIDA initiated a programme for supporting awareness raising and capacity development of the Civil Society in the PFM area. As the programme is just beginning, it has not yielded any results yet. While there are more CSOs involved in the PFM sector, there are generally only a handful of organisations regularly commenting on PFM-related issues. Nevertheless, the Civil Society is increasingly taken more seriously in the PFM area by government authorities. There is evidence of a few incidents in which the MoF took measures in response to issues raised by Civil Society representatives. Although Civil Society is invited to participate in the PFM Reform Coordination Council meetings (which is a monitoring mechanism), there is at the moment no platform which would allow them to become involved in the discussions on the design of PFM reforms.

To conclude, in the absence of a holistic, inclusive and participative approach to PFM reforms and given the weak institutional capacity of the public institutions, the main challenge seems to be coordinating and managing the implementation of reforms, as well as monitoring and reporting on its implementation and performance changes against the desired results. Government's role in leading the design and implementation of PFM reforms evolved over time and progressed from responding to donors' demands to taking the leadership and ownership of the process. A formal mechanism, the PFM Coordination Council within the MoF, has been established for monitoring and coordination of reforms.). However, the MoF seems to remain intermittently reluctant to engage with all relevant PFM institutions (both at central and subnational level), donors and non-state stakeholders in a broader discussion on the weaknesses which need to be dealt with, the potential options, and the respective constraints and drivers. Consequently, the design of the reforms, as opposed to the monitoring of reforms, is not participatory and inclusive.

Sources of information used

- PFM Reform Strategies.
- SPSP monitoring reports.
- EU Annual PFM Monitoring Reports.
- SPSP Steering Committee meeting minutes.
- Interviews with state and non-state stakeholders including MOF, Georgia Revenue Service State Procurement Agency, State Audit Office, Development Partners, CSOs.

2.3 JC23: EU support contributed to advancing PFM reforms

This JC was assessed based on three Indicators. The first judged the effectiveness of policy dialogue related to PFM in the context of budget support. The second judged the quality of EU-financed TA as indicated by its conformity to needs and results achieved. The third returns to the issue of coordination, but this time from the standpoint of inter-donor coordination. To summarise, budget support conditionality worked out in the context of policy dialogue informed legislative and regulatory reforms early in the reform process and kept reforms on track. Technical assistance opportunities were missed early in the evaluation period but there were improvements as time went on. While donors have coalesced into a consultative group, there is still no government-led PFM donor coordination mechanism.

EU support has been important for the implementation of PFM reforms from a number of perspectives. As stated previously, although small compared to the budget as a whole, SPSP budget support provided financial resources creating some fiscal space for the implementation of reform agenda across the board, as did Macro-financial Assistance (MFA). Budget support resources were conditional on taking measures identified in the Policy Matrices and reflected in the MoF's Reform Policy vision. As discussed above, these measures addressed PFM system weaknesses identified by PEFA assessments. At the initial stage of the SPSP operations, the conditions focused primarily on establishing the basics for a well-functioning PFM system mainly through establishing the legal and regulatory framework, rules and procedures. The large majority of conditionalities were met. Following initial legislative and regulatory progress, EU policy dialogue played an important role in accelerating and keeping reforms on track. Transparency and accountability could have been strengthened more if the EU would have promoted and supported awareness raising and capacity development of Civil Society in the area of advocacy.

Budget support conditionalities require dialogue, and the EU (especially the EU Delegation) engaged in a continuous policy dialogue with the government concerning weaknesses identified by the PEFA assessments and the specific on going PFM reform strategies. Referring to two factors mentioned above, the quality of policy dialogue was influenced by the fluctuating degree of government's commitment due to the frequently changing top leadership as well as deficiencies in institutional memory within national institutions. Policy dialogue with the government on PFM-related matters 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. The mix of dialogues presented challenges. While there is a fair degree of formal consultation within the different EU DGs through the inter-service consultations, information flow between the DGs was not always ideal. More serious, as mentioned above, given the challenges (mostly capacity-related) to implementation of reforms already in place, the mix of dialogues weakened somewhat the focus on addressing PFM system weaknesses as attention was diverted by approximation to EU legislation and practices.

The EU provided technical assistance for capacity development 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. Success with technical assistance provided under PFM budget support programmes was mixed. It 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 programmes from SPSP-II on. There were significant benefits from EU TA. Twinning, in particular, helped to support capacity development in beneficiary organisations.

While EU budget support was a major channel, a wide range of donors supported PFM, and the World Bank was especially significant. Despite fairly strong ownership, there was no systematic government 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 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.)

2.3.1 Indicator 231: Effective policy dialogue between the EU and the Government of Georgia on PFM issues, including dialogue related to budget support conditions and performance indicators

The policy dialogue between the EU and the government of Georgia on PFM issues is conducted at two levels: at a political level, and at a more technical/operational level. At the technical/operational level, the EU Delegation is conducting a regular dialogue framed by the PFM-related priorities outlined in the ENP and Action Plan for Georgia. The EU Delegation is also involved in policy dialogue at a higher level, which is framed by the PFM-related issues pertaining to the Association Agreement. This dialogue is generally led by the respective DG in the EU headquarters e.g. DG Trade on customs and procurement issues, DG Budget on PIFC; but also more generally by DG DEVCO on Budget Support operations, and DG ECFIN on Macro Financial Assistance (MFA).

The SPSP policy matrix and the structural conditionalities of the MFA operations were generally consistent and reinforced each other fairly well. While there was a fair degree of formal consultation within the different EU DGs through the inter- service consultations, the coordination of activities and sharing of information on PFM-related aspects within the EU structures was not strong enough to ensure a unified EU voice. This is particularly important as the technical/operational dialogue is driven and informed principally by the weaknesses of the PFM systems, while the political dialogue with the thematic DGs is mainly informed by government obligations in respect to the approximation with EU legislation and practices.

The difficulties which the EU Delegation, as well as the rest of the donor community, faced in the policy dialogue was the reluctance (at least at times) of the Government and the poor capacity of NGOs to engage in a dialogue on policy/reform related issues. Further, the available documents and interviews suggest that although structures for coordination have been established, they are not yet fully effective and functioning at full potential. According to the EAMR, since the launch of the SPSP I programme, the EU Delegation has been focusing on strengthening the government's capacity to manage and coordinate PFM reforms and making the policy dialogue "more structured and reform oriented". These efforts included widening the group of stakeholders and intensifying the dialogue with such actors as the State Audit Office and the Parliament of Georgia, in particular the Budget Offices and the Budget and Finance Committee.

The main venue for the policy dialogue in the context of the Support to PFM Reform BS programme are the Steering Committee meetings chaired by the Minister of Finance, which take place usually on a quarterly basis. These meeting are used to review the progress in compliance with conditions and indicators of the Policy Reform Matrix. The meeting is attended by representatives from the EU Delegation and the PFM Monitoring mission, Ministry of Finance, State Procurement Agency and Chamber of Control.

The policy dialogue between the EU and the MoF has substantially facilitated the design and implementation of PFM reforms at the early stages of SPSPs. Over time, however, the role of the dialogue evolved from "informing the design" of the PFM reforms to "demanding government's accountability" on the implementation of the PFM reforms. In that sense, it became less strategic and more technical. Government commitment and involvement in the policy dialogue over time was to a large extent determined by political factors.

Sources of information used

- SPSP programme documents, Financing Agreements, ROM reports and Annual PFM Monitoring Reports.
- Interviews with government officials.

2.3.2 Indicator 232: Evidence on the results of the EU TA provided to support PFM reforms and its adequacy to the needs identified

Presentation of the evidence gathered and detailed analysis

Both PFM SPSPs included a TA component but only the second one made effective use of it. The TA under PFM SPSP I was aimed at the management of the programme, external reviews, and providing ad-hoc policy advice upon request from the beneficiary. According to the monitoring reports of the SPFM I, the government showed limited interest in exploiting the TA opportunity offered. By not utilising the potential TA, opportunities to support the implementation of PFM reforms were missed, particularly in the areas which subsequently reduced the pace and effectiveness of PFM reforms, such as deficient sector- and donor coordination, low institutional capacity, and the rudimentary nature of monitoring and evaluation systems. The only TA which was provided under this programme was *Support to the MoF on Internal Audit* (Contract nr. 2010/226-362).

Under PFM SPSP II, TA was envisaged for monitoring and review of the reform progress and fulfilment of conditions for payment. Unlike under the PFM SPSP I, the monitoring TA was actually used to *Support the implementation and monitoring of the programme* (Contract Nr 2012/291-071). The main difference between the TA provided under SPSP I and II is the demand- driven nature of the TA under the second phase, which offered more flexibility and was more responsive to the needs of the beneficiaries. The monitoring report suggests that the TA under the second phase was successful and assisted the beneficiaries to meet the SPSP II conditionalities. It illustrates this with the support provided to the State Competition and Procurement Authority. The provided TA helped the Agency to fulfil the SPSP II indicators in full as well as to introduce the Data Intelligence software for managing the whole procurement process countrywide. While the installation of the Data Intelligence software for procurement was not planned under the TA, the monitors suggest that it had a notable impact on entire procurement system. According to the monitoring report, PFM SPSP II was particularly influential in “highlighting the significance of capacity institutional building at the time when the international donors are moving away increasingly from financing infrastructure” and has “contributed to successful capacity building in line with GoG strategy and needs”. The most important induced output seems to be a ‘credible programme-based budget’. Overall, the report suggests that there is “satisfactory progress in implementation the PFM Action Plans”.

The TA under PFM SPSP III is envisaged in particular for strengthening institutional capacity of the MoF, State Audit Office and the Budget Office of the Budget and Finance Committee of the Parliament. It is expected that the complementary TA support will also promote civic engagement and participation of experts, NGOs/Civil Society and academia in the public finance policy and management process. Until now, no TA interventions have been initiated under this programme.

Apart from the sector budget support and associated Technical Assistance, the EU supports PFM reforms in Georgia through direct technical assistance provided through other channels particularly Twinning e.g.:

- Support to the MoF in the area of customs to strengthen institutional capacity and develop methodologies and guidelines in line with the EU best practices. Twinning with the Revenue Service in the area of taxation (started in May 2014) and focused on: tax control measures, debt management systems, processes and procedures in support of taxpayers rights, alignment of national VAT with the EU Acquis, alignment of national excise legislation with the EU Acquis in the field of excise, professional development to the Revenue Service staff;
- Twinning with the Finance Academy of the MoF (started in 2013) focusing on: strategic management of the Academy, including quality management systems, HRM in public service, training management and design and external relations;
- Twinning with the Chamber of Control / State Audit Office (started in October 2014) focusing on: corporate and resource Management, financial and compliance auditing and reporting, and Staff Professional Development and Performance Appraisal. This

twinning is financed through Comprehensive Institutional Building (CIB) mechanism under the Eastern Partnership Initiative.

Other forthcoming initiatives include:

- Follow up Twinning with the Revenue Service in the area of customs and with the Investigation Service of the MoF (in the pipeline for 2014-2015).

To conclude, the role and impact of the TA provided by the EU to facilitate and support implementation of PFM reforms was clearly more substantial in the second phase of the PFM SPSP. This was particularly possible as the second phase took into account the lessons learned from the first phase. Monitoring reports suggest that the TA provided in support of the PFM SPSP II was generally relevant, efficient and effective in supporting the implementation of the reform measures in the areas linked to the BS conditionalities. Various capacity development activities, including technical advice, training, on-job coaching and study visits, contributed to improving the available capacity for implementation of reforms although institutional capacity still remains to be one of the major challenges for the impact and sustainability of the achieved results.

Sources of information used

- Hoitink et al, Support to Monitoring of the PFM Reforms Support Programme, Final Report, November 2013.
- SPSP Financing Agreement and annexes.
- Monitoring Report, Support to Monitoring of the PFM Support Programme, 24/05/2013.
- Monitoring Report, Support to PFM Budget Support, 31/05/2013.
- Interviews with MOF including budget, treasury and internal audit departments, MOF Academy, Revenue Service, State Procurement Agency, State Audit Office, Parliament.

2.3.3 Indicator 233: EU coordinated with other international agencies to ensure complementarity and synergies in PFM support

Presentation of the evidence gathered and detailed analysis

In their early stages, PFM reforms in Georgia were implemented predominantly with financial and technical assistance provided by development partners. The development partners supporting PFM reforms included the EU, WB, IMF, Dutch Government, SIDA, GIZ, UK DFID, UNDP, USAID and the US Treasury.

The EU budget support is one of the major channels for supporting PFM reforms. In addition to the PFM Sector Support provided by the EC through Budget Support, other major support included the World Bank's:

- Development Policy Operation (DPO) series (including introduction of results oriented budgeting and capital budgeting); and
- Public Sector Financial Management Reform Support Programme (PSFMRS) mainly dealing with establishment of an integrated PFM System in the treasury (see Table 7);
- Second Competitiveness and Growth Development Policy Operation (CG DPO2) Programme which includes among other pillars: a PFM pillar and an effectiveness of social spending pillar.

Table 7 The WB Public Sector Financial Management Reform Support Project

The WB Public Sector Financial Management Reform Support Project (PSFMRS)

The Project was implemented during the period 2006-2012 and had four components:

- MTEF and Budget Management

This component addressed the need for a strategic medium term budget planning cycle.

- Treasury Reform and Budget Execution

This component was intended to develop a core Treasury information system and set standards for line ministries regarding resource management planning and processes. It included two subcomponents 2a) support to Treasury, and 2b) support to Budget Execution.

- Human Resources Management Information System

This component was intended to create a civil service HRMIS to address the lack of comprehensive data on size, composition, and remuneration of civil servants and to thereby address a part of the Government's anti-corruption strategy. Its scope was later narrowed to MoF only.

- Public Accountability and Oversight of Public Financial Management

This component was intended to strengthen the Chamber of Control's operations and structure, and the development and implementation of training programme in external audit; as well as institutionalize budget process mechanisms from the executive to foster public accountability.

Source: WB, PSFM RSP, Implementation Completion and Results Report, November 2012.

While the policy areas of the EU and WB support were to some extent identical, the focus of the TA was different as the WB focused predominantly on establishing treasury systems and by the time the EU TA support took off, the WB project had come to an end.

As for the support from other donors, the WB's PSFMRS was co-financed under a pooling arrangement by WB, DFID, Dutch Government and SIDA. The IMF supported PFM reforms through its policy dialogue on related structural benchmarks under the Stand-By Agreements. The GIZ has been providing support in to the Chamber of Control in drafting the performance audit methodology; to the Internal Audit department of the MoF developing audit methodology according to IIA standards, and management support to the State Procurement Agency. The Swedish National Audit Office provided support to the Georgian Chamber of Control in the area of financial audits according to ISSAI standards. USAID is providing support to the MoF in the area of programme budgeting and strategic planning. Interviews with officials suggest that overlapping of development partner support in PFM is not generally a problem in Georgia. MoF and the MoF Academy, as well as the Revenue Service, procurement Agency and State Audit Office are strict in ensuring that they do not accept support in areas which are already covered by ongoing support.

Georgia has adhered in 2011 to the Paris Declaration on Aid Effectiveness and to the Accra Agenda for Action. According to the PFM AMR,

“even though willingness and capacity to coordinate reforms across the sectors is weak, the GoG stays in the driver seat for PFM reform definition and implementation”.

However, donors continue to emphasise the need for creating a joint mechanism to improve the policy dialogue between the GoG and the donors. There is no government-led mechanism for coordination of donor support to the implementation of the PFM reform strategies. Donor coordination is not well-organized nor is it led by the government. Donor coordination is to a large extent conducted on a bilateral basis and generally limited to sharing information and avoiding duplication. For the last three years, donor coordination has been facilitated by an ad-hoc, demand-driven mechanism for coordination among donors – the PFM Donor Coordination Cluster Working Group. The main participating donors are GIZ, who is leading the group, WB, SIDA, EU, UNDP and USAID. The meetings take place regularly with their frequency determined by the immediate needs identified by the donors.

Donor coordination is more effective in some specific areas, e.g. such as public procurement. The Final Report on TA Support under PFM SPSP II suggests that also in other areas under the MoF, such as Treasury, Central Harmonisation Unit, Fiscal Forecasting Department, the management of donor assistance is fairly strong despite even though it is not formalised.

Sources of information used

- The desk review of information included predominantly the identification fiches, Financing Agreements, ROM reports and Annual PFM Monitoring Reports.
- Interview with MOF (including treasury, internal audit, budget), MOF Academy, SPA, revenue Services, SAO, development partners (i.e. EU, WB, IMF, SIDA, USAID).

3 EQ3 on 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?

3.1 JC31: Urban/rural and inter-regional disparities reduced

Rural livelihoods and incomes have shown a positive trend among target beneficiaries in the areas targeted by EU financed projects (see also JC32). The focus of EU interventions on marginalised population and on support to smallholder agriculture and service delivery, combined with the involvement of community and regional authorities, has led to some concrete achievements. EU support led to the successful development of collection centres in Ajara (e.g. via the project “Support to Agriculture development in the Ajara Autonomous Republic”) and increased access to rural services (e.g. project “Support to Ajara Service Centre”). Important achievements were also observed in Racha-Lechkumi and Kvemo Svaneti Region. (see I-311 to I-314)

In addition, EU support at national level led to significant policy developments in Agriculture and Regional development. EU support also facilitated the implementation of important regional initiatives in all regions of Georgia, including the lagging ones, leading to some improvements in terms of transport infrastructure, access to water and energy (I-311).

A few indicators (in particular, per capita gross value) suggest that some regional disparities have narrowed. However, the few studies available so far⁷⁷ show that the basic rural-urban gap remains large, major regional disparities persist and the positive changes observed are actually largely explained by differences in urbanization rates across the regions, not by specific national interventions supported by the EU. The evaluation uncovered little quantifiable evidence to demonstrate a decline in urban/rural and inter-regional disparities.

It is important to highlight that 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. 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.

3.1.1 Indicator 311: Improved access to services and markets in rural/isolated areas

Presentation of the evidence gathered and detailed analysis

This indicator is closely related to I-321⁷⁸, which looks at the provision of rural services, albeit explicitly identifying extension and advisory services. The assessment of this specific indicator takes into consideration I-321 and, overall, both indicators are looked at as different sides of the same coin.

Agriculture

Improving the availability of services meeting the needs and market requirements of farmers, producers, small business and agro processors is recognised by key national stakeholders as an important step in the development process of rural areas in Georgia (interviews). Access to rural services is, in particular, one of the main dimensions of the national sector strategy adopted in 2012⁷⁹ (which development was facilitated by the EU). During an EU-supported

⁷⁷ e.g. the study on regional disparities carried out (with EU funds) by the International School of Economics at Tbilisi State University in 2012.

⁷⁸ Agricultural extension and advisory services provided through EU support.

⁷⁹ Strategy of Agricultural Development in Georgia (2012-22), MoA, Georgia, 2012 Georgia.

workshop held with GoG in 2010⁸⁰, the main participants clearly identified rural support services as a key element for agriculture development in Georgia⁸¹.

The evaluation reviewed various sector analyses carried out during EU project/programme design⁸². They all show that poor access to rural services is a major constraint to agricultural development and, as a result, to rural poverty alleviation. These issues were also regularly raised in EU/GoG policy dialogue and received substantial attention in the EU support to the Agriculture sector. More generally, EU support to rural areas (in line with national strategies⁸³) was based on the understanding that the agriculture sector needed wide structural reforms while developing capacities at the local level in order to achieve, in particular, greater competitiveness.

Support to agriculture advisory services has focussed on the provision of technical advice, business advice and other capacity building initiatives. EU financed interventions were designed to ensure that such services were not only offered, but that accessibility was also improved. Documents reviewed and interviews carried out during field visits show that, where such services were offered, uptake has been strong and access has been enhanced as a result.

The final report of the EU-financed “Strengthening Community Based Farmers’ Groups and Agricultural Services in Samstkhe-Javakheti” (implemented by Mercy Corps in 2010) highlights the following key achievements:

- *Increased quality and availability of affordable services from Farmers’ Groups and Agricultural Service Providers reported by 87% of small scale farmers*
- *Agricultural Service Providers and Farmers’ Groups report 78% increase in volume of transactions with small scale farmers. This far exceeds our initial target of 20%. The vast majority of FGs had very irregular and sporadic (on average 4-5 per agricultural season) transactions with ASPs previously, while as a result of this programme the relationships are much closer and the volume of transactions have significantly increased.*
- *The capacity building component of the programme has led to 8 Agricultural Service Providers and 20 Farmers’ Groups having improved mechanisms in place to ensure effective service provision for these small scale farmers. This is beneficial and profitable both for the organisations and local farmers, which ensures their continuation beyond the programme implementation period.*
- *3,000 small scale farmers (members and non-members of Farmers’ Groups use Agricultural Service Providers services and advanced agricultural technologies, to which they have been introduced through sub-grants, participation in trainings and demonstrations and agricultural brochures. This far exceeds our initial target of 1,500 small scale farmers due to the unexpected scale of the uptake of ASPs services and advanced agricultural technologies.*

Similar achievements can be observed in other EU-financed interventions such as the recent project “Support to Agricultural Development in the Autonomous Republic of Ajara” implemented by UNDP. Further details on EU interventions in this area are provided under I-321 below.

Regional development

As highlighted in the 2009 Regional Development Diagnostic Report, Georgia faces important challenges, which have been increasingly addressed in recent years:

⁸⁰ TAIEX workshop on Agricultural Strategy Development AGR 43892, December 2010.

⁸¹ Other key constraints identified included: weaknesses in crop production and animal husbandry, land registration, irrigation systems, level of mechanization, credit system for micro financing, agricultural insurance system, agricultural education system, etc.

⁸² e.g. see identification/formulation documents related to the ENPARD programme.

⁸³ Agricultural Strategy Outline, MoA, Georgia 2011.

GoG has made the development of regional and local infrastructure a top-priority. Although progress is made in terms of drinking water and gas systems, disparities remain high between municipalities/regions. Existing funding mechanisms, including sector targeted funds (for roads construction/rehabilitation, irrigation, school rehabilitation, etc.), still need to be improved to reach EU practices.

The 2015-2017 Regional Development programme of Georgia gives some illustrations of the extent of persisting regional disparities:

According to the GeoStat data of 2012, 97.6% of in-house water supply is provided only in the capital city. The rate is 47% in Kvemo Kartli. Data of Shida Kartli, Samtskhe-Javakheti, Adjara, Guria and Mtkheta-Mtianeti are aggregated and their share is 43.8%. The rate is even lower in other regions. Generally, the capital and urbanised regions have better access to drinking water.

The Project Identification Document of the 3rd World Bank “Regional development project” (largely based on 2012 data) depicts a similar picture:

Regional disparities in service delivery are (...) very visible in water and sanitation. Today, only Tbilisi provides piped water to almost all households while in most of the remaining regions, piped water is available to no more than 30 percent of households. In Tbilisi, over 90 percent of households have bathrooms, while in economically weak rural regions, the number drops to only 3 to 4 households out of 10. Consequently, the Government identified addressing regional disparity, poverty and unemployment as key priorities for intervention in its new national development strategy " Socioeconomic Development Strategy of Georgia: 2020." The financing of regional development programs, decentralization and investment in municipal infrastructure and services, are emerging as key tools in this regard as articulated in the Strategy on Regional Development.

EU support to regional development has been important to improve access to services in rural areas. In particular, the EU SBS programme “Support to Regional Development reform in Georgia” launched in 2012 identified the key performance areas and indicators listed in the table below.

Table 8 Indicators for variable tranches under EU Support to Regional Development Reform

Some Key Performance Areas Indicators for the 2nd Fixed Tranche
Regional Infrastructure development framework is improved with a view to reducing regional socio-economic imbalances
<ul style="list-style-type: none"> • Improving accessibility of the following services in regions: <ul style="list-style-type: none"> ○ 67.000 households (+/-10%) have obtained accessibility to gas supply in the Regions; ○ 140.000 households (+/- 10%) in municipalities of Georgia have improved water supply; ○ At least 40 hospitals (+/- 10%) are constructed/refurbished in municipalities of Georgia; ○ 3.000 km of local road infrastructure (+/- 10%) has been rehabilitated in regions of Georgia ; • MRDI adopts criteria and selection procedures (introducing elements of citizen participation and strategic orientation) for projects to be financed from the Fund for Implementation of the Regional Projects;
Some Key Performance Areas Indicators for the 3rd Fixed Tranche
Regional Infrastructure development framework is improved with a view to reducing regional socio-economic imbalances
<ul style="list-style-type: none"> • Improving accessibility of the following services in regions: <ul style="list-style-type: none"> ○ An additional 70.000 households (+/-10%) have obtained accessibility to gas supply in the Regions; ○ An additional 180.000 households (+/- 10%) in municipalities of Georgia have improved water supply; ○ An additional 19 hospitals (+/- 10%) are constructed/refurbished in municipalities of Georgia; ○ An additional 3,100 km of local road infrastructure (+/- 10%) has been rehabilitated in regions of Georgia ; • Expenses of the Fund for Implementation of the Regional Projects are in line with RDSs of the project two pilot regions identified in reform area one (“Regional Policy and Implementation Framework”);

Source: TAPs EU Support to Regional Development Reform

The Review Mission carried out for the payment of the third tranche of the programme highlights important achievements, including:

- 64,000 new households are now connected to gas supply;

- 203,312 have improved water supply;
- nine hospitals have been refurbished (60 during lifetime of SRC);
- 3,057 kilometres of roads have been rehabilitated.

In addition, in the context of this reform programme, the Ministry of Regional Development and Infrastructure (in collaboration with other GoG bodies such as the Ministry of Finance) established a “Regional Development Fund” and elaborated criteria and selection procedures for “regional” projects to be financed for local self-governing units (source Compliance Statement 3rd instalment, Support to Regional Development Reform). The increased access to the Fund and enhanced transparency of the selection process led to the approval of 643 project proposals (mainly linked to refurbishment and infrastructure renewal) in 2012-2013. This directly contributed to improved access to services and markets in rural/isolated areas. The table below gives examples of projects funded in the Kutasi Municipality (Imerti).

Table 9 Examples of project funded by the Fund for implementation of regional projects

#	Project Name	Allocated amount
1	Rehabilitation of 6 streets (Chiatura str., Grigol Khanzeli str., etc.) in Kutaisi	1,620,000
2	Rehabilitation of building located on Solom Pirveli str. #46a Kutaisi	600,000
3	Rehabilitation of Tabukashvili str.	1,609,500
4	Rehabilitation of K. Gamsakhurdia str	1,650,000
5	Arrangement of inter-quarter roads with pressed tiles in Kakhianouri	3,200,000
6	Rehabilitation of 10 roads (Aragvispireli str. 5th pass of Akhalgazrdoba str., etc) in Kutaisi together with drainage system	1,962,775
7	Rehabilitation of 9 roads (Bagrati Str (granit stones), Griboedovi str., etc.) in Kutaisi together with drainage system	1,858,330
8	Rehabilitation of 8 roads (Kikvidze str. Dimitri Kipiani str., Koguashvili str., etc.) in Kutaisi together with drainage system	1,944,830
9	Rehabilitation of roofs, elevators and main entrances of multi-storey blocks of houses	300,000
10	Rehabilitation of 3 roads (in front of Tskhakaia clinics, etc.) in Kutaisi together with drainage system	299,360
11	Rehabilitation of 4 roads (Meskhishvili str., in front of building #135 of Tskhakaia str, connecting drainage system of 1st pass of Gamsakhurdia str. etc.) in Kutaisi together with drainage system	294,735
12	Rehabilitation of 6 roads (Razmadze str. Skhirtladze str. Kervalishvili str, etc) in Kutaisi together with drainage system	299,455
13	Rehabilitation of 7 roads (Pirosmani str. Iashvili str., etc.) in Kutaisi together with drainage system	293,810
14	Arrangement of drainage system on Nikea str. (military settlement)	304,550
	Total sum	16,237,345

Source: Final report of the review mission related to the third tranche of the EU Support to Regional Development (B&S 2013).

As described above EU support has contributed to the development of access to services in rural areas of Georgia. Due to a lack of data, it is however difficult to assess precisely the overall evolutions in inter-regional disparities in the country. The evidence gathered (mainly in interviews and national statistics) indicates that geographical disparities are still important, especially urban/rural disparities.

Sources of information used

- Ministry of Agriculture, Republic of Georgia (2012): Strategy of Agriculture Development in Georgia 2012-2022.
- Ministry of Regional Development and Infrastructure (2014): 2015-2017 Regional Development programme of Georgia.

- UNDP (2014): ENPARD project “Support to agriculture development in the Ajara Autonomous Republic” Progress Report (June 2014).
- Project documentation related to EU-financed SBS programmes “Support to Regional Development” and ENPARD (incl. B&S 2013 report related to tranche payment for EU Support to Regional Development).
- WB: Project Identification Document of the 1st, 2nd and 3rd WB Regional development projects.
- EU (2012): External Assistance Management report (EAMR) Georgia (June 2012).
- Interviews with UNDP Ajara, Ajara Autonomous Republic.
- Interviews with farmers, Deputy Minister of Agriculture, etc.

3.1.2 Indicator 312: Improvement of living conditions in rural minority population areas

Presentation of the evidence gathered and detailed analysis

“Living conditions” is a subjective concept, but has something to do with increase in disposable income, access to and utilisation of improved services and alternative job opportunities and improved access to markets and information to allow for better decision and a reduction in poverty levels among target groups.

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, and in response to rural poverty alleviation in general.

As also highlighted in EQ1 and EQ5, the EU has been actively involved in policy dialogue on issues related to the support to disadvantaged groups. The EU has also financed the implementation of several projects aiming at improving the living conditions among both the general rural population and specifically minority communities. An example of income and living conditions improvement is the “Strengthen community-based initiatives for poverty reduction in Racha-Lechkhumi and Kvemo Svaneti Region” implemented by CARE over the period 2009-2011 (see also I-314). This project targeted 4,000 persons, from five marginalised communities. The target groups included:

- Five Community Based Organizations (CBOs);
- Local government staff of the five targeted communities in Tsageri and Lentekhi municipalities;
- Staff members of municipal government and local council offices;
- The NGO Abkhazintercont (AIC);
- 1,000 farming households in the 5 targeted communities.

Co-financing mechanisms established and supported by the project helped to strengthen linkages between communities and local governments. Families and individuals in targeted communities were supported to engage in the economic and social development of their own households and of their communities. Through trainings, cross-community visits, meetings and other activities, they received access to information and skills, as well as resources and inputs to improve their livelihoods. They were made aware of the importance of representation of their needs and rights to local government. They experienced examples of success, both economic (such as on-farm technology demonstrations) as well as political participation (participation in public hearings related to community development plans). The project also provided evidence of the benefits of improved farming practices through a resource centre providing advice and access to information, through mass media and information material, and through 126 on-farm demonstration plots which included support to cooperative⁸⁴ formation.

⁸⁴ EAMR Report, MR-041670.03 September 2008, p. 2.

The project, together with co-funding from local governments (15% of each village project), financed most vulnerable community infrastructure projects prioritised by their members.

The project's progress reports indicate that there was a 115 % increase in yield for potato growing farmers during the first year. According to final evaluation report, there was also a 19% increase in the number of households owning refrigerators and a 12% increase in the number owning televisions. The number of households facing food shortage or having difficulty paying for healthcare decreased, respectively by 34.3% and 70%. Among 500 households in the five poorest communities, income increased by 33.6%. Finally, 18% fewer households self-assessed themselves as poor or very poor.

However, sustainability issues of such interventions (cooperatives in this particular case) can be highlighted as already highlighted in the 2008 EAMR. This issue was further emphasised in the interviews carried out during the field visits. That said, it should be noted that the recent EU support to sector reform programmes in agriculture provided since 2012⁸⁵ should contribute to enhance the sustainability of the initiatives supported at the local level. The EU also provided crucial strategic support in this area in the context of the regional development programme.

The recent evolutions in the sector framework (incl. new funding tools established) are however too recent to show tangible effects in terms of improved living conditions. In the context of regional development, most regional plans elaborated in the past years are still to be implemented.

The 2012 Report on Regional Disparities in Georgia indicates that the main ethnic minorities living in Samtskhe-Javakheti and in Kvemo Kartli⁸⁶ are not necessarily particularly disadvantaged according to most indicators. Important exceptions are income, inequality and incidence of poverty. The Report highlights some challenges related to regional disparities in Georgia:

in particular in Samtskhe-Javakheti household income from selling agricultural products is higher than in any other region. In contrast, income from selling agricultural products is lower in mountainous regions or the relatively more urbanized regions. (...) the level of education in the two regions of Kvemo Kartli, which includes a number of urban centers, and the rural region of Samtskhe-Javakheti, is lower than average. This appears to be due to the high concentration of ethnic minorities in these regions who are not well integrated either into the educational system or in the labour market.

According to the 2013 Progress Report of the EU Support to Regional Policy Implementation, the strategic documents developed do not offer a basis yet upon which line Ministry priorities could be fully aligned with regional development priorities. They rather identify a number of sector priorities that are not necessarily well linked to regional disparities.

Two such strategies were approved by the RD Commission in late 2012 but their quality is poor and they offer no justification of the regional priorities proposed. In consequence, as far as we can determine they are not being taken into account by any line Ministries in their expenditure plans. For these two strategies to be of real value, and not just having been prepared to meet the requirements of the SPSP, they need to establish clear priorities based upon the analysis of the situation in the region.
(Progress Report of the EU Support to Regional Policy Implementation, March 2013)

Action plans of regional strategies are expected to be finalised in 2014. As of the time of the field mission, many of these action plans had still not yet been finalised.

⁸⁵ New cooperative laws were passed (addressing some financial and tax disincentives for collective action) and a specialist cooperatives agency was established under MoA.

⁸⁶ *The main ethnic minorities – Armenians and Azerbaijan - tend to be located in specific regions. The largest share of the Armenian population lives in Samtskhe-Javakheti, while most Azeris live in Kvemo Kartli and Kakheti. 4% of Shida-Kartli's population are Ossetians, while Russians just make up 2% of the Capital's population.*

Sources of information used

- The International School of Economics - Tbilisi State University (2012): Report on regional disparities.
- 2013-14 Progress Reports of the EU Support to Regional Policy Implementation.
- Monitoring Report MR-041670.03, September 2008.
- EU (2012): External Assistance Management report (EAMR) Georgia (June 2012).
- Interviews with project implementation staff and local stakeholders.

3.1.3 Indicator 313: Improved planning and administrative implementation capacity at local level

Presentation of the evidence gathered and detailed analysis

EU support to Regional Development is aimed at a more balanced socio-economic development throughout Georgia and increasing capacity at the national, regional and local level to plan and implement integrated State Strategy for Regional Development 2010-17 and its respective Action Plans. EU support to policy and strategy development encompasses improved planning at all levels (down to the local development council level). Achieving the best mix of planned actions within an overall strategy requires consideration of the inputs provided at various levels and by various stakeholders including not only government but also associations and Civil Society. Interviews show that while the EU has supported this area through specific projects at the local level and wider national initiative (incl. via the Support to Regional Policy Implementation Project), needs remain huge in this area.

At national level, in the context of the EU SPSP (budget support programme), the Support to Regional Policy Implementation Project provided technical support to MRDI in matters related to regional policy formulation and programming. The commitment of the GoG given during April 2013 to develop and implement a regional development programme for the period 2015-2017 was considered to be a positive development. It is anticipated that the stated commitment of the GoG will lead to even greater collaboration not only with MRDI but also with other relevant Ministries during the preparation and roll out of the proposed programme supported⁸⁷.

The EU SPSP identified the following performance areas and indicators with regard to improvement of planning and administrative implementation capacity at local level:

Table 10 Indicators for variable tranches under EU Support to Regional Development Reform

Key Performance Areas Indicators for the 2 nd Fixed Tranche
Regional Policy planning and implementation framework is worked out at central and regional level
<ul style="list-style-type: none"> • At least for two regions development programmes ("development Strategy of Region") are prepared and adopted according to the above-mentioned guidelines and procedures with the participation of relevant municipalities; • Regional Development Councils are created in all regions, include representatives of LSGs and relevant stakeholders and meet at least three times a year; • A majority of self-governing cities prepares their development documents (Priority Document) in the framework of the BDD and in participation with relevant stakeholders.
A human resources management system for the purpose of regional development is created
<ul style="list-style-type: none"> • A job description system for Governors offices' and MRDI's staff is introduced and includes qualifications needed and job requirements for all profiles; • Based on training needs assessments of Municipal, Governors offices and MRDI staff, a training mechanism is elaborated and adopted by the relevant service defining, i.a. kind of forms and training, training criteria, training modalities and criteria for training providers; • At least five training modules are prepared.
Regional Infrastructure development framework is improved with a view to reducing regional socio-economic

⁸⁷ It is designed with the goal of reflecting both GoG policy and strategy at national level but also the needs and priorities of regional and local actors.

imbalances
<ul style="list-style-type: none"> Municipalities planning capacities are improved through the approval of minimum standards for local roads, municipal firefighting services and pre-school education, defined in consultation with local self-governments and their representative organisations;
Key Performance Areas Indicators for the 3rd Fixed Tranche
Regional Policy planning and implementation framework is further developed and introduced in all regions
<ul style="list-style-type: none"> GoG continues streamlining of legislation to align it with Georgian Organic Law on Local Self-government, in consultation with all relevant stakeholders; All regions prepare and adopt a Development Strategy of Region in line with the above-mentioned guidelines and procedures with participation of relevant municipalities and Regional development Councils; Regional Development Councils review the implementation of the development Strategies of Regions three times a year and provide recommendations for further actions; Self-governing cities have elaborated Priority Documents, in the framework of BDD and in participation with relevant stakeholders.
Training course are provided under newly created mechanism
<ul style="list-style-type: none"> At least 60% of Governors offices staff and staff of the MRDI have a job description. Job descriptions have been developed for self-governing cities positions as well and are applied at least in two self-governing cities; Based on developed training modules, at least one training course is organised for each module developed in a year and it is open to all relevant staff and to MRDI staff.
Regional Infrastructure development framework is improved with a view to reducing regional socio-economic imbalances
<ul style="list-style-type: none"> Municipalities planning capacities are improved through the approval of minimum standards for at least two sectors, defined in consultation with local self-governments and their representative organisations. Expenses of the Fund for Implementation of the Regional Projects are in line with RDSs of the 2 pilot regions identified in reform area1 ("Regional Policy and implementation Framework").

Source: TAPs EU Support to Regional Development Reform

The table below provides details on how the indicators of the last (third) tranche have been met:

Table 11 Selected evidence related to the fulfillment of performance indicators under the EU support to Regional Development SPSP

Indicators	Compliance
GoG continues streamlining of legislation to align it with Georgian Organic Law on Local Self-government, in consultation with all relevant stakeholders;	In its effort to carry on and expand the Decentralization Reform, the Government of Georgia adopted "The Basic Principles of the Strategy for Decentralization and Development of Self-government for 2013-2014". Based on the complex application of principles of subsidiarity, decentralization and efficient governance, it aims to strengthen substantially the independence and self-sufficiency of local governments, - ensure territorial optimization of municipalities, - introduce important elements of self-governance at the regional level, and improve provision of local public services. In attaining respective objectives, the new framework law - "Self-Government Code" as well as other applicable legislative acts have been prepared through consultative process (including the involvement of advisory chamber at MRDI, MPs, "Reforms Center", independent experts, etc.) and submitted for the GoG approval. (...)
All regions prepare and adopt a Development Strategy of Region in line with the above-mentioned guidelines and procedures with participation of relevant municipalities and Regional development Councils	In collaboration with relevant stakeholders, including State Trustees-Governors Administrations, MRDI elaborated regional development planning and implementation guidelines and procedures - "Guidelines for Elaboration of Development Strategy of Region". (...) In accordance to the adopted "Guidelines for Elaboration of Development Strategy of Region", Regional Development Councils of remaining 7 regions have prepared their development strategies. This process included due involvement of municipalities, local CBOs and active support of experts specially hired by donor organizations (UNDP, GIZ). (...)
Regional Development Councils review the implementation of the development Strategies of	The RDSs of Mtskheta-Mtianeti and Imereti regions were adopted in 2013. In 2013, the RDC meetings took place three times and the respective agenda was the review of RDS implementation; the councils provided

Indicators	Compliance
Regions three times a year and provide recommendations for further actions;	recommendations for future steps and activities. In addition, the meetings of RDCs in all other regions will take place till the end of this year to review the implementation process of recently adopted region-specific strategies.
Self-governing cities have elaborated Priority Documents, in the framework of BDD and in participation with relevant stakeholders.	All self-governing cities (Kutaisi, Poti, Rustavi, Batumi, as well as Tbilisi) prepared their Priority Documents in the framework of BDD, through participatory process with relevant stakeholders. (...)
At least 60% of Governors offices staff and staff of the MRDI have a job description. Job descriptions have been developed for self-governing cities positions as well and are applied at least in two self-governing cities;	The MRDI developed and approved the qualification requirements and job descriptions for officials of the Ministry in August, 2012. Later, job descriptions were prepared for each position. Based on the applicable documents, the open competition has been announced for vacant positions. The evidences for respective indicator, including signed job descriptions have been collected and provided to the review mission. (...) Similar measures were taken by the self-governing cities. Job descriptions for each position are approved. The applicable evidences have been provided to the review mission
Based on developed training modules, at least one training course is organised for each module developed in a year and it is open to all relevant staff and to MRDI staff.	(..) the LEPL "Vano Khukhunaishvili Center for Effective Governance System and Territorial Arrangement Reform" ("Reforms Center) elaborated five training modules: <ul style="list-style-type: none"> • Constitutional and Self-governance basics, public service and administrative proceedings; • Human resource management; • Priority document of a self-governing unit; Property management of a self-governing unit; Municipal procurements. Based on developed training modules 4/5 training programs were organized for each module, which were held within June 3-July 29,2013 according to the training plan approved by the Director of the Center. All training programs were open to the public servants of the Ministry of Regional Development and Infrastructure of Georgia, (public servants of the Ministry attended two training programs- Constitutional and self-governance basics, public service and administrative proceedings, and human resource management) State- Trustees Governors' Administration, Local Self-Governments and 412 public servants have been provided respective trainings. (...)
Municipalities planning capacities are improved through the approval of minimum standards for at least two sectors, defined in consultation with local self-governments and their representative organisations;	For the purposes of improving the planning capacities of municipalities, the Ministry of Regional Development and Infrastructure, with the support of UNDP experts prepared the standards for two sectors: <ul style="list-style-type: none"> • Solid Waste Management and • Planning for Shore-protection and Flood Prevention. Those sectors were selected through local government surveys. The respective documents have been communicated to all municipalities and "NALA".
Expenses of the Fund for Implementation of the Regional Projects are in line with RDSs of the 2 pilot regions identified in reform area 1 ("Regional Policy and implementation Framework")	In collaboration with the Ministry of Finance of Georgia, the Ministry of Regional Development and Infrastructure of Georgia elaborated the criteria and selection procedures for projects to be financed for local self-governing units from the Regional Development Fund, which were approved by the GoG decree #1233, dated June 25, 2012. In 2013, the CRD held 17 meetings where the projects submitted for funding from Regional Development Fund were discussed. In total, 683 projects have been financed. (...)

Source: Compliance statement with General Conditions for the 3rd installment under EU SPSP

Although recently adopted the Organic Law of Georgia: Local Self-Government Reform envisages forming Regional Advisory Council consisting of the relevant municipality officials (Gadgebele/Mayor, chairman and deputy chairman of the Municipal Council). This body is supposed to ensure presentation and consideration of municipality interests in the process of

planning and implementation of territory development and execution of the authorities of the Governor. The Regional Advisory Council should advise the Governor in review of projects, programs, and cost estimation plans to be implemented by the state on the relevant territory, review socio-economic development strategy of the territory of the Governor's Authority and develop recommendations for the Governor in the process of planning and implementation of the territory concerned. In opinion of an external expert contracted to prepare a study on *Options for the use of Regional Development Agencies concept to support regional development in Georgia*:

These solutions indirectly place the Governor as a key institution in the regional development policy system at sub-national level: responsible for programming and implementation of territory development and - possibly - implementation of the relevant governmental programs and projects in the given territory. In legal terms, it means that the Governor is to be responsible for the Regional Development Strategy and Regional Action Plans. (...) Unfortunately The Organic Law doesn't address at all one of the most important issues: how to build the institutional capacity of the regional level institutions to deal with the socio- economic development of the regions. (...) in collaboration with the Ministry of Finance of Georgia, the Ministry of Regional Development and Infrastructure of Georgia elaborated the criteria and selection procedures for projects to be financed for local self-governing units from the Regional Development Fund, which were approved by the GoG decree #1233, dated June 25, 2012. (Compliance Statement 3rd instalment, Support to Regional Development Reform)

Other reports highlight the important needs persisting in institutional capacity and processes:

May have positive indirect effects in terms of prioritization and selection of projects to be implemented in regions of Georgia, if the budgetary process is built enough into the new Regional development agenda (ROM. Support to regional policy implementation, 2013)

In particular, some challenges were faced from the Ministry of Agriculture of the Autonomous Republic of Ajara⁸⁸, where a needs assessment carried out in 2014 identifies major gaps and deficiencies that weaken local planning capacity. It was revealed that local policy development is fragmented, without adequate involvement of stakeholders in planning procedures and policy discussion. There is

- A lack of a systemic vision and approach on further development of Agriculture and the planning capacity of the regional authorities is weak.
- No explicit and transparent process for policy creation at legislative level and no defined terms.
- No comprehensive survey of the needs of target populations throughout the region that could be used to identify and prioritise problems, nor is it clear how responsive the Ministry is to stakeholder requests and suggestions.

As a result of these weaknesses, allocation of resources is uneven and is carried out in an inconsistent manner.

One of the challenges in addressing regional development in Georgia, in addition to the several layers that must be coordinated, is the large number of organisations involved. Outside of the Ministry of Regional Development and Infrastructure and other key Ministries, other bodies supporting regional development are listed in Table 12.

⁸⁸ Institutional Development Needs assessment for MoA of Autonomous Republic of Ajara, March 2014.

Table 12 Other relevant bodies in addition to the Ministry of Regional Development and Infrastructure (MRDI)

Institutional bodies	Status
The state commission on Regional development	Has been established at the national level
Regional development Councils	Have been established for all Georgian Administrative regions
Regional Development Agencies	Two of them (in Ajara and region of Shida Kartli) are officially established by regional governors. Three others (in regions of Kakheti, Guria and Shida Kartli) have status of NGOs
Foreign Direct Investment agencies	The national agency (Invest in Georgia) is the only agency – and sufficient
Business incubators and subsidised workspace provision	Kutaisi free Industrial Zone

In addition, the Municipal Development Fund (MDF), which co-operates with local self-government and other Georgian stakeholders to secure financial resources from the central, local, donor and international organizations is an important player that helps develop links with local players to facilitate planning.

It has been noted that the capacity for planning at the decentralised regional level is rather weak and the large number of actors is involved in the process. The level of and degree of stakeholder consultation and engagement at the lower levels (local groups, Civil Society, etc.) was not what it might have been. While regional strategies were developed, no action was taken upon them. This issue is further presented under the I-314.

With regard to the preparation of the regional strategies, the 3rd Progress report of the EU Support to Regional Policy Implementation (September 2013) highlight the lack of devoted competencies at regional level:

In relation to the regional strategies being prepared, (...) there is still no clarity as to what purpose they will be put now that they are apparently completed. It is understood that the strategies still do not include any specific action plans. In many ways this is understandable since there are no devolved competencies at regional level to form the basis for any deliverable action plans. Nevertheless, we still feel that the work being done in the regions is valuable in that it will help to inform the identification of priorities in preparing the Regional Development Programme.

In addition to the EU SPSP and associated TA, the need for a continuous strengthening of key national institutions has been also addressed by the EU through other means such as the Comprehensive Institution Building (CIB) initiative:

a structured mid-term approach of capacity building of these institutions is required to help the Georgian authorities to prepare for the new agreement. The Comprehensive Institution Building (CIB) programme under the Eastern Partnership is set to respond to this need. The CIB specifically intends to help partner countries towards the goal of enhanced relations under the Eastern Partnership framework, including in meeting the preconditions for concluding an Association Agreement, and within the same framework, for starting and concluding negotiations on establishing a Deep and Comprehensive Free Trade Area. (Framework Document for a CIB Programme 2011-2013)

Finally, the EU support to regional development contributed to improving statistical instruments and data collection mechanisms necessary for planning, monitoring and evaluating development at regional level and mainstreaming of regional development related data in a Geostat relevant publications (incl. analysis on disparities between regions). However, gaps remain huge in this area as highlighted in interviewed and further evidenced in reports such as the 2014 Institutional Development Needs assessment of the Ministry of Agriculture of the Autonomous Republic of Ajara.

Sources of information used (include footnote citations)

- Support to Regional policy Implementation 1st progress Report, Ecorys, March 2013.
- 2014 Institutional Development Needs assessment of the Ministry of Agriculture of the Autonomous Republic of Ajara.
- EMPARD Ajara-support to Agriculture development in Autonomous Republic of Ajara-Agro Service centre Strategic plan 2014.
- 2012-2014 Strategic Plan of the Ministry of Agriculture of Autonomous republic of Ajara.
- ENPARD Ajara-support to Ajara Agriculture Development, Budget revised in July 2013 with comments.
- EAMR Monitoring report-MR-146907.01, December 2013, Support to Regional Policy implementation.
- Interview with EUD Georgia, Head of Department of Local Development.

3.1.4 Indicator 314: Increased participation of local community groups in planning and implementation

Presentation of the evidence gathered and detailed analysis

The evidence of the EU programming efforts in support of engaging communities to participate more actively in the development of their region is reflected e.g. in the project “Strengthening community-based initiatives for poverty reduction in Racha-Lechkhumi and Kvemo Svanet (COMBI-2009-11)” Region of Georgia (see discussion also under Indicator 312). Results from this project indicate that the development of community-based organisations (CBO) and their capacity building and accumulated experience⁸⁹ play a significant role in supporting local development planning.

Some interviewees highlighted that support to leveraging stakeholders (farmers, grass-roots and local government) has strengthened the links between them, thereby fostering further co-operation and development. This participatory aspect is key to supporting local development planning and plays a significant role for CBOs. CBOs facilitate local ownership, responsibility and an ability to tackle and co-finance local infrastructure and development projects.

The use of farmers and respected leaders in communities to promote new technology and adoption of best practices is a time consuming and slow process to bring about change, nevertheless the leverage of CBOs, leaders and members has demonstrated positive impact on smallholder farmers.

The COMBI⁹⁰ project demonstrated alignment and impact that supports the Government of Georgia Regional Development Strategy for the years 2010-2017, highlighting the needs to:

- Elaborate a template for making community/regional development plans;
- Build capacity of local government officials on sustainable development;
- Support the development of Agriculture through improved access to markets, information, small / heavy machinery, and other relevant measures.

The GoG Regional Development Strategy has also charged the Ministry of Agriculture to elaborate a separate strategy on Agriculture development (which has been completed), which, together with the action plan is under further development.

COMBI supported establishment of five CBOs to better represent development needs, a resource centre and the design and implementation of effective community development and gender-sensitive poverty reduction measures. It also provided economic and non-economic services to beneficiaries in partnership with CBOs. These services included the establishment of demonstration farms and implementation of small-scale community development

⁸⁹ In such areas as community needs identification, community development planning, negotiation with municipal officials, project proposal writing.

infrastructure projects, e.g. rehabilitation of a water supply system, roads, clinic, and construction of a building for providing veterinary services. households.

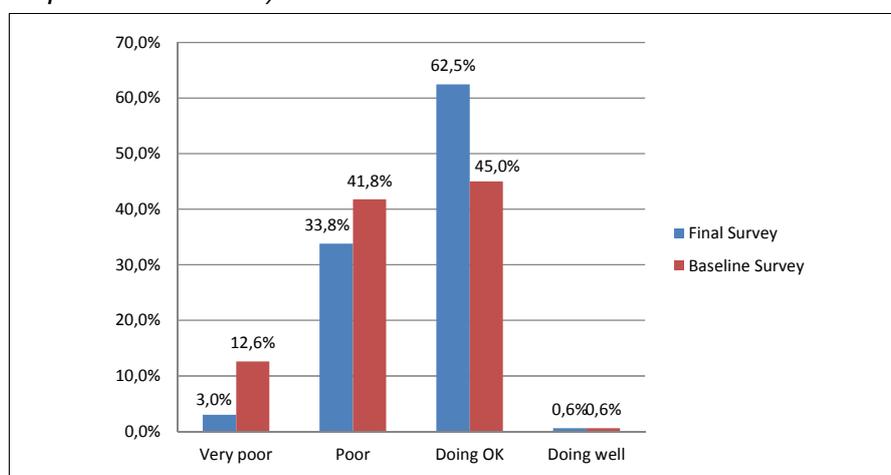
Table 13 *Efficiency of interventions in support of community involvement and planning*

Major project interventions	Potential to bring positive yield on investment over the coming 3 years	Potential to produce long lasting benefits
Resource Centre / Input shop	As measured by the benefits received by farmers it is high; as measured by the income received by RC/Input shop it is moderate. (e.g. livestock vaccination can have high benefits for farmers, but the service cost of its provision is low)	High
Demonstration farms	High among demonstration farmers as incremental yields due to adoption of new technologies and inputs can be substantial; Moderate among other farmers as the spread of new technologies might be limited.	Moderate
Small infrastructure projects	High as the costs of small infrastructure projects themselves were small.	High in case of clinic and vet spot; moderate in the case of roads and water supply system (risk of insufficient maintenance).
Capacity development component	High among demonstration farmers, Moderate among "other farmers", CBO and Local Government (LG) representatives (mainly due to the project's short duration). Plus, trained LG officials might be replaced and institutional knowledge might be lost.	Moderate

Note: Assessment of the project's (COMBI) economic efficiency

The village-level projects were co-funded at a level of 15% by local funding. Quantitative information was obtained from a representative survey of 328 households living in all five project communities. In the first half of October 2011, six trained interviewers conducted face-to-face interviews with community members using a structured questionnaire. The data gathered through the final household survey was compared to the data collected by baseline survey in October 2009 (see Figure 7 and Box 39). This comparison allows the measurement of change in the beneficiaries' well-being and other indicators. Whereas it would be difficult to make or attribute changes directly to project interventions, nevertheless the information helps to make judgements.

Figure 7 *COMBI project: details on participation of local community groups (pre and post-intervention)*



Source: COMBI final report March 2009 –October2011 Strengthen community-based initiatives for poverty reduction in Racha- Lechkhumi and Kvemo Svaneti Region of Georgia.

Overall, the final beneficiaries were 4,000 members from five marginalised communities, of which more than 50% were women. The target groups included five CBOs, local government staff of five targeted communities in Tsageri and Lentekhi municipalities, staff members of municipal government and local council offices, the NGO AIC and 1,000 farming.

Box 31 *COMBI project: details on outcomes observed*

- 18% less households, than in baseline perceived their economic condition to be poor or very poor, that is, their economic conditions were lifted up to an average condition (Figure 7 above);
- 15% less households perceive their housing condition as poor or very poor, that is, their living conditions were lifted up to an average condition;
- The food shortage experienced by the households has decreased from 52.6% to 18.3% (34.3 percentage point decline);
- The percentage of households who had problems paying for medical care or treatment has decreased from 97% to 27%;
- The ownership of almost all types of assets by households has increased. For example, over the two years 26% more households are using cell phones, 19% and 12% more HHs have refrigerators and TV sets respectively, and almost 10% more households own cars.

To conclude, the ability to formulate relevant policy and subsequent strategy that lead to sustainable development hinges to a large degree on the need to engage all relevant stakeholders as well as to ensure the full participation of such stakeholders such that their inputs, views, concerns and local knowledge contribute to and reflect the needs and aspirations of local communities. The COMBI project provides an example of an EU-financed intervention that closely involved local stakeholders and incorporated a post-project assessment of impacts at the household level. Community participation rose and impacts on households (also discussed under I-312) were impressive. Technical issues of causality aside, this is rather strong project-level evidence that, not only did the EU involve community groups, but that when it did, there were positive results.

Sources of information used (includes footnote citations)

- Strengthen Community based Initiatives for poverty reduction in RACHA Lechkhumi and Kverno Svanet: 2011 evaluation report and 2012 final report.
- 2013 Monitoring Report of the Support to Regional policy implementation (MR-146907.01).
- Interviews with ICC (Gori), Elkana representative (Gori) and Team Leader, Regional Development.

3.2 JC32: Rural income and livelihoods strengthened

The EU has recognised very early the necessity to develop support services to rural areas and to ensure that such services and activities fit with the wider participatory stakeholder engagement process. EU support has taken into account the fact that this engagement process, to be effective, should include a wide range of stakeholders, including local communities, regional authorities, NGO and Civil Society organizations. (I-321 and I-322)

The positive effects of the adoption of the appropriate methodology and approach to support CBOs on livelihoods have been observed in various areas targeted by EU supported projects. A specific case illustrating the potential of ASCs and support to CBOs for increased livelihoods and rural incomes is the experience with the ASCs in Samchkle Javakheti region. Positive effects can also be observed in Imerita and Racha region where the Small Farmers Co-operation and Productivity Project is working with some 24 cooperatives. (I-322) Positive achievements are also observed with the ASCs in Gali and Gulprish districts in Abkhazia and the ASC in Ajara. Prior to 2005, there were few if any operational advisory service providers to farmers. After a few years of implementation, the EU support contributed to a substantial increase in this area. No less than 54 consultancy / advisory centres are now operating in local municipalities, employing some 250 persons. This is also partly the result of the

adoption of an appropriate legislation, a specific support provided to cooperatives and community based organizations and a wider promotion of the ASC model.⁹¹ (I-321 and I-323)

While the sustainability of some of the project approach can be questioned, it is important to highlight that, in parallel to financing specific projects at the local level, the EU support has also contributed to strengthening the overall strategic framework in the Agriculture sector.

In addition, at the sub-national level, specific EU projects such as the EU support to the regional development strategy in the Autonomous Republic of Ajara, which includes agriculture development and capacity development of the Ministry of Agriculture, created important synergies with the actions of other sector actors (FAO, CIHEAM) in the area of Agriculture and Rural development. This also contributed to raising awareness among institutional actors of the importance of an overall regional strategy and the role that Agriculture can play in this strategy. While the strategy still needs to be followed up by the actual implementation of the action plans, it is an important first step.

Overall, policy reforms achieved during the period represent a significant step towards the integration of Georgian Agriculture into European trade. 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. EU support also anticipates long-term effects of these reform processes in terms of economic development in rural areas (see JC31).

3.2.1 Indicator 321: Agricultural extension and advisory services provided through EU support

Presentation of the evidence gathered and detailed analysis

EU support to Agriculture extension and advisory service delivery is part of the overall policy and development dialogue with GoG to facilitate wider economic development and leverage the latent potential of the Agriculture sector to contribute to socio-economic development in Georgia. It is crucial if Georgian Agriculture is to avail itself of new market opportunities both domestically as well as regional and in the EU arising in the post-2008 landscape (see Box 32).

Box 32 *The post-2008 Agriculture sector landscape*

Georgian policy makers, as a result of previously strong agricultural ties to the Russian market and the subsequent changes and stress resulting from the 2008 conflict, needed to reorient agricultural policy. The need to change course after decades of targeting the sector's output straight to the Russian market has been a key focus and challenge and subject of dialogue with GoG by EU over the post-2008 period. While not quantifiable, various stakeholders have recently (2013-14) expressed the view that access to the Russian market has been improved, with resultant impact on sales and farm income.

The Russian market used to have the advantage of economies of scale and did not require much of effort by Georgia to access. However, after the series of embargos imposed by Russia, Georgian authorities realised not only that there existed a market outlet dependency (with Russia), but also that there were actually few to no requirements on product standards and quality. In finding new orientation and opportunities for the sector, Georgian Agriculture and food processing must meet EU and international food safety and phyto-sanitary standards. Improved access to extension and advisory services is crucial in this regard.

Taking 2004 as a baseline, there were few, if any advisory service providers to farmers, particularly small farmers in Georgia. This has changed quite remarkably in the intervening years with the Georgian Government actively engaged in supporting the Agriculture sector.

Some 54 agricultural information-consultancy centres (state owned) have been established in local municipalities, employing some 250 professionals. This has been supported by the

⁹¹ 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).

adoption of new legislation to promote farmers' cooperatives aligned to EU standards, which has been drafted in close consultation with all key stakeholders and is now under discussion for approval in the Parliament. A major recent evolution at institutional level has been the establishment of an Agricultural Co-operatives Development Agency in 2013 which role includes the assistance to farmers' groups (e.g. information sharing, status granting for agricultural cooperatives, etc.) at national level. As part of the effort supporting advisory services, at least 30 district-level MoA centres that will provide consultation and advice to small farmers are now officially established and staffed. As highlighted during the interviews with key national stakeholders, the strengthening of the institutional environment has been instrumental to consolidate the gains achieved so far.

The EU has facilitated this evolution through its support to both policy / strategy development and funding of specific projects (aimed at food security and poverty reduction in the early years; and at agricultural co-operative development, smallholder inclusion and improved competitiveness and delivery of advisory services in the more recent years). EU direct contributions to extension and advisory services are evident in a number of regions. The section below details three cases covering the whole period under review.

Case 1: Development of agro-services in Southern Abkhazia – Gali and Gulprish Districts

The project "Development of agro-services in Southern Abkhazia" was implemented by the NGO Premiere Urgence in Gali and Gulprish Districts (Abkhazia) during the period 2009-2011. It targeted eight communities covering more than 4,100 family farm households.

The project illustrates well the overall positive effects in the delivery of advisory and extension services through the model of ASC. From a baseline identified in 2009, two new ASCs were established and operational. The process of establishment of these ASCs involved full participation and co-operation of local stakeholders, reflecting a community and local government approach to development. Evidence gathered shows high local ownership and some strengthened capacities at local level (through training and the support of a farmer-owned approach). In addition, legislative and tax issues were explored to ensure the ASCs adopted the appropriate legal status. This was supported through "by-laws" workshops. Drawing from the lesson learned in Nabakevi, the Dranda farmers were explained and proposed two types of legal statutes, i.e. "Charity Fund" and "Non-for-Profit Partnership". The Dranda farmers opted for the "Non-for-Profit Partnership" as they considered it to be the most appropriate legal form for their association.

As evidenced in the project's final report, the establishment and operations of the two ASCs ensured that eight conflict-affected communities increased their food-security and/or income through the development of higher value-added products and new markets for their products, contributing to confidence building among "Northerners" and "Southerners" in Abkhazia.

Farmer groups from the two communities were trained and acquired the necessary knowledge, skills and interpersonal skills to start and operate a viable collective business. The farmer groups from both communities organised into well-structured farmer organisations and acquired, with the guidance from the project implementation team, the tools, machines, equipment, and other productive assets needed to run the business. At the end of the project, the ASCs were at the beginning of their life cycle but already in a position to generate income. At the end of the process of establishing the ASCs, the farmers working group in Nabakevi decided on an agro-service centre offering the following goods and services: Maize flour for human consumption of different sizes of grain for m m lig ; Fodder maize for animal consumption. The farmers working group in Dranda decided on an agro-service centre offering in-bulk farm inputs (pesticides and fertilizers) purchasing and retailing and farm machinery (tractors and tractor attachments) hiring-out.

Intermediate results indicate that the services provided answer a previously unmet need and are helping farmers of Gulprich district to reduce expenses for the treatment of citrus plantations and improve the quality, competitiveness and value of crops. In Nabakevi, it further shows that local population have found the market output they were lacking.

While the ASCs are fully functional and utilised by farmers, the monetary impact on the beneficiaries has not been recorded yet. Incomes are suggested to have increased but this is

not supported by precise evidence. However, members of both ASC's are now trained to act and think in an autonomous manner, to stay aware of the agricultural needs of their communities and to take the right decisions to answer further needs. The first results observed have confirmed the adoption of these skills. These results are the translation of the use of the services offered by the local farming community.

This project demonstrates, first, that time is needed for preparing and setting up ASCs in a way that ensures their effectiveness. Participation is clearly an important factor in making sure that the extension and advisory services offered are in tune with farmer demand. Despite the apparently positive trends, it must be remembered that these ASCs are still in a nascent stage of their development and need to improve their organizational and managerial efficiency and business performance. This is illustrated in the situation in terms income and expenditure accounts as detailed in Table 14 below.

Table 14 Expenses and income for Nabakevi ASC (April - June 2011 products and services)

Products & services	Expenses (RUB)	Income (RUB)
Maize flour	460 550	547 500
Farming machinery (land cultivation)	2 400	16 000
Fertilizers	123 200	136 000
Total (RUB)	586 150	699 500 (approx. 14 825 EUR)

Source: Agro Service Use, "Development of agro-services in Southern Abkhazia" Final Report

While support to the project ended in 2011, the report indicates that the implementing partner is still active in the zone of operation and has the opportunity to regularly monitor the two ASCs. Conversely, members of the ASCs often visit the former implementation partner office, in order to keep them informed.

Case 2: Support to ASCs in the Autonomous Republic of Ajara (in the context of the EU funded ENPARD SPSP)

As part of the EU ENPARD programme, the EUR 3.3 million programme in Ajara region implemented by UNDP aims to support the Government of Ajara Autonomous Republic and the Ajara Agro Service Centre (AASC) to increase efficiency of farming, establish and strengthen small farmers which may become a backbone of the Agriculture sector, and to enhance institutional development of the Ajara Ministry of Agriculture. The "Agro Service Centre ASC" is a non-commercial, non-profit oriented legal entity, fully integrated in the organizational structure of the Ministry of Agriculture, reporting directly to the Deputy Minister. The Ajara project mirrors to a large degree the overall nation-wide ENPARD programme, with its focus on agricultural co-operative development, improving on farm productivity, improving rural and business service delivery and improved market accessibility. As a result, we will return to it several times in assessing the Indicators related to this EQ.

The box below provides the example of how EU support through capacity building and technical support to the introduction of Agricultural Service Centres (ASCs) in Ajara laid the groundwork for improved access to services.

Box 33 Ajara ASC – improved access to rural services and markets

The approach carried out under this project demonstrates a methodical and logical approach to ensuring not only improved accessibility but also improved uptake of available services. Key elements of this approach are:

- ASC Strategic Development Plan produced;
- Consolidation Centre feasibility study carried out;
- A improved delivery of extension services model;
- Experience in sharing and training of Trainers;
- The use of demonstration projects and Agriculture tours for farmers as educational tools;
- Agriculture Textbooks and Regular Newsletters;
- Video Podcasts;

- Support of Vocational Professions in Agriculture;
- Refurbishment and equipment of ASC branch offices.

The ASC planning process offers a good-practice example of comprehensiveness and involvement of stakeholders in the process. The process started with the development with ENPARD support of the ASC Strategic Development Plan. This involved development of baseline studies, agricultural development studies, a competitiveness study, development of feasibility studies and plans for models of consolidation services, postharvest consolidation centres, extension service and farm demonstrations delivery, use of media and extension podcasts, rural business service development, farmer groups, and support to policy for MoA, Ajara. The project demonstrates a unique approach in delivery of support services to small farmers, which places this region well ahead of the rest of the country and reiterates it as a microcosm of a model for potential replication in other regions.

Source: ENPARD "Support to agriculture development in the Ajara Autonomous Republic" 2014 progress report (UNDP, 1st June 2014).

Throughout its existence, the ASC model has upgraded its outreach and package of services offered, accumulating a wide range of intellectual and material resources. The ENPARD Ajara Project supported the elaboration of a Strategic Development Plan (a final version of four year strategic development plan was delivered in February 2014) and a relevant operational setting for ASCs. This is one of the strategic documents that serve as a basis for restructuring operations and new operational approaches undertaken by the ASC.

Interviews carried out during the field visits show that the actual implementation of this plan is still to take place. In the ENPARD Ajara Interim Report of June 2014, it is stated that rural business support service development, particularly support measures for small farmers' business groups, has been slower to start than expected. However, it is also estimated that under the project, up to 2014 a total of 1,126 farmers were direct beneficiaries of consultations in agronomy topics, while some 1,017 farmers benefited from consultations in animal husbandry, veterinary topics, and artificial insemination. Out of 1,017 about 704 cases of artificial insemination were registered. The project has supported the expansion of the deployment structure of service provision scheme by developing the infrastructure of ASC branches (in Keda, Shuakhevi and Khulo).

A key element for increasing returns to small farmers is improved accessibility to effective post-harvest consolidation (collection) services. Extremely small-scale farming accompanied by unfavourable landscape conditions makes production inefficient. Small-scale producers of individually harvested products are unable to retain quality, price and quantity sufficient for links to sustainable trade channels. In this regard, consolidation is a good instrument for achieving bigger volumes that are better tradable and more attractive for potential buyers. The Ajara project carried out feasibility studies on consolidation. Part of the EU's work on rural cooperatives can also be understood in terms of consolidation. The crucial role of consolidation, also taking Ajara and its ASCs as an example, is discussed in Box 34.

Box 34 The crucial role of consolidation

Within the framework of the Agro Service Centres (part of and contributing to strategy), the introduction of consolidation centres⁹² (collection centres) is aimed at supporting local farmers with a market where there currently is none. Most farmers are selling almost all their fruit or vegetables themselves, and the consolidation centre seeks to connect farmers to markets.

To begin the process, the Agro Service Centres will provide consolidation services⁹³ until such time as a private entity (the private sector has capacity to play a bigger role) can take over. The Agro Service Centre, by managing the consolidation centres in the villages, will enhance its image and be able to provide more services to the villages around the consolidation centres. The consolidation centres could also be used as meeting places for holding workshops. They will also be centres of information for the Agro Service Centre, and can serve as an outlet for training materials.

The area chosen for the model consolidation centres is the Municipality of Shuakhevi. Shuakhevi has significant production of fruit and vegetables, but due to the remote location of many of the villages,

⁹² ENPARD "Support to agriculture development in the Ajara Autonomous Republic", UNDP 2013.

⁹³ Consolidation centers provide farmers and farmer groups with an alternative location that they can sell their produce, and receive a fair price (models of post-harvest consolidation centers).

little of this produce goes to market. Farmers in this area collect what they need for their own use, and much of the rest is not being marketed or processed. Farmers are almost all small, with only 0.5 hectares of land available to them, with a few farmers having larger holdings of 2 to 3 hectares. Fruit trees are usually only on the borders of fields, and there are few dedicated orchards. These farmers with smallholdings are the targets of the consolidation centre.

The target market for fresh fruits and vegetables from the consolidation centres is the wholesale and retail markets in Batumi, which currently has almost no fruits or vegetables from the Shuakhevi area. Batumi relies on other regions of Georgia, and imports from Turkey, for most of its fresh fruits and vegetables. Any quantities of fruit and vegetables coming from the Shuakhevi area would be small relative to the size of the Batumi market, and could easily be absorbed without any disruption in the market or impact on prices.

A second market exists for processing apples. A major buyer has been purchasing a large portion of the available apples for processing because they have not been treated with pesticides and will be used for manufacturing baby food. These markets can easily absorb the modest production of Shuakhevi farmers, resulting in improved incomes for farmers that take advantage of the consolidation centre's services. The linkage of the ASC and the consolidation centre in its early phase of development demonstrates a practical and participatory approach whereby the ASC delivery of services as a public entity enhances and strengthens local government service delivery

Case 3: Strengthening community based farmers' groups and agricultural services in Samtskhe-Javakheti region

Another case illustrating the potential of ASCs and support to CBOs for increased livelihoods and rural incomes is the experience with the ASCs in Samchkle Javakheti region of Georgia (activities implemented by Mercy Corps). With a grant of EUR 140,000, an Advisory Rural Service Centre (RSC) was established in the region to provide services for potato production. Support was provided in the provision of two tractors and some basic implements, 9-tons of elite seed, and payment of salaries for 16-months. The RSC was formed as an association, whose founders was the 15 cooperatives set up by the project and one existing association. Each group received average individual grants of EUR 10,000, in total.

There are around 180 direct beneficiaries, in 16 groups with 10-11 members, drawn from 16 settlements in the region. This RSC association then became the sole founder of a limited company that provided machinery services to members. This intricate group, tightly bound entities, was born of grant and by tax considerations and by the need to have a transacting commercial entity. It did not address land-block consolidation under single management to produce efficiencies and scale, rather serviced traditional plot farming.

The ROM report of the project "Strengthening community based farmers' groups and agricultural services in Samtskhe-Javakheti" explains that, in 2010, some important achievements were already made:

- *All 20 created cooperatives are (...) in place and operational and 15 of them are also viable.*
- *The Rural Service Centre is operational and its services are demanded. It delivers 75% of its services to the 20 cooperatives; the remaining 25% to outside of the network. The RSC has become a real business actor in the district, widely recognised in the municipality.*

(...)

The overall objective of the project was "reduce rural poverty in the Samtskhe-Javakheti region (Akhalkalaki district) through an integrated rural development approach". The project made a really high contribution to the achievement of this objective, as: it covered more than 40 communities of Akhalkalaki district and reached over 2,500 direct and 12,000 indirect beneficiaries; all achieved results and outcomes of the project are of a long-term character; all consortium partners have follow-up actions in Samtskhe-Javakheti region (including Akhalkalaki district), based on the results and achievement of this project and thus expanding the experience gained."

Interviews and documents review show that this initiative has been well implemented and activities undertaken present a positive outlook. The support to Mercy Corps action in the region was extended within the framework of the recently launched EU ENPARD programme.

Concluding remark

In the new and more competitive environment, access to extension and advisory services is vital to modernising Georgian Agriculture and improving living standards in the countryside. As a result of agricultural extension and advisory service delivery, recipients (farmers/producers) are expected through the adoption of best agricultural practices, adoption of new and improved technology, improved access to information, training, practical applied knowledge, technology and market access for agricultural products to increase productivity, improve livelihoods and incomes and contribute to local and regional economic development. The three cases illustrate the positive effects of EU interventions that supported ASCs.

Closely related to expanded availability of extension and advisory services, a countrywide programme in supporting mechanization for small farmers, benefiting some 650,000 families is now underway since 3rd April 2013 as well as a support scheme to assist to small farmers' acquisition of agricultural inputs, via a vouchers system. According to available data from MoA, by 1st May 400,000 hectares have been cultivated in 2013 in Georgia, which means a 50%, increase compare to previous year and the highest figure, by far, since 2005. This is the highest yearly increase in cultivated area in Georgia recorded during the last decades, all reflective of both the GoG revised agricultural sector policy and the wide EU programming impact in the Agriculture sector that is being contributed to by a range of development programmes, aimed at creating and strengthening market linkage for farmers, improved delivery of rural support services (advisory and extension – see above), including organization of producers and farmers to achieve economies of scale, dealing with small farmers through associations and community based organizations and cooperatives (see next indicator), all of which to varying degrees provide advisory services to their members.

Sources of information used (includes footnote citations)

- Review of EU Assisted Development Aid in the Agriculture Sector in Georgia, Final Report, November 2010.
- ENPARD Ajara Support to the Agriculture Development in the Ajara Autonomous Republic June 2014.
- Europe Aid, External Assistance Management Report, Delegation Georgia, Jan 2012-June 2012.
- Interviews with Agro Service Centre, Batumi, Batumi ICC, Keda ICC, ENPARD TA and GFA.

3.2.2 Indicator 322: Viable cooperatives formed with EU support

Presentation of the evidence gathered and detailed analysis

As detailed in the 2010 review of EU interventions in the Agriculture sector in Georgia, agriculture development in the country is hampered by inefficient, under resourced, small-scale, fragmented land holdings posing a fundamental structural barrier to development of larger scale efficient farming and moving some of those subsistence farm operations into the commercial realm.

Documentary review and interviews show that EU support clearly recognized the challenges faced by the previous and current structure of Agriculture and land holdings in Georgia. As part of the development dialogue process with GoG, the EU in partnership with GoG have embarked on a comprehensive support programme that encompasses not only improved rural service delivery and regional development but also mechanisms to leverage and avail of the latent potential of the large number of smallholder farmers and link them to market opportunities. Leveraging and developing these stakeholders through economies of scale of production, service delivery, and market access is directly being addressed through support to cooperative development.⁹⁴

⁹⁴ Group collaboration is the core of the approach being taken by EU-supported actions. It is also a contentious issue bearing in mind the recent centrally planned past of the Georgian economy. What does a farmer group mean

In targeting poverty alleviation, most interventions in the Agriculture sector have been implemented as a means to improve livelihoods within the selected regions and settlements. This was done using a variety of on-site methods, including income generation activities, community development activities, community-based organizations development, and municipality and community development plan elaboration.

The EU approach to poverty targeting has resulted in inclusion of marginal and smallholder farmers in wider Agriculture sector development, yet it has a downside. Improving competitiveness of the agricultural sector is among the key GoG priorities, as is greater commercialisation of farming operations. The poverty-focused targeting approach resulted in the selection of upland regions (500m+) in tough, inaccessible and marginal lands and the targeting of populations having little if any resources, living in traditional communities. Taking into account ethnic minority and gender considerations further influenced the choice of communities and group members targeted. Key challenges faced were:

- Difficulties for project-based operations to recruit staff and operate efficiently in remote, upland areas;
- Mostly supporting small scale kitchen gardening and individual plot cultivation at household level as a rural livelihood development tool;
- High project transaction costs working in these remote areas. A small number of direct beneficiaries – the members of groups formed;
- Outcomes driven and dependent wholly on grants;
- Time-bound support for processes that require years to work through.

The general conclusion drawn from such interventions is that they were more focused supporting social welfare in rural mountain areas using Agriculture as a means to bolster food security and rural household livelihoods than to the drive to commercialization supported by the GoG.

If EU targeting had been motivated by a more commercially oriented focus on Agriculture, the supporting actions would have operated in different zones, with different groups and support mechanisms, focusing on farmer group development (cooperatives, associations) and Agriculture goals. Yet, group formation requires attention to incentives. For example, in the case of projects reviewed in Block 1⁹⁵ (see Table 12), group formation and outcomes were project led, dependent on grants, and without any cost sharing requirement, with the probable outcome that as the granted assets, held severally by the group entities, depreciate, so will the groups.

Table 15 2010 review of EU development Aid in Agricultural Sector in Georgia – List of Block 1 interventions

	<i>Name of the Project</i>	<i>Budget in EUR & Period</i>	<i>Region</i>	<i>Funded / Implemented by</i>
1	Market and social linkages	1.50million 2005-09	Samchke Javakheti	EU/ Mercy Corps
2	Strengthening community based farmers' groups and agricultural services	0.15million 2009-10	Samchke Javakheti	EU / Mercy Corps
3	Strengthening community based initiatives	0.30million 2009-11	Kvemo Svaneti, Racha- Lechmuni	EU / CARE International
4	Pilot scheme for poverty reduction	1.50million 2005-09	Kvemo Kartli	EU/ ACH

and represent? How should groups be organized, supported and promoted? What are the objectives for group formation – large scale arable farming; mixed family farming; shared facilities? Which regions and products to priorities? How to provide for Good Agricultural Practices (GAP) and traceability in the supply chains?

⁹⁵ Block 1 is referring to a series of projects grouped by block (see Table 13 listing project names) that are and were addressing group formation modalities as part of EU support to the rural sector.

5	Establishment of Seed Potato Centre & Producers' Cooperatives	0.37million 2006-10	Kvemo-Kartli, Tsalka	Greece/ Agricultural University, Athens
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Prior assessments, as well as the 2010 review, indicated that there are major constraints to group formation. In short, cooperative development efforts have to be well designed. It is critical in the process and development of cooperatives that donor funding encourage the formation of cooperatives for the right reasons. This requires building on the existing experiences of 'real' business-oriented co-operation by farmers and steering clear of artificial groups only aiming to become registered as coops because there is a potential grant support available.

These lessons have been learned in Georgia, and evidence indicates that cooperative formation under ENPARD is avoiding some of the mistakes of the past. More recent EU support to cooperative development, for example the EU funded (EUR 3.2 million, EUR 4 million total budget) action Co-operation for Rural Prosperity in Georgia⁹⁶ implemented by CARE focuses on the development and strengthening of cooperatives for business-oriented smallholders through capacity building grant (organizational development Grant) support. This process involved meetings (88) in target municipalities with local government and with stakeholders (some 2,406 participants, 20.7% being women). The project received 105 applications of which 60 were shortlisted and 29 (based on screening process⁹⁷) have been selected for pre training.

The Georgia Farmer Association (GFA) is a key consortium⁹⁸ partner whose remit is to cover and protect the interests of smallholder farmers with the aim of linking smallholder farmers with market and capital. While this is an effort to address and build the capacity of cooperatives to assist and further develop smallholder farmers in Georgia, it should be fully cognizant of the need to ensure cooperative formation is driven by farmer demand and needs of market place, not by available grant funding. Quoting from an EU Field mission report of April 2014:

The project objectives and results are relevant to farmer needs. Despite existing widespread misunderstanding amongst farmers on what business oriented farmers groups are, there are many farmers who are genuinely aware and interested in being members of a cooperative to gain economies of scale. Various ad hoc models of co-operation already exist in the targeted region. Farmer interest in the project is high with daily requests for information and exploration of initiatives.

This extract suggests that the EU approach and methodology in assisting with strengthening cooperatives is being carried out in a systematic and sustainable manner. As an example the Guria Agribusiness centre in Lanchkuhuti district has already assisted in the establishment of 12 cooperatives (some 240 members) and is indicative of the role of the public sector, as it is a Municipality-owned legal entity, in support of private sector development.

Further evidence of appropriate methodology and approach, as well as effective use of capacity building and technical assistance, is to be found in the Imereti and Racha region where the EU-funded EUR 3.1 million project Enhancing Small Farmers' Co-operation and Productivity⁹⁹ is being implemented by People in Need (PIN) and its consortium members. It aims to assist some 340-450 members in 24 cooperatives through improved business efficiency, increased productivity and an improved environment for agribusiness achieved via a participatory policy making process

An EU site field visit visited seven co-operatives and found that all the groups visited seemed genuinely motivated by the benefits that the establishment of the coop would bring (less taxation, possibility to trade as a group, better prices when acquiring inputs etc.) and not

⁹⁶ Co-operation for Rural Prosperity in Georgia Contract Nr 331728, 2013.

⁹⁷ Screening criteria used: business potential, group size and composition, motivation, access to skills and resources, potential sustainability of the idea, environmental safety.

⁹⁸ Groups of Consortia members implementing the ENPARD programme.

⁹⁹ Enhancing Small Farmers' Co-operation and Productivity in Imereti and Racha Regions, June 2014.

because if they would create a coop ENPARD would grant them support. It should be noted that all these groups started cooperating well before ENPARD became engaged in the area, and realize that registering under the new law will bring some benefits to them. External support by ENPARD will certainly be a further trigger of co-operation processes but not "the" reason for these farmers to co-operate. While this is evident in the field visits, mitigating mechanism should ideally be put in place to ensure that cooperative formation and development are made in the best interests of sustainability of economic activities of members and that monitoring and evaluation tools need to be in place as part of the grant making process. The inclusion of a significant cost share is a positive step in this direction of selection and criteria for funding.

People in Need, (PIN) have also assisted a small number of coops in Imereti in the last few years. These coops continue to be fully functioning and the members have allegedly increased their income and in some cases they are even willing to expand further their membership and activities. These coops are indicative of examples of the effectiveness of business-focused cooperatives, although the longer-term sustainability of these results without external assistance is yet to be proven. Nevertheless EU support to cooperatives is yielding results.

Under the ENPARD programme legislation has been adopted¹⁰⁰ that supports cooperative development within the sector policy support program. Such legislation to promote a business orientated small farmers group is adopted and the draft law on "Agricultural Cooperatives" and relevant amendments in the tax code, law on grants and entrepreneurs code were approved upon the first hearing by the Agrarian Committee of the Parliament.

The Small Farmers Co-operation component¹⁰¹ (EUR 15 million) of ENPARD issued calls for Proposals, published on 18/3/13. The deadline for submission of concept notes was 6/5/13. 23 concept notes were received, out of which 21 were admitted after passing the administrative check. Evaluation of the concept notes is underway and the evaluation committee will make its final decision on 3/6/13. Deadline for submission of full applications will be mid July 2013. The goal is to sign the grant contracts before the end of the year. At the time the concept notes were analysed, it was expected that four to six grants would be awarded, resulting in 50 to 200 new cooperatives established and operating across the country. According to the ENPARD Financing Agreement, the main indicator for the small farmers co-operation component is that, by the end of the programme, at least 100 cooperatives are to be registered and at least 50 of them fully operational.

To conclude, the main thrust of the EU's Agriculture support up until fairly recently was poverty alleviation, which often meant targeting hard-to-reach regions and highly vulnerable groups. Despite successes (some described under other Indicators) this is a high-cost endeavour with limited effectiveness in catapulting Georgian Agriculture into a commercial mode. The main strategy followed by the EU to obtain the economies of scale and scope needed to accomplish that has been the establishment of cooperatives. Early experiences suffered from insufficient consideration of incentives – the making of grants alone is likely to attract groups that are interested in grants alone. Under ENPARD, a better designed approach aimed at creating truly commercial entities has been followed, and early indications are positive. However, the formation of a flourishing cooperatives sector is a long-term proposition requiring capacity building and learning by doing on the part of stakeholders.

Sources of information used

- Review of EU development Aid in Agricultural Sector in Georgia, 2010.
- Co-operation for Rural Prosperity in Georgia.
- ENPARD/CARE People In Need projects field visit (Guria and Samengrelo) April 2014.
- ENPARD Implementation update note #1, May 2013.

¹⁰⁰ 'Legislation to promote a business-oriented small farmers group, which is approximated with International and European criteria and standards and that removes disincentives and establish incentives is adopted': on 16/5/2013

¹⁰¹ EU ENPARD implementation update note of May 2013

- Enhancing Small Farmers' Co-operation and Productivity in Imereti and Racha Regions, June 2014.
- Interviews with MoA cooperative Development Agency, Oxfam, CARE, GFA, with cooperative members and Tsini village and honey cooperative.

3.2.3 Indicator 323: Evidence of EU support contributing to non-farm incomes increased through EU support

Presentation of the evidence gathered and detailed analysis

The EU programming reviewed here largely focused on Agriculture-related interventions and to income generation within that sector specifically. Support to non-farm incomes is an indirect output of certain interventions, particularly support to small-scale rural enterprises providing goods and services. Little information was gathered on this indicator. In particular, national level data do not allow any estimation of the multiplier effects of the stimulus to farm income attributable to EU programmes. A multiplier of about 2 would be standard in the literature, but this may be too generous in the current context, where the evidence from the COMBI project suggests that added income may have in large part been spent on consumer durables. Even less is known about the multiplier effect of non-farm employment creation, e.g. through the agricultural services provision sector. To conclude, we reach no assessment of this indicator.

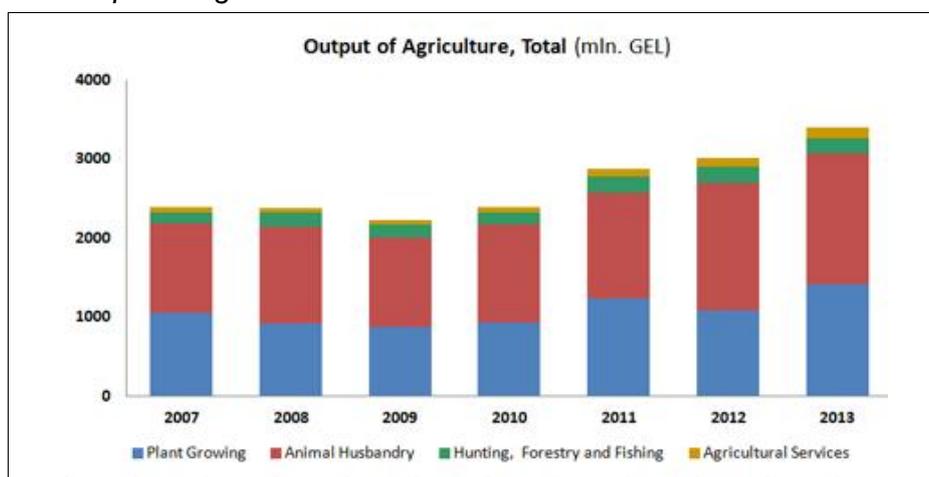
Sources of information used

- NRI Report: "The rural non-farm economy in Georgia: overview and findings".
- External Evaluation of the EU-funded Project "Supporting socio-economic Integration of IDPs in Samegrelo - Zemo Svaneti Region".
- Reports: ENPARD.
- Assessment of the Agriculture and Rural development Sectors in the Eastern Partnership countries 2012.
- Interviews with Deputy Minister of Agriculture and Action Against Hunger.

3.2.4 Complementary information on key sector evolutions

Recent data produced by the National Statistics Office of Georgia¹⁰² and the World Bank highlight positive trends in the agriculture sector. The graphs below illustrate the fact that the period 2009-2010 was a turning point in the sector. By 2013 the agriculture sector's output had grown by 40.3% over 2010 levels in nominal terms to reach GEL 3363 million. In 2013 agricultural output grew 12.2%, above the 2.5% nominal GDP growth rate.

Figure 8 Output of Agriculture 2007-2013

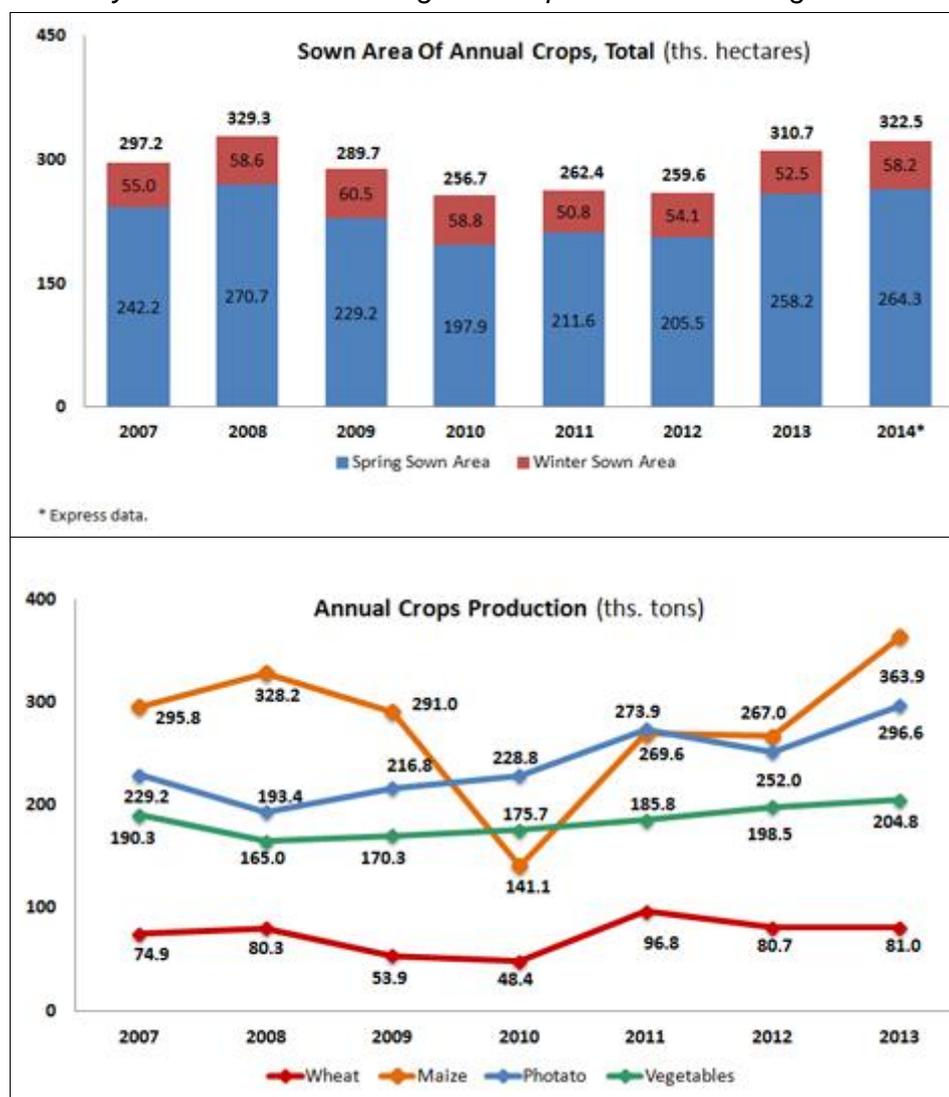


Source: GeoStat 2014

¹⁰² <http://www.geostat.ge/>

The total sown area for annual crops increased 19.7% to 310,700 ha and output of maize increased by 33% to 355,000 tonnes. 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.

Figure 9 Key indicators related to agriculture production in Georgia



Source: GeoStat 2014

It is also noteworthy that the state budget for agriculture increased by over 350% since 2010 and was 3.8% of the state budget in 2014, up from 1.3% in 2010. (MOF, 2014) Increased allocations to agriculture began under the previous government, suggesting a growing consensus across the political spectrum of the need for renovation of Georgian agriculture.

3.3 JC33: Progress on EU approximation in agricultural production

EU support to approximation has mainly focussed on the establishment of the National Food Agency and the development of legislation and regulation outlining standards for phyto-sanitary issues, food product inspection and certification, and food safety laboratory and inspectors accreditation. EU support to the approximation of Georgian legislation through the Legislative Approximation Programme in food safety has played an important role.

More specifically, EU support has facilitated the introduction of appropriate amendments to legislation covering food safety veterinary and phyto-sanitary standards contributing to the rapid alert system for food and feed aligning with EU requirements. The Government of Georgia developed a legislative approximation programme for main horizontal EU legislation for the years 2010 and 2014, and started its implementation. While progress has been made

in legislative adoption since 2010, the full alignment of food production and government food inspection with internationally recognized standards is still lacking in practice. (I-331) However, changes to laws on 5 June 2011 with the enforcement of new food safety and traceability rules relating to the sale of meat in Tbilisi that mean, for example, that cattle will increasingly go through larger licensed abattoirs to be sold wholesale, instead of through small or back-yard operations by small butchers is evidence of progress made in food safety and inspection. At present all meat entering Tbilisi must go through one of five licensed abattoirs. The capacity of these new facilities ranges from 20 - 500 cattle per day. (I-331)

Furthermore, the easing of requirements on small farms will play some role in gradual adoption of food safety guidelines. A key area for facilitation is anticipated to be the legislation related to relaxed regulatory environments for small enterprises/farmers where Government interventions focusing on product differentiation and the protection of small producers will be targeted. The Government will identify a list of the food/product groups characterized as “traditional national production”, which will fall under the relaxed food safety regulatory scheme. This approach will also ease the cost (economic and social) of the DCFTA and its impact on the Agriculture sector. (I-332)

3.3.1 Indicator 331: Food safety inspection system strengthened and Phyto-sanitary standards adopted

Presentation of the evidence gathered and detailed analysis

EU support to enhancing food safety and phyto-sanitary standards is part of the wider dialogue with the GoG and also to DCFTA legislation and adoption in Georgia. Food safety fell victim to laissez faire policies in the mid-2002, resulting in serious outbreaks of veterinary disease and impairment of human health. Government responded with the Food Safety Strategy of 2010¹⁰³, and the implementation of official control and inspection activities started from the 1st of July 2010. This was undertaken in two stages. In a first stage, from the 1st of July 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.

In parallel, the approximation of Georgian legislation with the relevant EU legislation is ongoing (according to the Legislative Approximation Programme¹⁰³ with the EU legislation, which is the part of the Food Safety Strategy). The primary body for control of food safety was until 2011 the National Service for Food Safety, Veterinary and Plant Protection (NS). This was replaced by the National Food Agency (NFA, see Box 35) in January 2011. To approximate itself with EU, the Government of Georgia developed a legislative Approximation program for main horizontal EU legislation for the years 2010 and 2014, and started its implementation.

The initiative of 2011 was not without its history. As part of ongoing EU policy dialogue with the GoG, the EU had during the period 2008-10 concentrated its support in the follow up of the reform initiated by the Food Security Programme on the introduction of appropriate amendments to legislation¹⁰⁴ covering food safety, veterinary and phyto-sanitary standards to enable the establishment of a rapid alert System for Food and Feed (RASFF) in line with Georgia’s international commitments to the EU acquis. It also promoted the establishment of risk assessment and analysis systems and procedures that will enable food and feed safety issues to be addressed more effectively supporting implementation of the food safety law, as mentioned under ENP AP (Priority 3).

Also involved was implementation of Joint Decree between the Custom Department (Ministry of Finance) and Ministry of Agriculture for the establishment of a SPS border import control system. EU TA provided support for the preparation of implementation of the new Food Safety

¹⁰³ Government of Georgia, The Comprehensive Strategy and Legislative Approximation Program in Food Safety, 2010.

¹⁰⁴ EAMR 2009, Support to the improvement of the quality of food safety, veterinary and Plant protection system in Georgia, p. 23.

Law from 1st January 2010 (TA Team) and continued providing advice on animal and plant health.

Likewise, EU support to animal disease control¹⁰⁴ was important in tackling and mitigating outbreaks of swine fever and foot and mouth disease. EU support during 2008-09 helped to assess the situation in the three South Caucasus countries regarding African swine fever as well as other trans-boundary animal diseases (e.g. foot and mouth disease) and other common diseases (Brucellosis, rabies).

Box 35 National Food Safety Agency (replaces NA-2011)

The NFA is a key actor engaging on issues pertaining to Food Safety and Hygiene. The NFA was created on January 14, 2011 and has replaced the National Service for Food Safety, Veterinary and Plant Protection. NFA is represented in every region of Georgia and has the following structural departments with their specific responsibilities: food department, Veterinary department, Phyto-sanitary department, Administrative department, International relations department, Food and fodder department, Mobile response group. The NFA has primary responsibility on the implementation of food safety and hygiene policy, legislation and regulations implementation in Georgia as well as organizing public and controlling of private veterinary activities.

The main functions are:

- Food safety and quality protection;
- Control of hygiene, veterinary epidemiology and phyto-sanitary requirements and rules
- Risk assessment and management in food safety;
- Control on the conditions of food;
- Registration and control of pesticides, agrochemicals, veterinary medicines (drugs) and mineral water;
- Categorize the water as commodity;
- Prophylactic treatment and eradication measures implementation against most dangerous animal diseases;
- Quarantine and protection of the plants against most dangerous pests;
- Coordination and supervision of private veterinary activities;
- Issuing permissions and certificates concerning food safety and other related matters;
- Providing the public with timely, impartial and objective information on potential risks and threats;
- Response on administrative violations regarding the food safety;
- Co-operate with relevant international organizations;
- Create crisis management plans.

Livestock Movement: The NFA also establishes the routes for moving livestock and sheep. These are traditional routes used by the farmers over centuries. The NFA supervises and maps the routes including vaccination for Foot and Mouth disease in areas of high concentration/high priority.

Note: Market analysis, Mercy corps, Alliances Kvemo-Kartli, 2011.

The Georgian legislation envisages two types of inspection; planned inspections carried out regularly based on the priorities established under risk assessment procedures (i.e., concentrating resources on high-risk operations) and laid down in annual inspection plans, and ad hoc inspections, carried out without prior warning, when there is sufficient doubt that food/feed is not in conformity with the safety norms.

The national system of laboratories in Georgia consists of public laboratories as well as private laboratories. Public laboratories are responsible for veterinary and disease control. Private laboratories provide laboratory testing only on food, alcohol and non-alcohol drinks.

With growing consumer awareness, food safety has been increasingly in the public forefront through increased media attention. There have been a number of television programs dedicated to food safety, and the head of the NFA has participated in radio talk shows. While some progress has been made in legislation since 2010, alignment of food production and government food inspection with internationally recognized standards is still lacking in practice. However, changes to laws on June 5th, 2011 relating to meat sold in Tbilisi had the effect that cattle increasingly go through larger licensed abattoirs to be sold wholesale, instead of through small or back-yard operations by small butchers. This is evidence of progress being made in food safety and inspection. Improved food safety through approximation is a good example of a “soft” benefit of approximation that may resonate more immediately with the public than more abstract economic benefits, which will in any event be unevenly distributed.

One key challenge faced in regard to food safety control and inspection is the prohibitive cost of ensuring that Georgia is fully aligned with or meets EU standards. This is borne out by the

nature of Georgian Agriculture sector with its large number of small farm units and fragmented structure, making a comprehensive “farm to fork” system of safety costly to implement. However progress is being made with a milestone reached in 2011 outlining the role of the NFA (see Box 40 below). Nonetheless, in 2014 a GoG official carelessly remarked that the price of meat was rising due to EU standards, and there is widespread (and false) belief in the countryside that EU standards will make it difficult for farmers to sell their products.

Easing requirements on small farms will play some role in gradual adoption of food safety guidelines. A key area for facilitation is anticipated to be legislation related to relaxed regulatory environments for small enterprises/farmers where interventions focusing on product differentiation and the protection of small producers will be targeted. The Government will identify a list of the food/product groups characterised as “traditional national production”, which will fall under the relaxed food safety regulatory scheme. The three categories defined under the legislation are:

- Traditional national food production, processing and distribution;
- Food business operators with special geographic constraints placing them in unequal conditions (transportation, production conditions, etc.);
- The direct supply, by the producer, of small quantities to the final consumer or to local retail establishments directly supplying the final consumer.

Another example of progress being made in food safety alignment is evident in the meat sector, (see Box 40) which outlines some steps that are being made with anticipation of the legislation in food security impacting the meat sector.

In 2009-11, two new large slaughterhouses were opened in Georgia; these have combined capacity to slaughter half of Georgia’s domestic requirement of beef, and several more are in development. This is being driven by food safety legislation that will ensure that livestock will increasingly go through these channels, thus providing a relatively safe platform for the large investment required to open and operate these facilities.

Box 36 Impact of Food Safety Legislation on meat sector

- At present all meat entering Tbilisi must go through one of 5 licensed abattoirs. The capacity of these new facilities ranges from 20 - 500 cattle per day;
- With this change in governance (legislation) will come a shift in demand towards heavier beef animals with better conformation i.e. more muscling on the rump and shoulder so that waste is reduced and increased efficiency through the slaughter of fewer cattle for the same quantity of beef.

This is forcing lead market players to consider the import of better quality animals e.g. from Belorussia and even Australia. In addition the importation supply chain would become more organised involving fewer transactions for larger sizes than the local supply

To conclude, improved foods safety and adherence to phyto-sanitary standards is essential for the commercial development of Georgian Agriculture and is a key priority for the proper functioning of a future Deep and Comprehensive Free Trade Agreement (DCFTA) between Georgia and the EU. Therefore, Georgia’s goal is to approximate its domestic legislative framework with relevant EU *acquis* to satisfy food safety requirements on both the domestic and International market. Even during the period when food safety regulation was regarded with suspicion by the GoG, the EU was active in supporting it, and with policy and new legislation in 2011, the EU has been a key supporter of the National Food Agency. There has been considerable progress, notably in improving the safety of the meat supply, and this is expected to continue.

Sources of information used

- EAMR 2009, Support to the improvement of the quality of food safety, veterinary and Plant protection system in Georgia.
- Co-operation for Rural Prosperity in Georgia Contract Nr 331728, 2013.
- Review of EU support to Agriculture sector, 2010; The Comprehensive Strategy and Legislative Approximation Programme in Food Safety, Interagency working group 2010.

- Strategy of Agriculture Development of Georgia 2012-2022, Ministry of Agriculture of Georgia 2012.
- Assessment of the Agriculture and Rural development Sectors in the Eastern Partnership countries, Georgia.
- EAMR 2009, Support to the improvement of the quality of food safety, veterinary and Plant protection system in Georgia.
- Interviews with NFA.

3.3.2 Indicator 332: Evidence of increased access to European markets supported in context of DCFTA

Presentation of the evidence gathered and detailed analysis

The Deep and Comprehensive Free Trade Agreement (DCFTA) will contain a range of policy measures for liberalizing trade, i.e. lowering tariffs and reductions in non-tariff barriers, the latter related to sanitary and phyto-sanitary measures (SPS) and technical barriers to trade (TBT) and for liberalizing services trade. The reductions of non-tariff measures (NTMs) are the single most important measure for reaping the benefits of the DCFTA for Georgia, while for the EU tariff liberalization is most important.

In the long run (i.e. after the time that is required for capital reallocation between economic sectors), the change in national income for Georgia is estimated to be around EUR 292 million¹⁰⁵. For the EU, the long run effects will be negligible. For Georgia, the increase in national income is sizeable in relative terms - a 4.3% increase in GDP in the long run on a business-as-usual vs. DCFTA basis. The DCFTA would thus have a much more pronounced impact on Georgia's economy than on the EU's

Sectors that will be affected are the industrial sectors (chemicals, rubber and plastics expecting 62% increase in output). Other important sectors, where output is expected to increase more than five percent, are other machinery and equipment and primary metals. Livestock and meat products, other processed foods, electronics & computers, and other manufacturing are all expected to contract by 8-24% in terms of output (see Table 13). Attention is naturally focused on the Agriculture sector, and some background is needed. The main Agriculture exports include shelled hazelnuts (21% of total agricultural exports), mineral water (10%), refined sugar (9%), distilled alcoholic beverages (9%), non-alcoholic beverages (6%), and citrus fruits (5%). Among the main imported items are: wheat and wheat flour, sugar, poultry, fish, meat, vegetable oil, milk, butter, and margarines.

The biggest growth potential for exports is in the citrus, tobacco, and wheat sectors with substantial investment in technological and infrastructure capacity. Georgia has lost the wine and fruit market in Russia and, has not been able to make major inroads into EU markets due to fierce competition in the EU and the ineffective marketing strategy of Georgian wine producers. After the Russian embargo, Ukraine, Kazakhstan, the USA, and Poland became the main importers of Georgian wine.

Georgia's agricultural exports to the EU-25 were concentrated on a few products. The export of fresh and dried hazelnuts (shelled and peeled) amounted to EUR 37.7 million in 2006 (44% of total agricultural exports), followed by waters (mineral and aerated, with added sugar, sweetener or flavour) at EUR 27.5 million (32%). Pure mineral water, wine, apple juice and fruit preparations had a share between 3 and 4%. Shares of hazelnuts and sweet beverages are rather stable since 2001. In contrast, the agricultural exports of EU-25 to Georgia are much more diversified. In 2006, no product group had a share greater than 9.5% in total agricultural export. Butter had a share of 9.5%, followed by spirits obtained by distilling grape wine or grape marc (7.7%), sausages and similar products (5.8%), cane or beet sugar, chemically pure sucrose (5.8%) and cigarettes (5.4%).

¹⁰⁵ Trade Sustainability Impact Assessment in support of negotiations of a DCFTA between the EU and Georgia and the Republic of Moldova, ECORYS, 27 October 2012.

It is estimated that, while the agricultural sector will come under pressure due to increased competition from abroad, some sub-sectors are still expected to expand due to the DCFTA. This is the case for vegetable oils and fats, vegetables, fruits and nuts, and animal products. In the case of livestock and meat products, the contraction in output is most likely due to the elimination of Georgian tariffs on imports from the EU under the DCFTA. Note that, overall, livestock and meat is expected to decline in output terms even though exports will expand strongly (170%). Imports are estimated to increase most, relatively, in the following sectors: dairy products (+27%), beverages and tobacco (+22%), animal products (+20%) and vegetables, fruits and nuts (+19%).

Table 16 Georgian Sector specific shares of total added value and DCFTA effects by sector

	<i>Share of Total VA in baseline</i>	<i>Value Added, % change, long run</i>	<i>Output, % change, long run</i>	<i>Total exports, % change, long run</i>	<i>Total imports, % change, long run</i>
Veg, fruits, nuts, oilseeds	5.9	2.7	3.4	21.9	19.1
Other crops	0.4	-2.3	-2.0	3.0	15.1
Animal products	10.0	2.5	3.1	5.7	19.8
Livestock and Meat Products	1.0	-14.7	-14.8	169.9	17.8
Vegetable oils and fats	0.0	5.4	6.7	6.5	3.4
Sugar	0.2	-2.5	-2.4	-1.5	1.6
Other processed foods	1.1	-6.2	-8.8	14.5	13.0
Beverages and tobacco	1.9	-1.1	-4.0	2.5	22.5

Source: Trade Sustainability Impact Assessment in support of negotiations of a DCFTA between the EU and Georgia and the Republic of Moldova, ECORYS, 27 October 2012

Box 37 Economic Impact & implications of a FTA between EU and Georgia

“With regard to the agro- food sector, a Deep FTA only might matter if it increases the incentives to adopt EU regulations and quality standards to a larger extent than the already existing measures (GSP/GSP+, PCA and ENP Action Plan).” This is illustrated by adoption of a phased implementation of PSP measures through a provision¹⁰⁶:

Excluding the small-farm sector from the EU SPS acquis for what would be a long transition period; fixing this transition period on indicators such as the GDP per capita is not a solution because the small-farm sector is so large and disconnected from the rest of the economy; the transition period should rely on a review of the situation on a regular basis:

- Allowing a very progressive introduction of the general food safety laws in the interest of Georgian consumers; the progressivity dimension is crucial in order to minimize the risks of destabilizing food price surges;
- Defining a mechanism ensuring Georgian compliance with the SPS acquis for Georgian major agricultural exports to the EU; this mechanism should be implemented in a progressive way, that is, as and when Georgian exports become no-table (in quantities) and regular (in time).

Note: CASE Network Reports, No 79/2008

Only in case of a deep FTA, which would lead to the adoption of EU regulations and quality standards, could the export potential of Georgian agro-food products improve and allow some products to capture larger market shares within the EU. These are, however, highly competitive markets (as with wine) with several well- established players in EU Member States. Here, Georgia clearly has to find a market niche in the low to medium price segment.

¹⁰⁶ An appraisal of the EU’s trade policy towards its Eastern Neighbours: the case of Georgia.

Furthermore, it has to be asked whether there is actually the capacity on the side of the Georgian authorities and businesses to implement a Deep and Comprehensive FTA.

Two things are especially important for Georgia to get a larger share of European Agriculture and food market – foreign firms have to come to Georgian Agriculture and the food safety certification system has to satisfy EU regulations. There are some successes to date – e.g., Georgia's wine and hazelnuts industry. These exporters rely on special food safety certification arrangements and not on the dysfunctional general SPS certification system. A Deep FTA and Deep FTA+ could only create more favourable conditions for this to happen but it will be up to the private sector to take or pass these opportunities.

To conclude, the DCFTA, while it will bring overall benefits to Georgia, will help some and hurt others. There are some success stories to date, but the strict assessment of the indicator as stated, that DCFTA is resulting in increased access to European markets, is not true, at least to the extent that access is considered as penetration. Only better standards and better contact with commercial interests in Europe will bring increased Georgian exports to Europe. In the meantime, Georgia's population will enjoy the benefit of cheaper imports of Europe – with negative impacts on some.

Bearing in mind that the Agriculture sector in Georgia, is made up largely of smallholder farms, is undergoing dramatic restructuring and change, but as of yet still requires a considerable way to go, the costs incurred¹⁰⁷ by Georgia as a result of the DCFTA may not be managed in the short to medium term. Particularly some flexibility on the phyto-sanitary requirements at the smaller producer level and for traditional Georgian products would be helpful.

Sources of information used

- Trade Sustainability Impact Assessment in support of negotiations of a DCFTA between the EU and Georgia and the Republic of Moldova, ECORYS, 27 October 2012.
- Assessment of the Agriculture and Rural development Sectors in the Eastern Partnership Countries, FAO, December 2013.
- CASE Network Reports, No 79/2008.
- An appraisal of the EU's trade policy towards its Eastern Neighbours: the case of Georgia, Groupe D'Economie Mondiale Sciences Po, Paris Centre For European Policy Studies, Brussels 2011.
- Visit to NFA in Ajara and In Tbilisi.
- Interviews with NFA.

¹⁰⁷ May include in the short to medium term social costs, unemployment rise, short term imports rise some ag commodities, failure to meet phyto-sanitary requirements in short term, shutting out market opportunities.

4 EQ4 on Civil Society

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

4.1 JC41: EU support to Civil Society was strategically coherent and well coordinated

This JC was assessed on the basis of three indicators: an appropriate mix of support across different types of Civil Society organisations, degree of coordination (or, what is close to the same thing, coherence) with support to the focal sectors, and coherence and complementarity between the various instruments used to support Civil Society development.

Georgian Civil Society can roughly be divided into three classes: (i) organisations that are moribund or consist merely of informal associations of a few like-minded persons, (ii) those that have potential, and perhaps good ideas, to contribute to Civil Society development but have low capacity and no track record, and (iii) those with both capacity and track record, who are likely to already be international support recipients. One of the positive developments over the evaluation period has been the development of middle-tier NGOs, mostly in secondary cities, that are financially viable (including attracting EU funding) and have been coalescing into networks supported by the EU. While it is still true that EU funding procedures effectively exclude very small, grass-roots level NGOs, it would be incorrect to say that EU funding has gone only to the elite few.

Most EU support goes to Tbilisi-based organisations – in a ratio of about three to one – but the situation has been getting better. In the area of Agriculture and Regional development, there has been support to organisations, including CBOs, in some regions such as Adjara. The COMBI integrated poverty reduction project provided support to five CBOs in target municipalities. Civil Society groups were increasingly involved in monitoring the implementation of the IDP sector programme and the EU supported community-based CSOs in their dialogue with municipal authorities. Under COBERM I and II, and using other means, as well, the EU supported Civil Society in Abkhazia and, to a lesser extent because of the more intransigent attitude of the de facto authorities, South Ossetia.

NGOs receiving EU support (apart from those in Abkhazia) have been uniformly pro-European integration, and the Civil Society Facility (see JC 42) explicitly supports the contribution of Civil Society to the European project. No support appears to have gone to Church-affiliated groups, although the Orthodox Church is far and away the most trusted Civil Society force in Georgia, nor was there support to obviously separatist or pro-Russian groups. Apart from this, no information has been gained on the partisan leanings of NGOs supported.

Support to Civil Society development was coherent with EU political dialogue, including the human rights dialogue initiated in 2008. Among the non-financial instruments for EU support is structured dialogue with Civil Society. Of particular importance was the EU-Government-Civil Society “trialogue” in the months leading up to and following the landmark October 2012 parliamentary election.

Coordination and coherence with sector policies (I-412) has been generally found to be good. In justice, Civil Society has played a role since the beginning of sector reform policy in setting strategy. NGOs helped to design and monitor the Justice sector programme and have provided services in areas such prisoner rehabilitation, in addition to implementing EIDHR and later EaPIC projects in juvenile justice, conditions of detention, and access to justice (see also JC 42). These Civil Society projects helped to fill gaps in the overall justice programme because they were able to cover areas in which government interest was weak and political will lacking. The role of Civil Society in conditions of detention, penitentiary reform, and anti-torture has been limited by the closed nature of the Georgian penitentiary system, however, conditions of access improved over the years covered by the evaluation.

The situation of Civil Society in PFM has been weaker, as even though there have been some improvements, only a few NGOs have the capacity to contribute to reform. Civil Society

is represented on the MoF-chaired coordinating committee but reform itself has been dominated by technical interventions rather than an overall vision; an approach that does not encourage Civil Society involvement either in setting strategy or monitoring implementation. The Civil Society organisation with perhaps the greatest capacity to analyse PFM, the Economic Policy Research Centre, is not represented on the Committee.

In Agriculture, Civil Society contributed to designing the Law on Cooperatives, which lies at the heart of the reform, to strategy design, and to local decision making.

In IDPs, the role of Civil Society has increased over the evaluation period. NGO representatives interviewed during the field mission universally expressed the view that the EU had, through its conditionality, opened up space for NGOs to influence IDPs policy. The GoG's eventual recognition of the importance of a livelihoods strategy, privatisation, and a needs-based approach all owed something to the contribution of Civil Society in alliance with the EU and other donors.

The basket of instruments is coherent in the sense that each instrument has been designed with a niche in mind– IfS for emergency response, CSF for promoting pro-European views, EIDHR for flexible support to human rights, rule of law, and vulnerable groups, NSA/LA for local CSOs. However, as alluded to above, all but IfS run on calls for proposals that impose relatively high barriers to entry. There is no instrument suited to financing high-risk, possibly high-value added interventions. Minimum grant sizes pose difficulties for extremely small groups. There is no instrument that can provide sustained core support for institutional development and capacity building (10% of EIDHR funds can be used for capacity building, but these resources are already quite thin). The EU finances actions, not institutions.

While the relevant indicator (I-413) refers to coherence within the basket of instruments, it is important to consider, as well, the coherence of Civil Society support with the Georgian context. Civil Society representatives with wide regional experience confirmed 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 ranks. A prominent assessment of Civil Society in the middle of the evaluation period found that, despite these favourable conditions, civic engagement was low and distrust was high, particularly at the grass-roots level. Impact on Government decision making was, at least at the mid-point of the evaluation period, judged modest at best (see JC 42). Evidence gathered during the field phase– a Caucasus Research Resource Centre survey of public attitudes in 2014 that permits a comparison with the situation in 2010, interviews with Civil Society representatives, and discussions during a focus group with Civil Society groups - all indicates that the situation has gradually improved. Public awareness of the role of Civil Society has increased, as has trust. All this must, however, be set in a context where the actual opportunities for citizens to engage in dialogue with the authorities, whether local or national, are limited both by the low level of civic awareness and the lack of mechanisms for engagement.

4.1.1 Indicator 411: Appropriate mix of support to different types of organisations (e.g., partisan and non-partisan)

Presentation of the evidence gathered and detailed analysis

While the inventory found that only some EUR 6.6 million of aid to focal sectors was directly allocated to the focal sector "Civil Society," total aid channelled through Civil Society was much larger: EUR 29.9 million channelled through international NGOs for focal and non-focal sectors combined and EUR 22.3 million through national NGOs for focal and non-focal sectors alike. While recognising the role of international NGOs in partnering with national NGOs, in addressing this EQ we have concerned ourselves particularly with aid channelled through national NGOs. Through learning by doing, capacity building, and institutional development,

this aid has considerable potential to contribute to Civil Society development and the contribution of Civil Society to democratic development.

Numbers can be deceptive when examining Georgian Civil Society. As of 2012, over 17,000 NGOs were registered in Georgia¹⁰⁸ but the number active can be numbered in the hundreds and the number at national level with tangible impact on policy or people's lives can probably be numbered in the dozens – one representative of a leading think tank put the number at less than twenty. There is a significant and growing number of second-tier NGOs in the regions, however.

When sorting Georgian CSOs into types or classes, no distinction is more important than that between those that are viable, going concerns and those that are not. A problem that has been pointed out in multiple Civil Society support evaluations, in multiple settings, is that those that have funding, get more, and those that do not, do not. As one NGO representative explained, within the top tier, Civil Society grants are a “booming business” – major NGOs are implementing 6-10 grants apiece, project proposals are being written by U.S. and European-trained experts, etc. As found in a study commissioned by the European Parliament's Committee on Foreign Affairs¹⁰⁹, current EU processes seem based on the assumption that all CSOs have the capacity to apply for support on a fair basis, whereas in fact, it is only an elite few that have sufficient capacity to apply and implement support. However, one of the more positive developments in Georgia is that the second-tier organisations noted above are increasingly successful in obtaining EU funds and there was unanimity among persons interviewed during the field visit that above the grass-roots level, Georgian NGOs have become reasonably effective grant seekers. At the same time, however, without access to core funding, they are mostly project implementers and are unable to put significant time and effort into developing their institutional capacities.

In general, support for the following groups is rare: grass-roots community organisations, faith-based organisations, diaspora organisations, the media, and private sector organisations.¹¹⁰ A Civil Society mapping due to Civicus¹¹¹ and dating from the middle of the evaluation period identified the single strongest Civil Society organisation to be the Orthodox Church followed by various other groupings identified by the experts as defending “traditional” and Russian interests. Professional associations are weak and trade unions underdeveloped due to the Soviet legacy of a compliant labour movement.

According to the inventory analysis, 43% of total EU aid channelled through NGOs was channelled through Georgian national NGOs. An issue of consequence is the balance of support as between Tbilisi-based NGOs (the largest of which may have regional offices), regional NGOs mostly located in the secondary cities of Georgia and grass-roots local NGOs. Most donor support obviously goes to the former, because the latter do not have the capacity to implement projects of significant size. Yet, there was a significant presence of regional NGOs, particularly in implementing projects in the domain of agricultural and regional development (see below) but also civic education, Criminal Justice, and IDPs (monitoring and community relations). According to the inventory, of the 43% of total support channelled through NGOs that went through national NGOs, the ratio of Tbilisi-based to region-based was about three to one. All Civil Society representatives interviewed during the field mission expressed, one way or another, the need to shift support to NGOs outside Tbilisi, to get away from the practice of implementing projects in the regions through regional offices of large Tbilisi-based NGOs, and to generate more grass-roots projects.

Due to low capacity, the language barrier, and isolation, it has proven very difficult to work with CSOs in the predominantly minority regions. This is unfortunate, because in these regions there is little sense of “belonging” to Georgia.

¹⁰⁸ USAID, 2012 CSO Sustainability Index for Central and Eastern Europe and Euroasia, p. 2.

¹⁰⁹ Directorate General for External Policies Policy Department, Improving the EU's Support for the Civil Society in its Neighbourhood: Rethinking Procedures, Ensuring that Practices Evolve. 2012.

¹¹⁰ Improving the EU's Support for the Civil Society in its Neighbourhood, p. 15.

¹¹¹ An Assessment of Georgian Civil Society 2010, p. 20.

However, in the areas of IDPs and Conflict Resolution the EU supported a range of NGOs/CSOs in Georgia. In the immediate wake of the conflict, IFS was used to support INGOs to provide emergency aid. Later, as evidenced in answering EQ 5, CSOs were heavily involved in monitoring IDP support, especially housing, and in promoting civic engagement and harmonious relations between IDPs and host communities (e.g., in Zugdidi).

For political reasons, it is difficult for the EU to support NGOs in Abkhazia and South Ossetia,¹¹² and difficulties increased after the 2008 war. In the aftermath, it became difficult for Abkhazian CSO representatives to engage Georgian counterparts at all, in addition to which, acceptance of support under an EU allocation for Georgia programmes was difficult.¹¹³ In South Ossetia, the EU supported the OSCE to work with local Civil Society organisations until the de facto authorities ejected that organisation from their territory following the conflict.

Despite the challenges, the EU remained active. International NGOs with specialised experience in conflict situations and experience in the region were supported by COBERM I and II in Abkhazia through COBERM I and COBERM II projects IFS-RRM/2010/022-374 and IFS-RRM/2012/024-280 respectively. Examples of local NGOs supported in Abkhazia were Association of Women in Abkhazia (human rights and women) and Union of Business Women of Abkhazia (creation of business incubators), the Article 19 International Centre Against Censorship (freedom of information and women's issues in Sukhum, Gudauta, and Tkvarchali districts), Sukhum Media Club (human rights and rights of women), Centre for Humanitarian Programmes (co-operation between Civil Society and local authorities), Civic Society Development Centre (human rights), and Sukhum Youth House. The EU supported NGOs who assisted Abkhazian IDPs in Georgia¹¹⁴. In addition, COBERM also supported Georgian NGOs to work in Abkhazia, e.g. Association Peaceful Business Caucasus, Eurasia Partnership Foundation. EU support was useful in strengthening moderate voices, but extreme ones (including ex-combatant NGOs) remained stronger. The difficulties of engaging in Abkhazia, and the possibility that the EU might have found more ways to do so, are discussed in detail under EQ 6 on Conflict Resolution and Confidence Building. An independent evaluation¹¹⁵ found that EU support to Civil Society in Abkhazia was highly effective, but inefficient and of limited impact.

As alluded to above, the restrictive attitude of authorities in South Ossetia made support for Civil Society organisations in that breakaway region more difficult.

In Agriculture, many regional CSOs have been supported. Regional support has been especially strong in Guria, where agricultural and regional development has been a focal sector. A key CSO, focused on support to cooperative development and the interests and rights of smallholder farmers, is the Georgian Farmers Association, which has been supported under ENPARD. Through the COMBI project (described below) the EU supported the involvement of Civil Society groups in five municipalities in integrated poverty reduction activities. In the justice reform areas, while most support was provided to Tbilisi-based CSOs, there was some support for regional NGOs, as well: CIDA from Kvemo Kartli, Institute of Democracy from Adjara, Guria Youth Centre, and Toleranti from Samegrelo-Zavkheti.

No information has yet been gained on the political and party orientation of NGOs supported. Two facts are, however, clear. The CSO that is overwhelmingly the most trusted is the Orthodox Church, yet Church-affiliated organisations were not partners in EU co-operation. As called for by the terms of reference for the programme, which has the explicit goal of promoting European integration, CSOs with whom the EU engages through the 160-strong Georgia National Platform of the Civil Society Forum are uniformly pro-European in outlook. CSOs defending traditional values and espousing pro-Moscow attitudes are not part of the picture.

¹¹² Levers for Change: the EU and Civil Society in the Eastern Neighbourhood. FRIDE Policy Brief No. 154, April 2013, p. 4.

¹¹³ *Ibid.*, pp. 24-25.

¹¹⁴ The EU and Civil Society in the Georgian Abkhaz Conflict, Microcon Policy Paper 12, June 2010.

¹¹⁵ Review of EC Assistance In Abkhazia Final Report, April 2011, p. 32 ff.

Sources of information used

- Directorate General for External Policies Policy Department, Improving the EU's Support for the Civil Society in its Neighbourhood: Rethinking Procedures, Ensuring that Practices Evolve. 2012.
- Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017.
- The EU and Civil Society in the Georgian Abkhaz Conflict, Microcon Policy Paper 12.
- Levers for Change: the EU and Civil Society in the Eastern Neighbourhood. FRIDE Policy Brief No. 154, April 2013.
- Review of EC Assistance In Abkhazia Final Report, April 2011.

4.1.2 Indicator 412: Coordination with sectoral support (e.g., Justice sector, IDPs, Agriculture, PFM)

Presentation of the evidence gathered and detailed analysis

Inventory analysis showed that by far the largest areas of aid channelled through national and international NGOs together were IDPs, Conflict Resolution, and confidence building (39%), and non-focal sectors (34%), the latter consisting mostly of good governance, water and energy, education, and transport. PFM, Criminal Justice, Civil Society development, and Agriculture and Regional development between them accounted for only a bit over 25%. Within the aid channelled through national NGOs, in contrast, less than 10% went to confidence building, IDPs, and conflict settlement and about half went to non-focal sectors, in particular, democracy and human rights. Relatively larger shares went to specific focal sectors including, of course, aid directly devoted to strengthening Civil Society. The main reason for the large difference between the sector mix for national and international NGOs is that the latter were often involved in providing housing and infrastructure for IDPs.

Along with TA and capacity building, support to Civil Society is an important complement to budget support. In most sectors, Civil Society support was both complementary to and coherent with budget support, suggesting adequate coordination. The Justice SPSP integrated Civil Society at all stages, but mostly in the later years of the evaluation period. CSOs have, according to the *Roadmap*¹¹⁶ contributed to programme design, legislative drafting and design of Action Plans, and their monitoring. Specific actions mentioned are capacity building at the Georgia Bar Association and EIDHR and CSF support to strengthening CSOs' role as service deliverers in prisoner rehabilitation and re-orientation. It was found in answering EQ 1 that, despite early difficulties, NGOs were eventually able to gain improved access to detention facilities in order and fulfil a monitoring role. Even at the beginning of the evaluation period, they were active in drawing attention to ill-treatment of prisoners, a warning they continued to sound throughout (see Indicator I-111) in the face of political indifference. During the earlier part of the evaluation period, the main instrument used to support CSOs was TACIS Georgian NGOs substantially contributed to juvenile justice reform. Fairly late in the evaluation period, budget support funds were directly used under the EaPIC More for More mechanism to finance NGOs working in rehabilitation, re-socialisation, and re-integration of paroled prisoners and service delivery within prisons. Also under EIDHR, NSA/LA and EaPIC funding, NGOs were able to conduct limited public awareness campaigns to inform members of the public of their legal rights (see Indicator I-21).

Civil Society is represented in the PFM Reform Coordination Council chaired by the MoF as required by the PFM SPSP.¹¹⁷ Interviews during the field phase suggest that Civil Society involvement in monitoring PFM reform, while growing, is still weak (see Indicator I-223). In answering EQ 2, it was suggested that the reason for lack of Civil Society involvement in sector strategy setting and implementation monitoring was low capacity and institutional mistrust (Indicator I-222). Field interviews with leading think-tank experts indicated that issue-

¹¹⁶ Roadmap, p.12.

¹¹⁷ However, one of the premier CSOs with capacity to monitor budget processes, the Economic Policy Research Center (EPRC), despite its interest, to this date is not a member of the Council.

based comments by leading NGOs regarding PFM were likely to be regarded by the MoF as a political attack. The barriers to effectively using Civil Society as a monitoring resource were exacerbated by the nature of the sector reform programme itself. There was no effective structure for monitoring the PFM Reform Strategy as a whole, but only for monitoring its sub-areas, leading to an activity-oriented and technical monitoring approach. It is precisely in such technical areas where the capacity of Civil Society would be expected to be weakest and mistrust of their competence greatest. The situation appears to be changing for the better – Government interest in seeing NGOs play their proper role in reform monitoring is growing and the EU has recently supported a joint programme with SIDA to strengthen Civil Society capacity in the PFM area – but it is still the case that only a handful of NGOs (e.g., Transparency International and Economic Policy research Center) comment on PFM. According to experts interviewed, NGO capacity in PFM outside Tbilisi is almost non-existent despite some efforts (e.g., Eurasia Partnership Foundation) to build it.

The Memorandum of Understanding signed between the Georgian Platform and Parliament has the potential to increase Civil Society's role in providing expertise to the Budget Committee, but the latter has itself so far been a fairly weak player in PFM reform and enforcing budget transparency (see also Indicator I-413 for further discussion of the Platform).

In Agriculture, the EU founded in 2009 and has since chaired the Donor Coordination Group (DCG) bringing together donors, international organisations, NGOs, farmers' associations, and government agencies.¹¹⁸ The DCG has since been transferred to the International Relations Department of the Ministry of Agriculture in the framework of ENPARD. Under the Agriculture Sector Policy Support Programme (SPSP) umbrella, Civil Society input to the elaboration of the Strategy for Agriculture Sector Development in 2011-12 was assured. Agriculture budget support involved CSOs in the design and monitoring of specific initiatives such as the Law on Cooperatives, as well as the work of the National Food Agency.

At the regional level, support to CSOs, largely Community Based Organizations (CBOs) involved in cooperative development, including Advisory Service Centres (ASC), was integrated into the wider Agriculture development strategy. Support to Civil Society aimed at enabling local stakeholders at various levels from CBOs through to local governments and regional development councils to provide input into sector strategy. For example the EU ENPARD Adjara Project supported elaboration of a strategic development plan supporting the ASC. Support to Civil Society increased the capacity of farmers' groups, Agriculture service providers and the public sector to collaborate effectively and provide relevant business services to small scale farmers. This, as well as strengthening farmers' voices in agricultural policy decision making, contributed to better implementation of the Agriculture sector strategy. The Non-state Actors / Local Authorities instrument was used to finance projects on agricultural development and environmental protection.

In contrast to Agriculture, there were no Government-Civil Society consultations regarding reforms in the energy, environment, and natural resource sectors.¹¹⁹

In the area of IDPs, the EU advocated and conditioned that space was opened up for NGOs/CBOs consultation and involvement of Civil Society (Support to Georgia's IDPs Action Plan: 2009 Part III). It also financed complementary measures IFS-RRM/2009/021-737 in the project *Supporting the socio-economic integration of IDPs and their host communities through engagement in active dialogue and decision-making*. During the field phase, all representatives of Civil Society consulted expressed the view that the EU had made an enormous contribution in opening up political and policy space for NGOs in the IDPs area. An example of their impact on policy may be found in their consistent support, along with the EU and other international stakeholders, for a livelihoods component to GoG IDPs policy (see Indicators I-531 and I-532). Civil Society has been involved in strategic design and monitoring through representation at Ministry of Refugees and Accommodation Steering Committee. A consultative role for CSOs was one of the conditionalities of IDP-IV and evidence was found of

¹¹⁸ Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017, p. 10.

¹¹⁹ The Eastern Partnership Roadmap to the Vilnius Summit Georgia Assessment May 2012-October 2013, p. 3.

increasing involvement of Civil Society over the evaluation period (see Indicator I-I-521). Also important was the continued use of its variety of channels with the government and technical support to budget support to promote the expertise and accountability role of CSOs/NGOs - Support to Georgia's IDPs Action Plan: 2009 Part III ENPI/2008/020-51 and ENPI/2009/021-783. The important contribution of the COBERM projects to the EU's confidence-building efforts in the breakaway regions and Georgia was the subject of Indicator I-621.

A key modality for ensuring coordination of Civil Society support with sectoral programmes is Civil Society involvement in ENPI programming. An overall DG External Policies assessment¹²⁰ (mid-way through the evaluation period) of the involvement of Civil Society in EU programming in the Neighbourhood was negative, with involvement at the CSP formulation stage regarded by CSOs as perfunctory. The *Georgia Roadmap* offers a more optimistic assessment. In Georgia, for the NIP 2011-13, there was an effort at consultation with CSOs, although an assessment indicated that uptake was limited and the messages received were hortatory.¹²¹ During the field phase, some Civil Society representatives, as well as EUD staff, interviewed referred to "consultation fatigue," referring to the fact that the small group of elite NGOs with good capacity are heavily solicited for input into shaping donor priorities.

On an operational note, when an EIDHR proposal is considered, there is always consultation within the EUD with the sector officer. There is close co-operation between the programme officer responsible for EIDHR and the programme officer responsible for the Civil Society Facility.

Sources of information used

- Mid-term Review of ENPI Programming Documents – Consultations of Civil Society Organisations and other external stakeholders.
- Directorate General for External Policies Policy Department, *Improving the EU's Support for the Civil Society in its Neighbourhood: Rethinking Procedures, Ensuring that Practices Evolve*. 2012.
- Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017.

4.1.3 Indicator 413: Coherence and complementarity between instruments used to provide support (EIDHR, NSA, CSF, budget support)

Presentation of the evidence gathered and detailed analysis

A list of the major sources of support, their strengths and weaknesses, is given in *Improving the EU's Support for the Civil Society in its Neighbourhood*. The main instruments:

- EIDHR (35% of all aid channelled through Civil Society) is run on a global / local call-for-proposals basis and can fund a wide variety of institutions, from individuals to CSOs to international organisations. A high level of technical capacity and an established track record are generally required for a successful application. Some possibilities for smaller NGOs are opened up by the possibility of re-granting, i.e. sub-contracting, but this suffers from the distinct disadvantage that such funds are not tax-exempt from the receiving institution's point of view. EIDHR has financed a wide range of projects in Georgia and its country-level activities are managed directly by the EU Delegation in Tbilisi. Many EIDHR projects in Georgia have promoted the interests of vulnerable persons, such as victims of domestic violence, ethnic minorities, IDPs, etc. During the field phase, NGO representatives pointed to re-granting as a key means of developing grass-roots Civil Society involvement and capacity. EIDHR funding, about EUR 1 million per year in recent years, will be slightly lower, about EUR 800,000 going forward.

¹²⁰ *Improving the EU's Support for the Civil Society in its Neighbourhood*, p. 19.

¹²¹ Mid-term Review of ENPI Programming Documents – Consultations of Civil Society Organisations and other external stakeholders. pp. 6-7.

- ENPI (31% of all aid channelled through national Civil Society organisations) finances the Civil Society Facility (CSF), established in 2009. CSF operates on a local Call for Proposals basis. The CSF is geared towards building Civil Society capacity for monitoring and policy dialogue and encouraging the involvement of Civil Society in areas related to European integration. In each call, 7-120 concept notes are received and about one in ten succeed. The EU Delegation has set up a network of Civil Society Facility grant recipients.
- Non-state Actors / Local Authorities (NSA/LA, 12% of EU assistance channelled through national Civil Society organisations), financed by DCI, run on a global / local call-for-proposals basis sufficiently demanding that only well-established NGOs are likely to obtain funding. NSA/LA aimed at building capacity for democratic development at the local level. In that sense it is complementary to efforts targeted more at the national level (which would, for example, include the CSF).
- Instrument for Stability (IfS, 9% of EU aid channelled through national Civil Society organisations) provided significant finance to Georgian CSOs in the wake of the Abkhazia and South Ossetia crises. IfS is designed to be a flexible response instrument in urgent situations, especially those involving crisis and conflict. It is particularly appropriate to confidence building and the needs of IDPs. In Georgia, IfS provided a rapid response mechanism to the crisis of the 2008 war. A significant share of activities financed by IfS has been implemented by CSOs;
- A small amount of support was channelled through other implements such as DCI-financed thematic budget lines (e.g., Migration and Asylum, which financed a project on Georgian migrants to Turkey).

With the exception of IfS, the major EU CSO support instruments are all run on a call for proposals basis, with requirements sufficiently stringent that grass-roots NGOs find it hard to apply successfully, a point made above in addressing I-411. However, during the field phase it was reported that a strong middle-layer of NGOs, many outside the capital, with a successful track record in EU calls for proposals is emerging and coalescing as a network. An example the network of some 50 regional NGOs, some 30 of them active, coordinated by the Civil Development Agency (CiDA) located in Rustavi (just outside Tbilisi).

A problem pointed out during the field visit is that the minimum EIDHR grant is EUR 0.25 million and the minimum Civil Society Facility grant is EUR 0.4 million – given the limited funding envelopes available this makes the call for proposals process inefficient because a large group of applicants will be competing for a handful of grants.

The instruments are coherent in the sense that they all aim to empower Civil Society, to help it act as a catalyst for democratic development, etc. There are aspects of complementarity, as evidenced by the fact that each instrument had its own niche – e.g., IfS for emergency response, CSF for promoting pro-European views, EIDHR for flexible support to human rights, rule of law, and vulnerable groups, NASA/LA for local CSOs. Missing from the mix, however, are (i) an instrument that well-suited for core, institutional support of CSOs (see discussion of capacity below) and (ii) an instrument that, through its user-friendly application and reporting processes, would be suitable to finance high risk but possibly high value-added projects proposed by small, possible young, NGOs. Regarding (i), 10% of EIDHR funds may be used for capacity building, but the overall level of funds available for Georgia is limited.

During the Desk Phase, the coherence of the entire Civil Society support package with the Georgian context was questioned. The 2013 Enabling Environment Index as calculated by Civicus gave Georgia high marks on the governance dimension (policy dialogue, legal regime, associational rights) but low marks on the socio-cultural dimension, which encompasses trust and participation.¹²² More recent survey evidence, however, gauging changes between 2010 and 2014, however, suggest that the situation has been improving, with attitudes towards Civil

¹²² Civicus Enabling Environment Index 2013, cf. Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017, p. 3.

Society more positive and levels of civic engagement increasing. Field interviews and comments received during an NGO focus group tended to confirm this.

Among the non-financial instruments for EU support is structured dialogue with Civil Society. The *Roadmap* cites (p. 10) EU-funded dialogue involving the Georgian National Platform of the Civil Society Forum, the Rule of Law Roundtable established by the EU Delegation in 2008, and the Election Technical Working Group co-chaired by the EU Delegation and UNDP since 2008. The existence of the National Platform was universally saluted by NGO representatives interviewed during the field phase, although some concerns were expressed about its governance structure, to such an extent that one prominent Civil Society representative expressed doubt that the Memorandum of Understanding signed with Parliament really represented the position of the Platform as a whole. Another was of the view that the Platform was aligned mostly with the Association Agreement rather than the needs of Georgian Civil Society.

There is also some dissatisfaction with the governance of the regional Civil Society Forum bringing together the various National Platforms. One NGO representative interviewed spoke of the need for better connection of National Platforms to the Civil Society Forum and improved communication with EU structures.

Another major non-financial instrument is political dialogue. The human rights dialogue in Georgia, dating from 2008, has always involved preliminary meetings with Civil Society.¹²³ As discussed under the role of Civil Society in the IDP sector, all reports received are that the EU effectively used its political leverage to ensure a significant and growing role for Civil Society.

Sources of information used

- Civicus Enabling Environment Index 2013.
- Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017.
- Directorate General for External Policies Policy Department, Improving the EU's Support for the Civil Society in its Neighbourhood: Rethinking Procedures, Ensuring that Practices Evolve. 2012.

4.2 JC42: Civil Society plays an increasing role vis-à-vis Parliament and the Executive, and institutions at local level

In December 2013 a Memorandum of Understanding was signed between the Georgia National Platform of the CSF, representing about 160 NGOs, and Parliament, and there is reported to have been increased parliamentary interest in the views of NGOs since the October 2012 elections. Limitations are reported, however. Despite donor encouragement and support, NGO input into Parliamentary budget oversight is limited, in part because Parliament itself has not fully take up the challenge. Splitting Parliament's activities between Tbilisi and Kutaisi complicated matters.

Civil Society has 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" before and after the October 2012 elections has been alluded to at several places: largely as a result of CSO involvement, politically driven election-law amendments were avoided and media coverage of the political campaign was enhanced. This marked a significant (and non-financial) EU contribution to the involvement of Civil Society in participative democratic development. As reported at several points, technical ministries such as the Ministry of Finance have been reluctant to use NGO expertise. However, Civil Society has been involved in advising the Ministry of European and Euro-Atlantic Integration on its European communications strategy. Whether Civil Society views were taken into account in negotiating the Association Agreement and DCFTA is more doubtful.

Whether CSO involvement with government has an impact, at least roughly mid-way through

¹²³ Improving the EU's Support for the Civil Society in its Neighbourhood, p. 12.

the evaluation period (and pre-October 2012 parliamentary elections) can be debated. 67.3% of CSOs reported that they engage with Government in policy discussions. 8.1% judged that they had had zero policy impact, 69.7% judged that they had had minimal impact, 20.2% were able to identify at least some verifiable impact, and 2% felt that they had had strong impact. Not surprising, external assessments of impact were significantly lower. The conclusion of the analysts, CIVICUS, was that CSOs have very limited availability to influence either Government or the general public. The same results could, however, be interpreted as implying that Civil Society had a significant, but modest impact. Field mission interviews all indicated that government openness to dialogue with Civil Society increased after October 2012, in part because many members of the new government had formerly been in Civil Society. The same experts, however, often warned that it was not clear that this openness would last indefinitely.

Apart from Justice sector, where NGOs have delivered services to both prisoners and released prisoners, and scattered examples such as an NGO running a day care centre, CSO involvement in service provision appears to be fairly low. National government can now make grants to CSOs rather than enter into service contracts, but this does not cover local authorities. While some CSOs market their services, competition from the private sector is strong and there is no advantage in tax and business law for CSOs.

Civil Society engagement in sector strategy setting and implementation monitoring was discussed under JC 41.

At the local level, the low capacity of both Civil Society organisations and municipality authorities is a barrier. In answering EQ 3, however, the important role of local organisations in setting Agriculture development strategy was cited. Civil Society was engaged in promoting dialogue between IDPs and local authorities and advocating for the priorities of IDPs.

4.2.1 Indicator 421: Civil Society participates in Parliamentary structures (e.g., advising committees, giving position papers during drafting of legislation)

Presentation of the evidence gathered and detailed analysis

The new post-October 2012 Parliament has evinced a stronger appetite for shaping national policy.¹²⁴ In December 2013, 160 NGOs signed a Memorandum of Understanding with Parliament aimed at enhancing Civil Society's collaboration with Parliament (see also Indicators I-412 and I-413). A similar initiative at regional level took place in Adjara. The Georgian National Platform of the Civil Society Forum has collaborated with Parliament to disseminate information on European integration, held over 80 meetings, and organised three Government-civil-society-EU conferences.

There has been a great deal of Civil Society involvement in providing expertise to Ministries (I-422) and the *Roadmap* claims¹²⁵ a significant EU contribution to the growing involvement of Civil Society in Parliamentary activities. However, there is little evidence of CSO involvement with Parliament in the Justice sector or Agriculture and Regional development. As stated under Indicator I-412, Parliament itself has not been very aggressive in ensuring budgetary oversight or involving itself in PFM. The fact that the chair of the Budget Committee is not from the opposition party, generally considered international good practice, is one reason. There is a danger that, in strengthening Civil Society's role in advising Parliament on budgetary matters, the analysis and oversight of Parliament itself will be crowded out. In 2009-12, there was an EU-financed project to increase Parliamentary oversight (implemented by the Westminster Foundation under a sub-grant from UNDP) to the Economic Policy Center, but this was reported to have faced major challenges.

¹²⁴ *Idem.*, p. 5.

¹²⁵ *Roadmap*, p. 11.

An achievement noteworthy in the context of anti-LGBT violence was the collaboration of CSOs and Government to place before the Parliament a draft law making motives related to race, religion, sexual orientation or other bias an aggravating factor to the criminal offence.¹²⁶

The constitution of the Georgian National Platform of the Eastern Partnership Civil Society Forum in 2010, and the opening of its Secretariat in January 2013, marked significant steps forward in the involvement of Georgian CSOs in public policy discussions. At the same time, as noted under Indicator I-413, some representatives of Civil Society, while welcoming its presence, see the Platform as suffering from significant governance problems. One expert (and member) interviewed described the decision-making process as “chaos” characterized by a mass of personal disputes; another stated simply that it was incapable of collective decision-making. The NP has been especially weak in advocacy and its working groups are imbalanced, with Working Group 1 too large.

Sources of information used

- Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017.
- USAID, 2012 CSO Sustainability Index for Central and Eastern Europe and Euroasia).

4.2.2 Indicator 422: Government avails itself of CSO expertise and outsources service delivery where appropriate

Presentation of the evidence gathered and detailed analysis

The advisory role of Civil Society has been enhanced since the 2012 elections by the fact that many Government officials were new to the job¹²⁷ and eager for expert counsel.¹²⁸ However, Civil Society was active in engaging ministries well before the elections. For example, the Ministry of Justice has long availed itself of consultative councils for strategy-setting, legal drafting, and implementation planning. A good example is the consultative process for Criminal Justice reform, although consultations have been skewed toward select Tbilisi-based CSOs without finding a mechanism to also engage regional CSOs. Civil Society is involved in the Public Defender’s National Prevention Mechanism and the Coalition for an Independent and Transparent Judiciary. The EU provided technical support to the Inter-Agency Coordinating Council tasked with developing the National Human Rights Strategy and Action Plan, with the report of the EU Special Adviser on Human Rights, Mr. Hammarberg, providing a basis for the Strategy.

The *Roadmap* cites other areas, as well, where Civil Society has played a significant advisory role, including electoral reform, electronic surveillance, and media legislation. The *Roadmap* notes, however, that more technical ministries, particularly the Ministry of Finance, have been reluctant to utilise NGO expertise due to doubts about its quality and level of sophistication. This was confirmed in answering EQ 2 and independently by interviews with NGO representatives, who themselves said that only a handful of Tbilisi NGOs have the technical capacity necessary to monitor PFM, particularly given the way the monitoring process has been set up (see also discussion under Indicator I-421).

According to the *Roadmap*¹²⁹ there has been some progress in involving Civil Society in service provision in areas such as voter education, juvenile justice, and youth. In the areas of social services (IDPs, services to the elderly, etc.), Civil Society involvement has consisted more of filling gaps than serving as primary provider. This was confirmed in answering EQ 1, where Civil Society has been involved in monitoring prison conditions, delivering services to prisoners, working with released prisoners and young people in trouble with the law.

In the area of IDPs, the EU supported Civil Society to advocate for changes in government policy based on the position of knowledge, e.g. briefing papers on particular issues produced in the context of the project *Supporting the socio-economic integration of IDPs and their host*

¹²⁶ USAID 2012 CSO Sustainability Index for Central and Eastern Europe and Euroasia.

¹²⁷ Georgia EU Roadmap for Engagement with Civil Society 2014-2017, p. 4, p. 11.

¹²⁸ The Eastern Partnership Roadmap to the Vilnius Summit Georgia Assessment May 2012-October 2013, p. 1.

¹²⁹ Roadmap, p. 7.

communities through engagement in active dialogue and decision-making. Civil Society organisations were active in monitoring housing construction and were one of the main sources of persistent complaints about inadequate standards.

Through the Georgia National Platform, now with over 120 members, NGOs have been able to offer input particularly to the Office of the State Minister on European and Euro-Atlantic Integration and the Ministry of Foreign Affairs (recall that the CSF has a specifically European dimension). For example, in 2013, a group containing Platform members advised the Ministry on its Europe communications strategy. The Platform's membership is uniformly pro-European and has presented a united view on the breakaway regions. No CSOs from Abkhazia or South Ossetia participate¹³⁰.

While Civil Society has been involved at the sector level, it has had little input to provide input into high-level negotiations between Government and the EU regarding the Association Agreement, the DCFTA, and the Visa Liberalisation Action.¹³¹ An exception is various technical impact studies performed by think tanks.

The Civicus study *An Assessment of Georgian Civil Society 2010* assessed policy impact as judged both by CSOs themselves and by external experts. 67.3% of CSOs reported¹³² that they engage with Government in policy discussions. 8.1% judged that they had had zero policy impact, 69.7% judged that they had had minimal impact, 20.2% were able to identify at least some verifiable impact, and 2% felt that they had had strong impact. Not surprising, external assessments of impact were significantly lower.¹³³ Given the low level of public confidence in CSOs apart from the Church, the Civicus study concluded¹³⁴ that CSOs have very limited availability to influence either Government or the general public. This brings again to the fore the concern expressed in analysing I-413 – the coherence of the entire EU Civil Society support package with the Georgian context. The enabling environment – laws, etc. – is not ideal but certainly better than in most European Neighbourhood East countries. NGO capacity is similarly strong, at least relatively speaking. And yet actual impact, while significant, appears to have been modest as of the middle of the evaluation period. Given that public confidence in NGOs appears to have strengthened in the second half of the evaluation period and the change in government, recent trends have probably been more favourable to impact. More than one Civil Society representative interviewed, however, expressed fear that the initial openness of the new government to Civil Society consultations and input might not last.

The EU supported three dialogue platforms:

- Inter-agency Coordination Council on Criminal Justice Reform;
- Human Rights dialogue;
- Civil Advisory Unit created by the Ministry for European and Euro-Atlantic Integration for dialogue on European integration issues.

Examples of strategic policy dialogue reported to have been constructive were

- Illegal wiretapping (began April 2013);
- Labour Code amendments (March-June 2013);
- Amendments to law on common courts (December 2012-May 2013);
- Strategic Defence Review 2013 (2011-12).

All accounts give particularly high marks to the role of Civil Society in the months preceding and following the landmark October 2012 parliamentary elections. In the run-up to the parliamentary campaign, Civil Society was involved in discussions regarding pre-election legislative amendments and amendments to the law on broadcasting. CSOs and local media

¹³⁰ Center for European Policy Studies Special Report, *The Civil Society Forum of the Eastern Partnership Four Years On*, January 2014.

¹³¹ *The Eastern Partnership Road to the Vilnius Summit Georgia Assessment May 2012-October 2013*, p. 3.

¹³² *The Civicus study An Assessment of Georgian Civil Society 2010*, p. 39.

¹³³ *Idem*, p. 41.

¹³⁴ *Idem*, p. 42.

organisations implemented the “This Affects You, Too” campaign against election-driven partisan amendments to the law on political parties¹³⁵. The Georgian National Platform was particularly active. National Platform CSOs and media organisations under the umbrella of the Coalition for Media Advocacy successfully lobbied Parliament to enact the “Must Carry” rule that forced cable providers to carry all television stations with news programming for sixty days before the election.¹³⁶

More generally, the EU’s support of “dialogue” between the EU, Government, and Civil Society in the weeks prior to and following the October 2012 Parliamentary elections is seen as having served a crucial function. This brought together Civil Society (particularly the Coordination Council of the Georgian National Platform), the Government, and the EU Delegation in structured three-party talks.

Despite progress in areas such as justice and Agriculture, the full potential of CSOs in service provision remained underutilised. In 2012, with the support of the Civil Society Institute, a legal rule was put in place allowing central government bodies to make grants to local CSOs. Formerly government could obtain CSO services only through service contracts. The new modality has been used by the Ministry of Justice and Ministry of Youth and Sports, as well as the Central Elections Office in the context of voter education. The latter which was tied to the parliamentary election has been judged unlikely to be sustained. Moreover, local authorities remain outside the scope of the regulation, in addition to which, some CSOs are reluctant to accept public funding for fear of damaging their reputation for independence. The replacement of social welfare service delivery with a voucher system reduced the scope for CSO service provision in some areas. However, a number of NGOs market their services – examples include the Centre for Change and Conflict Management – Partners Georgia, Centre for Training and Consultancy, and Centre for Strategic Research and Development. As mentioned below, tax and business law do not offer any advantages to NGOs when they compete to provide services. Moreover, the quality of services provided often lags behind the private sector because of shortages of highly qualified staff.¹³⁷ Lastly, as was noted by several respondents during the field visit (e.g., by GCRT and GIP), in a more politically sensitive sector such as Criminal Justice, CSOs are less eager to utilise state funding, given the lack of objective selection procedures and the perception that generally seems to come with CSOs taking government funding.

Sources of information used

- Georgia EU Roadmap for Engagement with Civil Society 2014-2017.
- Centre for European Policy Studies Special Report. The Civil Society Forum of the Eastern Partnership Four Years On. January 2014.
- The Eastern Partnership Roadmap to the Vilnius Summit Georgia Assessment May 2012-October 2013.
- USAID, 2012 CSO Sustainability Index for Central and Eastern Europe and Euroasia.

4.2.3 Indicator 423: Evidence of improved dialogue between CSOs and local authorities achieved with EU support

Presentation of the evidence gathered and detailed analysis

In the area of decentralization, for which the MRDI is responsible, Civil Society is involved but the directions of reform to date have not conformed to Civil Society preferences. In general, the combination of low autonomy and low capacity outside the capitol limit decentralized opportunities for civil-society-local government collaboration. Among constraints cited by the *Roadmap*¹³⁸ are poor information flow to the regions, making dialogue ineffective, low capacity of local authorities, and lack of awareness of rights. Some projects have been successful,

¹³⁵ USAID, 2012 CSO Sustainability Index for Central and Eastern Europe and Eurasia, p. 4

¹³⁶ *Ibid.*

¹³⁷ USAID, 2012 CSO Sustainability Index for Central and Eastern Europe and Eurasia, p. 4.

¹³⁸ Roadmap, p.5.

however; for example, in Kutaisi an ongoing dialogue forum between citizens and the local authority has been put in place to discuss budget priorities. Four meetings attended cumulatively by over 500 persons and widely covered in local media had been held at the time of the field visit.

As justice and PFM reforms are largely centralised (although EU-financed projects implemented by groups such as IOD and the Guria Youth Club have contributed to dialogue with local authorities), the main areas where CSO dialogue with local authorities has developed are Agriculture and IDPs. In Agriculture, a concrete example of EU support helping local CSOs to achieve better dialogue with local authorities was EU support under ENPARD for development of the Adjara Agro Service Centre Strategic Development Plan 2014-2018. CSOs are heavily involved in the development of agricultural cooperatives under ENPARD, which involves dialogue with all local stakeholders including local government authorities.¹³⁹ For an example of CSO involvement with institutions at local level, see the description under Indicators I-312 and I-314 of the integrated COMBI project implemented by CARE, which worked with CBOs and local authorities in five targeted municipalities and had tangible poverty impact.

Civil Society organisations have been significantly involved in promoting harmonious relations between IDPs and local authorities. Dialogue between IDPs and local government authorities in the context of EU-financed co-operation was the subject of Indicator I-522. The project *Supporting the socio-economic integration of IDPs and their host communities through engagement in active dialogue and decision-making* achieved some positive results, while others, e.g. *Economic Development of IDPs in Georgia* are reported to have been less successful. One major success was achieved in Zugdidi, where an NGO-implemented project on civic engagement led to the identification of IDP priorities that eventually became the basis for the local development plan.

Sources of information used

- Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017.

4.3 JC43: EU Civil Society ability to function independent of donor support enhanced

This JC was assessed on the basis of indicators covering Georgian CSOs' capacity to raise funds and implement projects (I-431), increasing engagement in long-term strategic planning (I-432), and increasing operation independent of international donors (I-433).

Nothing learned during the field phase has changed the snapshot of the situation described earlier by CIVICUS: 37.4% of Georgian NGOs receive all of their financial resources from donors and 58.6% receive over half. Government support is rare (only 12% of NGOs surveyed had received government finance) and private donations, whether from corporations or individuals, are practically non-existent. One example was found during the field phase of a regional NGO that had received ongoing support from a major Georgian manufacturer of consumer goods, but this seems to have been more a form of advertising than genuine corporate civic engagement. Lack of government support is to some extent due to CSOs' fear of losing their reputation for objectivity and independence; lack of private sector support is in part explicable by the fact that the tax code does nothing to encourage it. What private philanthropy exists tends to go to charity and Church-based causes. It has been estimated that less than 10% of Georgian NGOs could be considered to have a diversified funding base.

One result is that NGOs adhere to donor agenda. It also leads to uncertainty and discourages long-term planning, capacity building, and strategic institutional development. As the EU support actions and activities, not institutions, there is a lack of resources to finance long-run institutional development, including capacity building for fund raising. Long-term staff development is difficult under such circumstances. An exception to the absence of

¹³⁹ *Idem*, p.12.

support aimed at capacity building is the project “Strengthening Capacities of the Georgian National Platform for Eastern Partnership” which began in January 2013.

4.3.1 Indicator 431: Capacity for fund raising and project implementation increased by EU support

The Civicus study, referring to roughly the mid-point of the evaluation period, reports (p. 31) that the share of donor funds in budgets is 100% in 37.4% of CSOs, over 70% in the budgets of 54.6%, and more than 50% in the budgets of 58.6%. 88% had never received support from any government agency, 95% never were supported by private business, and 83.2% never received private donations. Adopting a different approach, the *USAID 2012 CSO Sustainability Index for Central and Eastern Europe and Eurasia* cites expert opinion that only 10% of NGOs had a diversified funding base. Judged by conventional standards, these statistics amount to a fairly severe assessment of the financial sustainability of Georgian Civil Society.

The Georgia *EU Country Roadmap for Engagement with Civil Society 2014-2017* reports¹⁴⁰ significant progress was made in 2010-12 in strengthening CSO’s ability to fend for themselves financially. However, the same report notes¹⁴¹ that Georgian CSOs continue to adhere to donor agenda, sometimes diverting themselves from their core constituencies and missions. The *USAID 2012 CSO Sustainability Index for Central and Eastern Europe and Eurasia* says¹⁴² much the same thing, stating that smaller NGOs tend to migrate from theme to theme, thereby depriving themselves of the opportunity to develop a strong constituency. This is somewhat at variance with interviews at the EU Delegation, where it was reported that NGOs applying for grants outside their area of competence are extremely unlikely to be successful.

Opinions differ on the enabling environment for NGOs in Georgia. One NGO representative with wide experience in the region reported, the legal and fiscal conditions for NGOs compare favourably with other countries. The Roadmap reports, however, that legal restrictions and tax laws have combined with low capacity and distrust of the private sector to preclude any meaningful development of private-sector sources of finance for Civil Society.¹⁴³ Tax laws do not offer significant benefits or concessions to not-for-profit organisations, although grants from international donors are not taxed.¹⁴⁴ Private philanthropy in Georgia tends to be dominated by single-cause campaigns, e.g. raising funds to finance medical care for one person in urgent need. Much private-sector philanthropy is directed to charity and at the Church. One example emerged during the field phase of significant private sector support for a Civil Society organisation – a regional NGO had attracted regular support from a significant Georgian manufacturer of consumer goods. Here, too, however, the underlying reason appears to have been a search for good publicity rather than a strong sense of civic engagement.

It has been noted that EU support for CSOs is overwhelmingly project based, and action-oriented.¹⁴⁵ The ability of the EU to meet needs for organisational development, running costs not directly linked to project actions, and institutional development is limited. This effectively limits, as described above, the range of organisations that can obtain access to EU support. An exception to the absence of support aimed at capacity building is the project “Strengthening Capacities of the Georgian National Platform for Eastern Partnership” which began in January 2013.

The Civicus study *An Assessment of Georgian Civil Society 2010*, having set 75% of employees paid regular salaries as the threshold for human resource sustainability, found¹⁴⁶ that 43% of Georgian CSOs exceeded the threshold. This is partly, however, because of the

¹⁴⁰ EU Country Roadmap for Engagement with Civil Society 2014-2017, p.2.

¹⁴¹ *Idem*, p. 3, p.8.

¹⁴² *Idem*, p. 3.

¹⁴³ Roadmap, p. 7.

¹⁴⁴ USAID, 2012 CSO Sustainability Index for Central and Eastern Europe and Eurasia, p. 2.

¹⁴⁵ Improving the EU’s Support for the Civil Society in its Neighbourhood, p. 17.

¹⁴⁶ Civicus study *An Assessment of Georgian Civil Society 2010*, p. 29.

low rate of volunteerism. The report also warned of significant brain drain from CSOs into Government following the Rose Revolution (as well as the 2012 Parliamentary elections). Availability of modern office equipment, mostly, purchased with international donor project support, was not a constraint, but equipment was becoming increasingly obsolete as donor support for organisational development waned. The same point was made¹⁴⁷, especially for smaller CSOs, in the USAID *2012 CSO Sustainability Index for Central and Eastern Europe and Eurasia*.

In the breakaway regions, as in Georgia itself, capacity building was supported through COBERM I and COBERM II projects IFS-RRM/2010/022-374 and IFS-RRM/2012/024-280 respectively. This may have provided some improvements in ability to implement projects, but is unlikely to have affected the ability of the CSOs included to raise money independent of international donors.

Sources of information used

- Civicus study An Assessment of Georgian Civil Society 2010.
- Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017.
- Directorate General for External Policies Policy Department, Improving the EU's Support for the Civil Society in its Neighbourhood: Rethinking Procedures, Ensuring that Practices Evolve. 2012.
- USAID, 2012 CSO Sustainability Index for Central and Eastern Europe and Eurasia.

4.3.2 Indicator 432: Civil Society organizations increasingly formulate and implement long-term strategic planning

Presentation of the evidence gathered and detailed analysis

Dependence on foreign donor funding means (i) enforced flexibility in the face of donor interests and (ii) uncertainty. Under these circumstances, the ability of Georgian NGOs to engage in long-term planning, or to put in place professional development schemes for their staff, has been lacking.¹⁴⁸

Opposition political parties' planning has been short-term and largely centred around upcoming elections or protest activities. The Civicus study found that most Georgian CSOs have adequate internal democratic governance structures and, in the case of stable, long-established organisations, increasingly avail themselves of external advisory boards.¹⁴⁹ It is noted, however, that many advisory boards are more window-dressing for international donors than effective actors.

The capacity-building effect of EU assistance has been particularly strong in Abkhazia, where few other sources of funding were available.¹⁵⁰

In Adjara, the EU supported the development of a strategic development plan for the Agro Service Centre and strategies for Advisory Service Centres to serve as consolidation and collection centres.

The *Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017* notes¹⁵¹ that, despite improvements, many Tbilisi-based NGOs fail to adhere to high standards of reporting and accountability to the population (accountability to Government and donors presents no problem).

See above for support through COBERM II.

Sources of information used

- Georgia EU Country Roadmap for Engagement with Civil Society 2014-2017.

¹⁴⁷ *Idem*, p. 3.

¹⁴⁸ Roadmap. p. 8.

¹⁴⁹ *Ibid.*, p.26, p.28.

¹⁵⁰ The EU and Civil Society in the Georgian Abkhaz Conflict, Microcon Policy Paper 23.

¹⁵¹ *Ibid.*, p. 8.

- The EU and Civil Society in the Georgian Abkhaz Conflict, Microcon Policy Paper, June 2010.

4.3.3 Indicator 433: Civil Society organizations increasingly operate independent of international partners

Presentation of the evidence gathered and detailed analysis

To quote the USAID 2012 CSO Sustainability Index for Central and Eastern Europe and Eurasia¹⁵², Georgian CSOs “remain largely donor-driven.” The operation of Civil Society requires popular civic engagement, which has been lacking in Georgia.¹⁵³ Reasons given include the harsh economic environment and mistrust of formal structures. World Value Survey 2009 data cited by Civicus gave active membership in trade unions, political parties, environmental organisations, and charities at no more than 0.3% apiece. Nonetheless, the appetite for engagement is strong, as witnessed by widespread participation in protest demonstrations (estimated at 14.5%). Moreover, the 2010-14 survey on Civil Society in Georgia performed by the Caucasus Research Resource Centre under the USAID G-PAC found a number of encouraging trends – greater public awareness of the role of Civil Society, greater trust for Civil Society organisations, etc. Although, the citizens lack the skills to engage and mechanisms for engagement in public decision making are still considerably limited.

Civicus and USAID assessments of the source of Civil Society funding have been presented in analysing I-431. Data from Civicus state that the share of donor funds in budgets is 100% in 37.4% of CSOs, over 70% in the budgets of 54.6%, and more than 50% in the budgets of 58.6%. 88% had never received support from any government agency, 95% never were supported by private business, and 83.2% never received private donations. USAID has estimated that only 10% of NGOs have a diversified funding base.

However, Agriculture and Regional development present a brighter picture. Some CSOs continue to operate post-EU support and are either self-sustaining and or working with local government. Examples include Community Based Organisation (CBOs), cooperatives and service centres. For example Coop Doviati (Tskaltubo), created with PIN assistance some years ago, is now open to expand its membership base and expand its scale of operations significantly because the market demand for the herbs produced by the coop is higher than the current supply capacities (they are getting orders that they cannot meet due to limited production).

Independent operation does not consist entirely of financial independence. EU terms of reference are often much less prescriptive than those of other donors (notably USAID) and, in that sense, implementing an EU-financed projects builds capacity for independent project implementation.

Sources of information used

- Civicus, An Assessment of Georgian Civil Society 2010.
- USAID 2012 CSO Sustainability Index for Central and Eastern Europe and Euroasia.
- Caucasus Research Resource Center, 2010-14 Civil Society attitude survey, USAID G-PAC Project.

¹⁵² USAID 2012 CSO Sustainability Index for Central and Eastern Europe and Euroasia, p.1.

¹⁵³ Civicus, An Assessment of Georgian Civil Society 2010, p. 22ff.

5 EQ5 on Conflict-Affected Populations

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

5.1 JC51: Living standards of IDPs improved

Central to improving the living standards of IDPs is the provision of housing (I-511). The EU enabled a significant response to the need for durable housing by working with the government and most notably the Municipal Development Fund (MDF). This was primarily achieved through the targeted budget support programmes IDP, I, IDP II, IDP III and IDP IV and to a lesser extent through specific interventions with UN agencies and INGOs financed by IfS and DCI.

Yet, the quality of durable housing solutions, particularly the quality of construction, remained a consistent problem despite some small improvements over the years. The MDF is an official government agency under public law and the vast majority of durable housing actions were administered through budget support using this agency as a main channel. The EU was diligent in monitoring, identifying problems, and developing criteria to drive change, as well as in engaging in policy dialogue with the Ministry of Refugees and Accommodation (MRA) and other sector actors on these issues. However, these efforts did not resolve the problems. The reasons for the lack of quality seem to be the capacity and procedures of the contracting party MDF as well as their lack of quality control mechanisms with the leverage offered by budget support either not effective or not effectively utilised in improving the practice of the MDF.

Re-housing IDPs imposes significant infrastructure and service demands. While there are numerous examples of smaller infrastructural projects supported by the EU, this was an area of less focus than the large budget support programmes which prioritised durable housing solutions, and more generally fostering a positive policy context to deal with IDP issues. However, in some instances, water and road systems were also repaired with EU funds with important benefit to both IDPs and host communities particularly under IDP II and III. In terms of other complementary actions, there are several examples where the EU supported INGOs through the IfS and DCI thematic programmes to advocate for IDP inclusion in local development committees and civil participation. EU support was effective in encouraging participation and supporting institutional structures for civic engagement. There are instances where overall Municipals Development Plans were directly taken from the documents produced under IfS funded initiatives (e.g. in Zugdidi). Much of what IDPs advocated was changes to infrastructure such as roads, as well as provision of health and education services. Disease prevention campaigns serving thousands of people and provision of legal advice to over 2000 were also supported as part of IfS-funded Oxfam projects. Some projects targeted specifically people from the breakaway regions (usually through INGOs working in Gali in Abkhazia) although these initiatives remain very small scale when compared with those in the rest of Georgia. (I-513)

Once basic housing needs have been met, IDPs need access to sustainable livelihoods. The EU recognised early on the importance of sustainable livelihoods, which had been identified in a UNICEF report as the top priority of IDPs, yet the EU also noted the lack of a comprehensive GoG strategy to address this. In this regard the EU evolved its programmes and undertook to mainstream sustainable livelihoods through almost all of its major engagements on the IDP issue particularly from IDP IV onwards. Inducing the government to create clear priorities and an enabling policy environment in this area however proved challenging. Many of the individual activities such as training and capacity building at the community level from the projects assessed appear to have yielded some results. At the same time, the policy environment seemed to have become more enabling with a clearer Government Livelihood Strategy which was agreed in 2013 although as of 2014 the Action Plan had still not be signed with implementing problems associated leading to the withholding of a small part of budget support. The Government has created a Legal Entity of

Public Law in 2013 for IDP Livelihoods funded through the state budget now designed to operationalize this policy. It can however be assumed that the EU's consistent engagement in this area did assist in enabling the government to make progress. The consistent support in the livelihood area was also appreciated by Civil Society and IDP groups in Georgia. (I-512)

The EU in its engagement sought to promote the wellbeing of both "old" and "new" IDPs and avoided discriminating between them. IfS Phase I (EUR 15 million) and Phase II (EUR 14 million) further responded to the needs of people affected by the conflict, e.g. old and new IDPs as well as vulnerable people, including persons in South Ossetia and Abkhazia. Policy dialogue with the government (see I-531 & I-532) also addressed the needs of IDPs holistically - both "old" and "new". (I-514).

5.1.1 Indicator 511: Good international practice followed in EU-financed provision of emergency housing and infrastructure

Presentation of the evidence gathered and detailed analysis

Through a range of funded actions, the EU moved quickly to respond to the rapidly deteriorating situation of new IDPs created by the 2008 war. Some of these were financed through the IfS with INGOs and UN agencies; others through large Budget Support programmes undertaken with the GoG. The European Commission initially reported in 2009 that:

*"Previous support to IDP programmes has shown that the vast majority of new IDPs have been provided with decent accommodation. However, since in some cases building works have been carried out in haste, some renovation and some small infrastructure is needed." "About 18,000 IDPs originating from South Ossetia, Akhalkalaki and Abkhazia have been resettled in 38 newly built settlements; however an estimated 8,000 people remain displaced country-wide.(...) The social burden from the internally displaced and other conflict-affected people was alleviated by providing temporary shelters (now being gradually transformed into durable housing), food and cash support, and access to targeted social assistance, in close co-operation with the international community."*¹⁵⁴

Durable housing solutions are a complex issue generally and in Georgia, "Evidence shows housing alone is not a durable housing solution (DHS). Ownership of housing is culturally valued in Georgia and engenders a feeling of settlement. However, a psychological and physical need to be self-supporting and provide for one's family is equally if not more important." In this regard the general objective of the EU's 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." (Identification Fiche for Sector Policy Support Programme – Support to the implementation of the IDP Action Plan, p. 4-6).

There were some specific results associated with these programmes, for example:

"The EU continued to provide support to IDPs through budget support and technical assistance which amounted to EUR 43.5 million in the period under review. As a result, 860 IDP families received new housing."(ENP Progress Report 2012)

However, Implementation of the ENP in Georgia Progress in 2013 and recommendations for action, noted that, in 2014 for the remaining IDPs it was noted despite considerable investment that, durable housing solutions continue to remain limited and overly donor-dependent.

The GoG (Ministry of Refugees and Accommodation or MRA) and the EU could not provide official figures on the number of IDPs actually assisted to gain accommodation, although two people interviewed mentioned the total of 10,000 persons. This does not mean that a

¹⁵⁴ European Commission. 2009. Annex: Action fiche for special measure – Georgia. Support to Georgia's IDPs Action Plan: 2009 (Part III). Brussels: European Commission, p.4-5.

considerable amount has been done, nor does it mean that the EU's engagement didn't considerably improve the well-being of IDPs in terms of durable housing solutions.

The Desk Phase revealed, and the Field Mission confirmed, that there were recurring problems throughout the provision of budget support to IDP durable housing solutions. These problems were well known to the EU and the EU tried through various means - policy dialogue, membership of key decision making committees, policy conditionalities, technical assistances and different types of independent monitoring - to address them with varying degrees of success. At the macro level, the policy decision to work with GoG relevant Ministries and operational agencies was certainly the most appropriate one in terms of ownership, sustainability and leverage on wider IDP dialogue. However, it was the cause of on-going frustration at the fact that problems particularly in building quality recurred. The EU had limited leverage of the Municipal Development Fund (MDF) either directly or indirectly through the MRA. The choice of the budget support modality, with the vast majority of funds going directly to MDF from the Ministry of Finance (MoF) meant that the EU's influence was limited. Yet those interviewed from INGOs, Government, Civil Society and UN agencies during the field phase noted that given the scale, amount and legal complexity of the operation, the EU had limited options apart from working through MDF. Also while MDF could give figures on square meters of accommodation constructed, it was neither its competence or responsibility to actually effect rehousing, nor could it give an indication of how many benefitted from the housing constructed).

Housing quality was poor:

"IDPs continue to lodge complaints regarding the standard of the construction/rehabilitation of their accommodation. Although the complaints and redress mechanism set up to facilitate defect reporting was found to be functioning, the number of complaints is overwhelming the system. The MDF is expediting the repair process and this was witnessed by the reviewing engineers."(Hovey, Tessier & Kabadze,, Interim Review May 2013 of TAPs, p.6

It was not only IDPs themselves that noted the problems but also the independent monitoring reports that were often scathing about the quality housing and the quality,

"There are numerous construction defects, some of which are of a structural nature and repair is urgent. For example; sitting water in basements is already rising through the walls of apartment buildings. This will degrade the building's structural integrity in a short time and possibly make the buildings uninhabitable." (Ibidem.)

"The report found the MRA not to be in compliance in most areas. Of particular concern are the standards of construction and the lack of a complaint and redress mechanism which has fallen out of use since the last review. The review also found the Privatization process has been halted while new procedures are produced." (Ibidem.)

"Repair of defects in executed apartment blocks for IDPs: The Consultant has visited all sites in Tskhaltubo, Poti, Poti Kemping and Batumi. The level of making good of the defect listed in the report to the core phase was found to be poor, from insufficient to inexistent, and the previous defect list can still be considered as valid in its current state." (Idem, p.17)

What was of particular concern was that when action was taken to correct original problems with housing, *"The evaluators have noticed that the quality of the repairs is often not better than the original work." (Ibidem.)*

Table 17 Review of special measures for support to Georgia's IDP Action Plan [2013]

Condition	Criterion/ Indicator	Indicator	Remarks	Compliance Level	MRA Action Required to be in Compliance
Supporting processes		Rehabilitation Standards	Not in Compliance – Very poor construction works. Repairs not done. Very serious failing		Immediately action the EU “snagging list” [referring to building rehabilitation standards outstanding] from August 2012
Transfer/Privatization process – complaints/conciliation mechanism	Further progress in the transfer of IDP selection and transfer of ownership of accommodations to IDPs based on transparent and informed decisions	Clear criteria and procedures for attribution of durable housing solutions are adopted and implemented, allowing for a transparent and participative selection process	MRA did not conform to the agreement to prioritise collapsing Collective Centres (CC) Selection process non-transparent	Not in compliance Evidence that moving into beneficiary selection compliance with USAID programme . This is a very positive development	Immediately announce the approved policy of prioritising the closure of collapsing CCs. Upon finalisation of beneficiary selection process in Kutaisi – adopt and disseminate

Source: Hovey, G., P. Tessier and A. Kebabze. 2013. *Special measures for support to Georgia's IDP Action Plan: 2009 (Part III). Interim Review May 2013 of the technical administrative provisions*, p.11-17

Explanations for the problem were often due to the low capacity of the MRA and MDF. During the field visit additional reasons were advanced - the lack of good building code, the poor quality of construction in Georgia as a whole, and the fact that given the type of building project and amounts available this type of construction (often in rural Georgia) was only attractive to a small minority of building firms, themselves often with very limited capacity.

“The evaluation team has inspected the works under progress for construction of seven additional apartment blocks for IDPs in Poti main site, next to the existing ones. Inspection was instructive on why the first phase gave poor results: the level of work supervision is very weak.” (Idem, p.18)

The EU sought to address problems directly in the specific conditions for its Budget Support with indicators,

“Specific conditions [...] (1) Durable Housing Solutions have been improving The Government continues to provide Durable Housing Solutions (DHS) through its own and donors' funds in line with the IDP Housing Strategy and Working Plan and based on the procedures of the "Manual on Resettlement".

The provision of DHS has improved with respect to the number and quality of allocated living spaces and transparent vulnerability-based selection criteria. Indeed the IDP III programme specific conditions were noted to try and get progress on these matters, e.g., the Compliance Review for SBSP IDP IV mentions that:

“Reform Area 1: Provision of durable housing solutions for IDPs Condition 1.1: The Government closes collapsing CCs according to agreed priority lists and policy documents. Indicator 1.1.: The GoG has relocated a minimum of 250 IDP families from DRC's Collapsing Collective Centre Master List in line with SOP and the Manual on Resettlement. Status: [which was noted as partially in compliance]” “The number of

relocated families (181) between January 2013 and 31 May 2014 represents 72.4 % of the targeted number of 250 families.”

Despite continued problems being noted in independent assessments progress was often limited due to the lack of capacity in MDF,

“All recommendations recorded in the report of the core phase are still valid. To them must be added that the MDF presents a flagrant lack of capacity and experience in effective supervision: - None of the procedures typical to that trade are in place, such as material approval before use.”(Hovey, Tessier and Kebabze, Interim Review 2013)

Even in new builds in 2013 problems arose that could not be adequately addressed,

“The review team consisting of one Team Leader, a Senior and Junior Engineer took an in-depth look at the standards of construction of the new apartment blocks in Batumi, Tskaltubo and Poti which were constructed by the GoG through the MDF using EU Budget Support funds. The purpose of identifying defects in the apartments was to provide the MDF with an independent assessment of defects for repair. [...] Unfortunately it is highly unlikely that all defects will be repairable using the 2.5% retained from each contract value.” (Hovey, Tessier and Kebabze, Compliance Review of the TAPs, 2012, p.5).

Yet the issue may also relate to the level of funding supplied by the EU,

“Compared with average prices per square metre for comparable quality of construction in the project areas the GoG apartment blocks which utilised EU Budget Support were built extremely cheaply. Using cost comparisons the consulting engineers found that while the quality of materials were unacceptably poor, they were consistent with the funds available as was much of the standards of workmanship. Therefore the contracting authority received fair value for money.”(Idem, p.6).

On prioritisation the EU tried to put forward specific criteria to deal with the poor quality of housing,

“[an] area of concern raised by more than one interviewee is the prioritisation for closure of larger over smaller and more rural CCs. In the 2011 selection process the EU prioritised ‘collapsing’ CCs (where the structure of the buildings is unsound). The MRA prioritised IDPs living in poor living conditions as well as buildings required by the GoG and private enterprise (such as the CCs in Tskaltubo). Smaller and rural CCs appear to have been missed in assessments.” “The selection criteria put forward by the EU of prioritising collapsing CCs which are in imminent danger of collapse is a good one founded on sound reasoning. Eventually the number of unsound CCs will diminish.” (Idem, p.22-24)

In introducing indicators in this area the EU was able to monitor progress,

”Condition 1.1: The Government closes collapsing CCs according to agreed priority lists and policy documents. Indicator 1.1.: The GoG has relocated a minimum of 250 IDP families from DRC’s Collapsing Collective Centre Master List in line with SOP and the Manual on Resettlement. Status: Partially in compliance” “The number of relocated families (181) between January 2013 and 31 May 2014 represents 72.4 % of the targeted number of 250 families.”

“The reporting period [in 2013] saw the rapid resettlement of IDP families in new durable housing solutions (DHS) and a dramatic upsurge in handing over private ownership of DHS to IDPs. While international standards were generally adhered to during resettlements, more forward planning and the transparent selection of beneficiaries would increase efficiency and legitimacy.” (Compliance Review for SBSP IDP IV, 2014, p. 9-11)

The EU was able to serve on several committees to try to influence better processes to address these challenges, yet the lack of capacity of MDF was telling,

“Infrastructure project selection committee members consisting of the EUD, MRDI and ACF ranked, discussed and selected proposals for funding. These projects were passed to the MDF for competitive bidding and implementation. Given the MDF’s lack of construction project management capacity it is important that the construction

companies' works are monitored closely. The MDF would benefit from TA in this respect.” (Hovey, Tessier and Keadze, Compliance Review of the TAPs, 2012, p.37)

It was noted that MRA has not provided reports on housing construction, quality or needs for the last two quarters. Neither has it provided minutes of planning meetings for the rehabilitation/construction of IDP accommodation.

This did not mean at the local level there were not innovative solutions proposed,

“Local government representatives noted the reason of the problems: separation of competences of local government and the legitimate local governments of IDPs (Eredvi, Kurta, Akhagori), as well as scarce resources of local budgets. As a result of the meeting it was decided to assist the IDP family residing in Tsinamdzgvriantkari, owning a bakery that needs special energy supply (200-150 meters of cable). The representative of MRA got in touch with the energy company and asked for assistance. The problem of sewage system was solved through successful negotiation between government and international organisation: a sewage system treatment collector was purchased in Ukraine and the local budget covered its installation cost; however, the collector is still to be connected to the central pipe.” (EU IFS Annual Narrative Report, 2011, p.7)

The EU did get progress on a number of issues in relation to housing solutions that were beyond building quality, such as The "Privatisation Process" of EU-financed durable housing solutions has been streamlined and shows tangible results Indicator 1.3.1 A minimum of 75% of all IDP beneficiaries from previous EU-financed construction and rehabilitation programs who want to receive a property title have been registered by NAPR Status: In compliance Including the *“IDP Action Plan update is underway and the Privatization process with TA from DRC Privatized 7,650 accommodation units up until the end of 2012.” (Hovey, Tessier & Keadze, Interim Review, 2013, p.3)* According to the GoG As of 31 January, 2014 - 95% of IDPs residing in the accommodations rehabilitated with EU funds have been transferred living spaces into their private ownership and registered their estate in National Agency of Public Registry (NAPR), Ministry of Justice. Although outside the evaluation period the GoG perspective was In order to further strengthen the sense of ownership, security of tenure and the motivation of IDPs to invest in the renovation of their habitats as well as their economic and social opportunities, the privatization program was initiated by MRA to transfer housing units to 10 000 IDP families into private ownership. The program started in 2014 and will be continued in 2015.

To conclude, overwhelmingly through the budget support programmes IDP II, IDP III and to a lesser extent IDP IV, the EU enabled a significant durable housing solution response by working with the government and various government agencies, most notably the MDF. Without this engagement by the international community including material support, policy engagement, and technical assistance accompanied by policy and at times political dialogue, the Durable Housing Solution situation for IDPs would be considerably worse. There were, however, significant, serious and recurrent problems with the quality of housing and the speed of dealing with the issue of IDPs, as well as differences of opinion on prioritisation to address these problems between the GoG / MRA / MDF and the EU. The EU through its support for independent monitoring and activities of the EU Delegation, and also some separately funded Civil Society oversight work was made well aware of these issues and consistently tried to exert pressure to ensure progress. In recent (post-2012) years there has been some progress in addressing these issues, yet problems remain as evidenced by 2014 technical monitoring reports. While these issues were often part of policy dialogue, it is unclear how much they were raised at the highest levels of political dialogue and, given the lack of progress, whether more radical action (such as interrupting budget support finance as a whole) should have been taken to galvanise remedial action. This would have required difficult choices taken at the political rather than the operational level, as there were considerable financial sums involved and it would have most likely slowed down action in favour of IDPs overall. The challenges stemmed from poor quality control and the low capacity of the government implementing agency the MDF and the fact that budget support exercised limited leverage of on the GoG (either directly or through the MRA, or GoG), Yet there was also the issue of political leadership and the will to really advance sustainable solutions to IDP issues. It is to be recalled that the political position of the GoG was that displacement was a temporary

phenomenon. There were other problems noted above such as the low level of funding relative to needs, as embodied in the observation that in some instances the materials and quality of workmanship observed were consistent with the funds available.

However, the availability of other options that would have been politically acceptable to the GoG and coherent with the EU's political goal of staying engagement and solidarity with the GoG were limited. In addition, the operationally deliverable options open to the EU Delegation - not an operational agency with its own ability to run complex and large procurement methods - made the strategic choice of working with the government and MDF logical. Other donors also suffered from the low ability of MDF to deliver quality on an on-going basis, so the EU was not alone in having to deal with these problems.

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Disabled Women and Mothers of Disabled Children “DEA” – Zugdidi, IDP Women Association “Consent”, Tbilisi, Deputy Representative – UNHCR, Deputy Minister - MRA, Deputy Head of International Relations Department – MRA.

- Interviews in Brussels: former Head of Operations (HoO) EUD to Georgia, EUD with conflict and IDP responsibility (Operations Section).
- Focus Group - grass-roots perspectives on IDP issues and EU support (see Annex 5, Volume III).

5.1.2 Indicator 512: EU-supported training and income-generating opportunities contribute to livelihoods

Presentation of the evidence gathered and detailed analysis

In the budget support programmes IDP III and particularly IDP IV, livelihoods was a key component. It was recognised early on by the EU that,

“more efforts are needed to help with socio-economic reintegration and to give IDPs a means of earning a living.”, and “Besides the housing component, which should be sustained according to the existing needs, it is also crucial to further focus on socio-economic integration of IDPs and their hosting communities. The economic situation in IDPs populated areas remains complicated and further efforts are needed to achieve adequate social and economic integration with the neighbouring communities.” (Action Fiche for Georgia AAP 2011 – Support to conflict affected/displaced population and host communities, 2011)

As shown in a recent UNICEF survey, the foremost priority for new IDPs is employment. In most settlements, IDPs are living on the State allocation of GEL 25 adult per month (about EUR 12) and have no occupation, which leads to social problems such as alcoholism, domestic violence and depression.

The EU also supported livelihoods through actions of INGOs working with local partners. As a sample, the field mission assessed one IfS funded initiative undertaken by Oxfam and one funded through the DCI with World Vision Germany.

Livelihoods raised serious incentive-related issues for the GoG. First, the official position of GoG was that displacement was a temporary phenomenon, a perception that ran contrary to the encouragement of livelihoods. Second, the dependence of IDPs on GoG transfers was politically attractive.

The Ministry of Refugees and Accommodations (MRA) understood livelihoods but lacked the capacity to address the issues or even track them:

“So far [in 2011] MRA has no system in place to follow up the socio economic situation of IDPs” (Action Fiche for Georgia AAP 2011, p.5).

In view of the weakness of MRA, The Ministry of Regional Development and Infrastructures (MRDI) was selected as the next most appropriate Ministry to work with on the issue. However,

“With an emphasis firmly set on macro infrastructure development the MRDI has been unable (and unwilling) to address the IDP livelihood problem directly. Meanwhile, through the EU funded Technical Co-operation programme the MRA’s capacity has increased significantly. It now understands fully the IDP livelihood situation and, with support, is able to manage and operate a livelihood support mechanism for IDPs and host communities. Under Georgian legislation this type of initiative in a Ministry requires a Legal Entity under Public Law (LEPL).” (Idem, p.2)

More practically certain limits with regards to MRDI's (including the MDF) capacity to implement projects related to livelihood/socio-economic integration of IDPs was noted as a lesson learned from past EU funding that, also

“there were some concerns expressed that the livelihood component was very LEPL-centric. Indeed the AP (Action Plan) matrix only lists the LEPL as the livelihood strategy. With a range of livelihood providers the AP should have incorporated more

options in the matrix.” (Hovey, Tessier and Kebabze, Compliance Review of TAPs, 2012, p.23)

Yet the policy environment was to change in 2013, which has been indicated in the ENPI Final Narrative Report 2011-2013:

“Drafts of the IDP Livelihoods Strategy and corresponding Action Plan have been developed in a participatory multi-stakeholder process and submitted to MRA. The existence of these products allows the Ministry to fulfil their contractual requirements of the IDP-IV programme”. “The process enabled to utilize first-hand experience of the field implementation of livelihood programmes in the state strategy document.” “A Livelihood Strategy and Action Plan is now in place and expected to promote economic opportunities for IDPs in the future in terms of sustainable income and employment generation. [...]The Livelihood AP covers the period 2104-2016 and outlines several major areas of support to IDPs: access to land resources and allocation of free plots; IDP vocational education and training; encouragement of economic activities and entrepreneurship; encouragement of corporate social responsibility. The next step would be approval by the Government in the summer of 2014.” (Compliance Review for SBSP IDP IV, 2014, p.2)

While this was lauded as an important development for the government in relation to livelihoods, “yet [the initiative] continues to rely on donor support for implementation.” (Implementation of the ENP in Georgia Report, 2014).

“Condition 2. The approved Livelihood Action Plan defines targeted, appropriate and quality livelihood support for identified IDPs and Host Communities Status: Partially in Compliance” “Whereas much effort has been invested to improve the situation regarding economic opportunities for IDPs, the foundations for a shift from status to needs-based assistance for IDPs remain weak under current conditions. Also the new livelihood AP has not been approved within the given time frame.” (Idem, p.20).

At the time of the evaluation the Action Plan for livelihoods had still not been approved, a source of considerable frustration amongst those Civil Society, INGO and TA personnel interviewed. The lack of progress on the creation of a LEPL to take forward this also meant that the GoG did not fulfil in 2013 one of the criteria of the budget support programme, losing a tranche of EUR 4 million.

On specific projects, a DCI-funded World Vision project from 2011 was problematic from the start, with an overambitious nature that was quickly spotted by the EU Delegation, who reduced its scope,

“Due to the very ambitious targets/OVIs and delays in the implementation of the project activities, the achievement of the project purposes is at risk. Especially this is true in relation to Component/Task 1- implementation of pilot Agriculture production projects.” (ROM Economic Development for IDPs in Georgia, 2012)

The overall assessment was sober:

“The project made some contribution to the achievement of the project purposes PP however, full achievement of these PPs is under the risk” (Ibidem.)

The project suffered from major structural deficiencies such as a lack of government involvement,

“One of the important tasks of the project was facilitation of creation of farmers associations, joint enterprises or companies at the community level. However, this was not an easy task since no Governmental institutions (i.e. Ministry of Economy, Ministry of Agriculture) were involved in the project implementation.”, and “; regional Governments do not have enough capacity and means to support the project results.”(Ibidem.)

Other issues were lack of connection to complementary measures, which undermined sustainability, “A reference could have been made to the SPSP on IDPs by the EU, which includes a livelihood component and should provide ways for keeping the results running after project completion.” Relevant log-frame components were:

“PP1 – IDP subsistence farmers are competitive labourers within the formal work sector with enhanced skills. The relevant OVI – 500 farmers apply modern technologies to private farms; 15% farmers with increased harvests (1st month vs 24th month). Status: The maximum number of IDPs involved in the implementation of pilot projects may not exceed 100-120 persons.” “PP 2-IDP farmers advocate for full inclusion in the formal work sector through a demonstrated understanding of value-chain methodology; relevant OVI – 25% of participants establish links with the markets and consumers (1st month vs 24th month). Status: No progress was reported in this regard. PP3 – Targeted youth are active participants in agricultural processes and rural community development; OVI is 140 youth participate in Agriculture development initiatives.” (Ibidem.)

The project had problems, as well, on a more detailed level:

“Some important project activities for Component 1 and 2 were delayed or postponed to 2012 i.e. organization of seed fare and distribution of seeds to IDPs, marketing activities, creation of Farmers Regional Information Centre (FRIC), etc. The implementation of pilot projects (Component 1) was also delayed: out of 23 planned demonstration plots, only six plots of Type 1 (production) was launched by the end of 2011.” “The status of establishment of the Young Farmers Centres is also not clear. Activities related to value-chain trainings (Component 2) for IDPs have been implemented without major deviation. In total 11 trainings on value-chain Operations and 11 trainings on Business Development were conducted. Some important activities i.e. raising IDPs awareness of financing options/access to credit are still not performed”, , “The maximum number of IDPs involved in the implementation of pilot projects may not exceed 100-120 persons.” (Ibidem.)

At an individual level, however, there were some positive stories,

“It is very difficult to sustain the family as a single mother with four kids. Physically I work very hard and sometimes when I feel desperate I think of those beehives. They give me the hope of a better future for my family.” “After being trained they have skills to manage their business properly and create the necessary conditions to maximize their product. Youth from Akhalsopeli settlement school also provided positive feedback on the trainings conducted on different topics, such as: Agriculture, gardening, business management, as well as local self-governance, civil rights, etc. According to youth, they share the knowledge they receive through the trainings with their parents and apply them in practice. Notably, the farmers expressed willingness to share the knowledge and experience they gain through the trainings with other interested community members.” (World Vision Report Interim Narrative Annual Report, 2012, p. 4 and 11)

According to the Baseline Survey, the establishment of small demo plots received also very positive feedback since IDPs could see clearly the direct benefits from their small businesses. As stipulated in the monitoring visit notes of World Vision’s Quality Assurance Unit

“beneficiaries expect increase in production as a result of establishing demo plots, which will positively affect their income in the long run (unless anything adversely affects smooth flourishing of demo plots).” (Idem, p.2)

However, the independent ROM on Economic Development for IDPs in Georgia (2012) was more pessimistic:

“The relevance of the activity towards the project aims is dubious, and the impact seems to be very limited.” “400 seedlings were planted in a plot, directly benefiting 3 families, which do have the ‘humanitarian’ obligation to share part of the production to other IDPs as well.” “The project has stabilised a rabbit farm (i.e. cages, animals, TA, vaccination and one year feed, all for free) benefiting 2 IDP farmers.” “In any case the achievement of this project purpose is questionable due to the fact that no any Agriculture development initiative has been identified yet.”

The example of the World Vision project is not typical. Those livelihood initiatives run by INGOs and local NGOs visited during the field mission were generally found to be professionally and well run. Regarding an IfS-financed Oxfam livelihoods project visited during

the field mission (ROM Report on Support for achieving sustainable livelihoods through agricultural cost-shared investments in IDP settlements and constraint returnee areas in Georgia):

“Virtually all outputs, produced by the project to date contribute to the achievement objectives. Primarily this pertains to the 800 IDP households, who got small investments of the project – their “agricultural production and productivity” increased considerably”, and “(i) Increase the food production and income generation of the Internally Displaced Population through cost-shared support to agricultural investments; (ii) Improve the capacity and knowledge of the MRA and enable it to develop and implement livelihood support programmes. The project has made significant progress in the achievement of the first specific objective (see BCS4.1).”

“Regarding the improvement of IDP’s livelihoods, the project has made some inputs to the improvement of livelihoods of the targeted IDP population, using the self-employment cost-shared investments.” “Economic viability of the project results/outcomes, achieved to date, is sufficiently high. This applies to the improved food security of the 800 IDP households”.

In addition, according to Oxfam GB EU IFS Annual Narrative Report 2011:

“Job opportunities in the private sector have been identified and linked with 107 unemployed new caseload IDPs. Local socio-economic integration plans for 7 Municipalities have been developed: survey to collate the statistical data from 7 municipalities has been conducted in all 7 municipalities”

Activities also included issuing grants to women for small businesses; monitoring and supporting

“So far, the total number of the employed IDPs equals to 130, of which 24 were employed on fulltime jobs, and the rest on seasonal ones, including as interviewers. [Yet some problems with this]”. “One of the original beneficiaries of this project in 2011 who benefitted from 3 cows during the site visit in 2014 confirmed that she now had 13 cows thanks to this scheme”. (Oxfam GB, EU IFS Annual Narrative Report, 2011).

Oxfam’s relative success seems to have been based on fundamentals such as good CBO partners and excellent links at the Municipality and GoG level. Moreover, as an IfS-funded project benefited from good local-level interaction with the EU Delegation in its approval. The World Vision DCI-funded livelihood project was won through a competitive process at EU headquarters (and was quickly realised by the EU Delegation to be overly ambitious). It did not connect or involve government authorities, significantly undermining its effectiveness.

Measures complementary to livelihoods with a confidence-building dimension have also been funded under COBERM. One of these “enabled [beneficiaries] to work on variety of issues (Agriculture, infrastructure, culture, human rights, healthcare etc.), which have confidence building dimension” (Final Evaluation Report of COBERM, 2012). IDPs and host communities were equally beneficiaries of these actions.

To conclude, the EU identified and recognised that sustainable livelihoods were a crucial aspect of dealing with the plight of IDPs (Implementation of the ENP in 2010. Country Report: Georgia, p. 7). Indeed according to UNICEF most IDPs themselves identified getting a job as their foremost priority. In this regard the EU used ENPI, IfS and even DCI (in one instance) financing to support sustainable livelihoods for IDPs in the aftermath of the conflict in 2008. The GoG policy environment and non-existent policy framework in specific relation to livelihoods during the first years was not an enabling environment to meet these challenges. Government, and particularly the MRA, had limited interest in taking ownership for improving IDPs livelihoods. The MRA, with its focus on processing housing and the monthly payments to IDPs was disinterested in moving into the more complicated domain of livelihoods. While it was appropriate that the EU focus its work on livelihoods through the GoG, individual Ministries, their agencies and local authorities were not the easiest of implementing partners. Despite progress in creating an enabling policy environment at the macro-level and also clear instances at the micro level of how specific activities contributed to economic livelihoods, it was difficult to get a picture of the overall impact of the EU engagement in this challenging area. Yet INGOs, UN agencies, and local Civil Society (including IDP groups) were grateful for

the continued support of the EU in advocating that livelihoods be addressed by the government (this issue it to be covered in I-531 & I-532).

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5.1.3 Indicator 513: EU support expands availability of basic infrastructure and social services (health, education, legal advice, psychosocial services)

Presentation of the evidence gathered and detailed analysis

The EU noted the need for expansion of social services for IDPs again early after the 2008 war. For example the AF for special measure, Support to Georgia’s IDPs AP (2009) indicates that:

“Further attention should therefore be devoted to infrastructure investments conducive to social and economic development both for the IDPs and their hosting communities, such as, but not limited to: construction and rehabilitation of housing infrastructure, irrigation channels and roads; access to water supply; and promotion of socio-economic integration and local development, through national and local structures with an aim of improving sustainability.”

Yet, the challenge was also noted that this would have to be undertaken sensitively:

“Their socio-integration into their existing communities has also become an important challenge, as growing gaps between the communities (IDPs and hosting communities) is observed and it could lead to some tensions. For example, in many cases IDPs have better WASH (Water, Sanitation and Hygiene) than hosting communities and receive higher social assistance compensation.” (Ibid)

The EU focused its IDP budget support programmes on durable housing solutions and sustainable income/employment, not general infrastructural support. Yet, this did not mean the EU was totally absent:

“The use by 200 million GEL Regional Development Fund for the community infrastructure proposal mechanism developed for the EU’s 5 million Euro budget support to the MRDI is a good achievement. The proposal mechanism has survived the Ministerial change and continues to be used demonstrating that it is institutionalised.” (Hovey, Tessier & Kebabze, Interim review 2013, p.8)

Other IDP projects also supported communities to get engaged and be consulted on infrastructural projects:

“It is not every day that we are asked to participate in decision-making on vital infrastructure issues”, says Mamuka, 27, resident of Kareli. “I am proud that as a result of this process we now have high quality road not only for the IDP population, but also for the rest of the community.” (ENPI – Final Narrative Report 2013, p.4)

The EU was also active in supporting the creation of holistic approaches to IDP issues for which basic social services would be a key component,

“A Livelihood Strategy and Action Plan is now in place and expected to promote economic opportunities for IDPs in the future in terms of sustainable income and employment generation. [...]The Livelihood AP covers the period 2104-2016 and outlines several major areas of support to IDPs: access to land resources and allocation of free plots; IDP vocational education and training; encouragement of economic activities and entrepreneurship; encouragement of corporate social responsibility. The next step would be approval by the Government in the summer of 2014.” “The updated AP will be officially presented end of June and is expected to be approved by the Government in the summer of 2014. Another piece of legislation on eco-migrants is in the process of being drafted. However, it should be noted that it is not costed, and timed comparative studies which would analyse the different options for shifting from status to needs-based assistance have yet been carried out and the condition is not fully met with respect to this aspect.” “A major development in this area was the elaboration of the new Law of Georgia on Internally Displaced Persons–Persecuted Persons from the Occupied Territories of Georgia.” (EuroPlus & GEOTest, Compliance Review for SBS, 2014, p.2-3)

“COBERM enabled work on variety of issues (Agriculture, infrastructure, culture, human rights, healthcare etc.), which also had confidence building dimension.” (Final Evaluation Report; COBERM, 2012)

These holistic approaches were particularly important for the breakaway regions.

In support of access to infrastructure, the EU also supported legal rights projects,¹⁵⁵ and analytical work such as *“Briefing Papers on IDPs and Health, Education and Social Welfare have been developed in a collaborative manner to feed into the Government policymaking process”*. (Ibid)

On direct service provision through INGOs, examples included:

“Disease prevention campaign including mass medical screening of the population was conducted in 4 target regions Samegrelo, Shida Kartli, Mstkheta-Mtianeti and Kakheti regions. The mobile team comprising of specialist physicians (cardiologist, neurologist, radiologist and surgeon) conducted medical and diagnostic check-ups using portable equipment, medical consultations and referrals to specialists as necessary.” “The newspaper included the information on the education institutions providing free tuition, and the information on the transfer of residential houses under the ownership of IDPs, as well as assistance to IDP.”

“Within disease prevention campaign the mass medical screening of the population was conducted in 4 target regions (Shida Kartli, Samegrelo, Mckheta-Mtianeti and Kakheti). The mobile team comprising of specialist physicians (cardiologist, neurologist, radiologist and surgeon) has made medical and diagnostic check-ups using portable equipment, medical consultations and referrals to specialists as necessary. 2582 persons were covered by medical screening.”

“A health mobilisation day was organized in all 3 target communities simultaneously. During the mobilisation day, total up to 1500 people from all three regions living in IDP settlements and host communities was participated in mobilisation event under the slogan “Better health for all”. Information materials about health rights, T-shirts with the slogan and hygiene kits were distributed among IDPs and host communities. The

¹⁵⁵ *“Legal assistance has been provided to IDPs across Georgia through 4016 individual consultations and 2044 group consultations.”* (DRC, Final Report 2010)

hygiene kit includes soap, tooth paste, tooth brush, spray deodorant, cotton bud, hair brush, wet napkins, and razor. “Title of the activity: Result I. Activity: 1.10. Training sessions for Community Group members in healthcare rights and state health benefits”. “Title of the activity: Result I. Activity 1.11 – Training for local doctors and nurses in public health issues” “Title of the activity: Result I. Activity 1.12 – Advocacy workshops for LG and health authorities on health programs, rights, health awareness.” (source: Oxfam GB, EU IFS, Annual Narrative Report 2011)

To conclude, the EU budget support was concentrated on durable housing solutions and livelihoods rather than basic social services¹⁵⁶. This can be justified in two ways. First, the EU needed to prioritise the most critical needs, which were in housing and livelihoods. Second, the crowding out argument must be considered: the EU did not wish to relieve national and local governments of their responsibility to provide basic infrastructure and social services to both IDPs and their host communities. Although there were IfS projects that concentrated on some capacity development, skills training or awareness, and advocacy that were successful. Indeed some of these projects have been put to good use to influence infrastructural developments overall this was through advocacy and engagement rather than significant support to the actual provision of basic services themselves.

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¹⁵⁶ European Commission. 2009. Annex: Action fiche for special measure – Georgia. Support to Georgia’s IDPs Actin Plan: 2009 (Part III). Brussels: European Commission, p.2

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5.1.4 Indicator 514: EU supported rehabilitation and reconstruction of housing benefits both “old” and “new” IDPs

Presentation of the evidence gathered and detailed analysis

EU support clearly was targeted at both old and new IDPs and also host communities,

“Georgia endorsed the European Union – Georgia European Neighbourhood Policy Action Plan (ENP AP) in November 2006. [...] to improve protection for, and provide assistance to, IDPs and to promote integration of IDPs in their current places of residence”, “It will also complement the current programmes under the EC ‘Instrument for Stability’ Phase I (Euro15 million) and Phase II (EUR14 million) allocated to further respond to the needs of people affected by the conflict, e.g. old and new IDPs as well as vulnerable people, including in South Ossetia and Abkhazia.” (AF for special measure, Support to Georgia’s IDPs AP, 2009)

The 2008 war had some positive influence on government engagement with ‘old’ IDPs when, “Over the course of the year, though, the situation has stabilised, fear of renewed conflict with Russia has dissipated and the plight of those displaced in the 1990s has begun to receive much greater attention” (DRC, Final Report 2010).

“A challenge recognised under IDP III was to channel the support to IDP livelihoods. The Ministry of Refugees and Accommodations (MRA), understood livelihoods but lacked the capacity to address the issues. The Ministry of Regional Development and Infrastructures (MRDI) was selected as the next most appropriate Ministry. However, with an emphasis firmly set on macro infrastructure development the MRDI has been unable (and unwilling) to address the IDP livelihood problem directly. Meanwhile, through the EU funded Technical Co-operation programme the MRA’s capacity has increased significantly. It now understands fully the IDP livelihood situation and, with support, is able to manage and operate a livelihood support mechanism for IDPs and host communities. Under Georgian legislation this type of initiative in a Ministry requires a Legal Entity under Public Law (LEPL).”

“The law was elaborated in a participatory manner and entered into force on 1 March 2014. It is recognised by all stakeholders to be a step forward in the protection of the rights of IDPs in line with the international human rights standards.” (Compliance Review for SBSP, 2014)

The release of instalments under this programme will require compliance with the following general conditions (AF for Georgia AAP 2011: Support to conflict affected/displaced population and host communities in Georgia):

“Satisfactory progress in the implementation of the GoG’s IDP Strategy and Action Plan (including its annual update) and the analysis and distribution of qualitative information.

The release of the variable tranches will be linked to compliance with the specific conditions set out in the three policy reform areas: Provision of durable housing solutions for IDPs; Access of targeted IDPs and Host Communities to sustainable income/employment; The GoG’s concrete steps to harmonize IDP legislation and

increase cost-effectiveness of IDP assistance (potential shift from "status" to "needs-based" assistance) ". "A government-led process to privatise the ownership of Collective Centres began in February 2009, and the IDP Action Plan, which was re-drafted following the war in 2008, was formally adopted in May 2009. Moreover, the Ministry of Refugees and Accommodation introduced a new system to engage its international and national partners over the summer 2009: a Steering Committee was set up to guide the work of the Ministry (and essentially, to oversee implementation of the IDP Action Plan); and a number of Temporary Expert Groups have been set up to fulfil tasks set by the Steering Committee".

These developments are extremely positive for IDPs, and with the broader engagement of international and local NGOs, they contribute further to the project's overall objective: to generate joint development actions by civic and state structures on IDP issues. However, much about the implementation of the IDP Action Plan has been unclear during the course of 2009. This lack of clarity has presented both a threat to IDPs (because the process is potentially arbitrary), and an opportunity for the action (to establish the "joint" process that the project title suggests).

Overall, the project has been very successful in this regard, managing to take advantage of the new opportunities for collaboration with the Georgian Government to further durable solutions for IDPs.

Yet clearly for the GoG at the highest levels the emphasis was initially on 'new' IDPs, with specific pledges in this area as well as political pressure to clear new IDPs from buildings in Tbilisi.

From the available evidence, the EU has been very principled in promoting the view that both 'old' and 'new' IDPs, as well as host communities, should be beneficiaries of its programmes. It has incorporated this inclusive approach (not necessarily using the language of old and new IDPs) in its grants and in its monitoring and reporting as well. That there are tensions between IDPs and host communities is noted as an issue in some reports, but it is not a recurring or salient theme.

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5.2 JC52: Good community relations between IDPs and host communities promoted

While the obvious motivation for the actions in this area was the IDP problem, the EU was acutely aware and sensitive to the issue of good community relations. The EU promoted good community relations between IDPs and host communities through two approaches. (I-521, I-522, I-523)

One was to ensure that the programmes from the large budget support mechanisms were taking into account these aspects. The goals and policy conditionality attached to IDP III, IDP IV clearly noted this. This extended to ensuring that the State Strategy and Action Plan active involved municipalities and CBOs, a criterion that was found to have been largely complied with, yet at times local municipalities had limited interest. Also budget support and building by MDF did support some limited infrastructural development (roads, sewage etc.) that has a benefit beyond the IDP community to the wider community.

The other approach was the funding of projects (through IfS and DCI thematic programmes) undertaken by INGOs that had a strong Civil Society and local government engagement component either as partners or beneficiaries. These initiatives aimed at consistently conferring benefits on both IDP and host communities. 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 funded initiatives through INGOs working with local partners and CBOs in the immediate post crisis phase up until 2012. Certain projects run by INGOs (such as Oxfam) used a community mobilisation approach that included both host communities, local authorities and IDP communities. These proved to be successful. Those projects that did not include local authorities early on (such as one DCI globally funded World Vision project) were considerably less successful in terms of ensuring ownership and a wide take up of benefits.

Inevitably there was tension between host communities and IDPs, yet implementing partners were well aware of these and there were no reported examples of where EU programming exacerbated these tensions. Overall, the EU was a consistent advocate for CBO and NGO engagement and comprehensive consultation in the development of all government strategies which was enormously appreciated by Civil Society themselves who had doubts whether they would have been consulted without EU pressure.

5.2.1 Indicator 521: Evidence for increased CSO involvement in IDP issues

Presentation of the evidence gathered and detailed analysis

EU mainly contributed to CSO involvement in IDP issues generally through two means. First was the policy conditionality attached to the large budget support mechanisms IDP II, IDP III and IDP IV, and second was through the funding of projects (through IfS and DCI) undertaken by INGOs that strongly involve Civil Society organisations either as partners or beneficiaries. At times these activities were taken in tandem.

At the policy level it involved, number of local NGOs and INGOs were involved in the process of formalising the MoU and development of the Livelihood Strategy

“For the purpose of the [development of] the Livelihood Strategy ACF had formalized MoU with DRC and active involvement of UNDP” (ENPI – Final Narrative Report 2013)

“The Farmers Regional Information Centre (FRIC) established at the Karaleti settlement will be handed over the national association Rural Development for Future Georgia (RDFG) after the project completion. RDFG will oversee the centre and also promote its activity around Shida Kartli settlements.” (World Vision, Project Exit Strategy, 2012)

Also with IDP IV one of the compliance criteria which was seen in compliance involved CBOs (Hovey 2013. Special measures for support to Georgia's IDP AP: 2009),

"The Action Plan for implementation of the State Strategy for IDPs. Action Plan is updated at least once a year in consultation with local authorities, donors and Civil Society. [...] Compliance: Yes"

Examples of EU support enabling accountability of other EU supported activities included,

"Although the original adopted mechanism was not operationalised, other accountability initiatives were undertaken in the meantime by some NGOs. For example the EU funded ORC engineering survey of the newly constructed apartments in Poti, Tskhaltubo and Batumi built with EU budget support funds produced a comprehensive database of construction defects within apartments" (Ibid.)

Also, increased engagement with Civil Society and its importance was reflected in the MRA's request to participation of NGO's and others *"in Temporary Expert Groups (TEGs) to formulate and recommend changes to MRA policies such as the IDP law and the IDP Livelihood Strategy. (Ibid.)*

Changes in government in 2012 brought in more opportunities,

"... transparency has extended to NGOs and a recent meeting with Georgian NGOs was attended by over thirty representatives and chaired by the Minister with the Deputy Minister for International Relations in attendance." (Ibid.)

Yet the extent to which these were related to what the EU in this particular instance is questionable, as they rather a matter of evolutions national politics.

The involvement of NGOs and CBOs became increasingly the norm over the period of 2007 – 2013:

"It is also notable that this EU funded FAO project took part in the elaboration of the IDP Livelihoods Strategy and the Action Plan of the MRA. The Strategy has not been approved to date. Instead, it was updated in the last three months (with participation of NGOs) and reportedly will be approved in the near future." (ROM Support for achieving sustainable livelihoods through agricultural cost-shared investments in IDP settlements and constraint returnee areas in Georgia 2013), and "Senior donor organisations and Government representatives coordinate closely in the MRA led IDP Steering Committee (SC) - a regular and formal high level mechanism of strategic coordination and joint planning/decision making. The SC is informed by Temporary Expert Groups (TEGs) comprising field based NGOs, Civil Society Organisations and independent experts." (AF for Georgia AAP 2011: Support to conflict affected/displaced population and host communities in Georgia)

The EC always identified CBOs as key 'Stakeholders' in its programmes:

The MRA, IDPs, host communities and Municipal level authorities directly benefit from the programme and will work in close collaboration. The will enable participation of all groups in society, including marginalized groups such as the disabled, in the decision making process.

Programme activities will be coordinated in close coordination with: Other donors active in the field of IDP support (USAID, UNHCR, UNDP, SIDA, etc.); Private sector associations and businesses, Chambers of Commerce; Central Government: MRA, MRDI; Regional and Municipal development strategies; Civil Society, I NGOs and Organizations.

An CSOs were involved in specific government programmes,

"The livelihood working group that was engaged in work on the Strategy then proceeded with the development of the Livelihood Action Plan. All relevant stakeholders were involved in this process - CSOs, donors and ministries - with a role in promoting livelihood opportunities for IDPs." (Compliance Review for SBSP IDP IV, 2014)

The weight of CBOs in certain committees would appear to be limited when looked at against other stakeholders, but at least they were there.

"The following institutions are permanent members of the Steering Committee: MRA, Ministry of Labour, Health and Social Affairs, Ministry of Justice, Ministry of Finance,

MRDI, Ministry of Agriculture, MDF, EU, SDC, UNHCR, UNCT, USAID, World Bank, one international NGO and one local NGO.” (AF for Georgia AAP 2011: Support to conflict affected/displaced population and host communities in Georgia)

From individual projects, “Meeting notes highlighting participation of representative NGOs and CSOs”¹⁵⁷ An Oxfam-funded IDP project that was part of the sample seemed to have been very successful in terms of mobilising, engaging and even creating CBOs,

“47 mobilised community groups have been established. 95 grants to IDP women for small businesses support have been issued” “9 CBOs have been created and assisted, of which 7 received grants.” (EU IFS Annual Narrative Report, 2011)

One of its key activities was: Establishing Community Groups and Development Committees and later CBOs, which appears to have been successful, as well as NGO/CBO s engaging with the local community, “Representatives of NGOs promised to voice the IDP problems with government and non-government sectors that they co-operate with.” (Ibid.) This extended beyond mere involvement of CBOs but them being active members of Development Committees, “Development Committees comprised of most active representatives of LGs and CGs are created and functioning

“Long-term goal of the Development Committees is to monitor the implementation of the plan by the municipal authorities. Altogether, 7 development Committees were created in the following municipalities: Mtskheta, Dusheti, Gori, Kaspi, Kareli, Khashuri and Zugdidi. The members of the Development Committees are the most active IDPs trained [...]” There appeared to be some continuity “The Development Committees have been functioning since May 2010.” (Ibid.)

“It should be mentioned that the Organic Law on Local Self-Governance does not oblige the local governments to develop and implement special programmes for IDPs or to provide them any different kind of services, although IDPs have the right and can participate in all the programs implemented by local governments. However, LGs actively try to identify the IDPs problems and be responsive.” “The Development Committees created with the support of the project unites IDPs, HCs and LGs that creates good foundation for their co-operation, and increases accountability of LGs. 7 Development Committees, permanent meetings with the representatives of local and central government increases the awareness of high officials about the conditions of IDPs that step by step gets translated into higher interest and active actions.” (Ibid.)

CBOs themselves have undertaken activities that also increase their voice “The increased number of articles in the newspapers, especially in local and regional ones, also contributes to making local governments more interested in IDPs problems.” Oxfam’s engagement with Georgian NGOs working on IDP issues was considered very positively, “Partnership agreements have been carried out by Oxfam GB with partner Association of Disabled Women and Mothers of Disabled Children DEA, Association of Young Economists of Georgia AYEG and Welfare Foundation. The relationship between the formal partners of this Action is very constructive and professional.” (Ibid.)

To conclude, the involvement of NGOs and CBOs became more and more the rule over the period of 2007 – 2013 in the IDP area. Those stakeholders from Georgian Civil Society and INGOs interviewed during the field phase were forthright and direct in their praise of the EU’s material support, but also and more importantly, the support given by the EU for the GoG to create policy space and consult with INGOs and Civil Society. In almost all EU funded IDP projects there was consistent support for either direct CBO engagement in project implementation or support for CBOs to engage in accountability or representation roles with local and national government authorities. It is running and consistent theme bore results in the form of actively engaging communities. The EU was also consistent in promoting this through its policy dialogue, as well as through its funding of projects in which CBOs have been

¹⁵⁷ European Commission, Identification Fiche for Sector Policy Support Programme – Support to the implementation of the IDP Action Plan, p.13

central and valued stakeholders. CBO engagement has improved the quality of programming and actions aimed at IDPs and has been a crucial element in holding local authorities and government to account. At the same time, the ability of Civil Society to shift government policy was limited without the support of the international community.

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- Focus Group - grass-roots perspectives on IDP issues and EU support 14h00-15h30, (8 participants drawn from IDP communities, local Civil Society, former local authority representative, and local NGO administering IfS project) Wednesday, the 5th of November Zugdidi, Georgia

5.2.2 Indicator 522: Evidence of dialogue between IDPs and local government authorities occurs in context of EU-supported co-operation

Presentation of the evidence gathered and detailed analysis

In almost all cases of EU-supported action there is evidence that EU support was either conditional on, targeted or enabled dialogue between IDPs and local government authorities. With regard to EU budget support programmes,

“Municipalities have also been included as possible implementing partners, since they are able to propose priorities, make projects or investments proposals and to carry them out in practice.” “The EC co-founded and actively took part in the Task Force on Regional Development under the patronage of the Ministry of Regional Development and Infrastructures. This provides another forum for donor coordination concerning local development and poverty-reduction initiatives, including in IDPs-populated areas”

Examples of specific project objectives related to dialogue between local government authorities and IDPs were aspects such as “Facilitate 27 infrastructure projects benefitting over 100.000 final beneficiaries (IDPs and non-IDPs) with active involvement of local authorities.” (ACF & FEE 2014, ENPI – Final Narrative Report 2013, p.21)

Budget support through EU IDP IV also was conditional on consultation with local authorities

“Criterion/Indicator: The Action Plan for implementation of the State Strategy for IDPs. Action Plan is updated at least once a year in consultation with local authorities, donors and Civil Society. [...] Compliance: Yes.” (Hovey, Tessier & Keadze, Interim Review, 2013)

EU TA support facilitated local authority involvement in national strategies related to IDPs,

“With support from the EU funded ACF TA programme, the MRA, in July 2013, undertook an inclusive consultation process to develop an IDP Livelihood Strategy. The strategy -the first of its kind in the country- was constructed via a series of working group meetings and articulates the MRA’s IDP socio-economic policy.” (Ibid.)

In addition, the ROM Report *Support for achieving sustainable livelihoods through agricultural cost-shared investments in IDP settlements and constraint returnee areas in Georgia* (2013) indicates:

“It is also notable that this EU funded FAO project took part in the elaboration of the IDP Livelihoods Strategy and the Action Plan of the MRA. The Strategy has not been approved to date. Instead, it was updated in the last three months (with participation of NGOs) and reportedly will be approved in the near future.”

“Stakeholders The MRA, IDPs, host communities and Municipal level authorities directly benefit from the programme and will work in close collaboration. The will enable participation at all levels of society in the decision making process including marginalized groups such as disabled.”

Support and engagement of local authorities was not seen as an end in itself but as needed to support other goals such as sustainability, livelihoods and efficiency components. The Technical Assistance component of the EU’s support to IDPs working alongside the budget support totalling (EUR 2 million) aimed to increase efficiencies at the MRA and local authorities and support the formulation, operationalisation and management of an efficient livelihood component within a new MRA Legal Entity under Public Law and enhance privatization and status transfer systems.

A DRC funded technical assistance project ensured that:

“Municipal Working Groups have been formed in 5 Municipalities in Western Georgia, engaging IDPs in a collaborative planning process alongside Municipal Officials.” “Municipal Action Plans have been drafted in participatory manner, adopted by the Municipal Working Groups, and disseminated to regional and central authorities, international organisations, donors and others.” (DRC, Final Report 2010)

The EU also supported “The capacity development of local authorities has been highly appreciated by municipal officials, both in infrastructure development as well as the economic/livelihood issues.” (Ibid.) In order to ensure they could better deal with IDP issues.

An Oxfam IDP project report that:

“The project team closely co-operates with local government. Government authorities are well informed about the project duration and actively participate in the meetings and activities planned and organised within the project. (...) Regular meetings with the representatives of central and local government, international organisations and local NGOs are being organized.” Oxfam GB 2011 Interim Narrative Report of the project “Supporting the Socio-economic integration of IDPs and their host-communities through engagement in active dialogue and decision-making”.

More specifically, seven development Committees were created in the following municipalities: Mtskheta, Dusheti, Gori, Kaspi, Kareli, Khashuri and Zugdidi.

“The members of the Development Committees are the most active IDPs trained [...] The Development Committees have been functioning since May 2010.” (Ibid.)

The IDPs raised the following problems: *“bad condition of the roads connecting highways to the settlements; absence of public transport; sewage system out of order; waste removal; utility service and payment for communal-general services”.* (Ibid.)

Local government representatives seemed to be informed about the above problems, promising the participants to solve them in the nearest future,

“As a result of the meeting, the LG representatives’ awareness about IDPs problems increased; co-operation between LGs and IDPs established; Zviad Khmaladze, Chair of local council, expressed his desire to co-operate with the project – Together We Can- that, in this opinion, will facilitate the solution of IDPs problems.”

“IDPs voiced their interests, as well as concerns about the lack of interest from central and local authorities. Representatives of media interviewed the IDPs, promising to publish articles in local newspapers that will boost the interest of local population, resulting in higher awareness of their problems and difficulties.” (Ibid.)

On reporting there were positive results noted:

“Dialogue with local government has taken place supporting identification and resolution of joint and individual problems faced by IDP and host communities, as well as their readiness to participate in the decision-making process;

“The Development Committees created with the support of the project unites IDPs, HCs and LGs that creates good foundation for their co-operation, and increases accountability of LGs. 7 Development Committees, permanent meetings with the representatives of local and central government increases the awareness of high officials about the conditions of IDPs that step by step gets translated into higher interest and active actions.” (Ibid.)

Yet it could not be said that in all instances relationships and trust between IDPs and local authorities were good,

“Lack of trust towards government authorities (especially to IDP committee), non-government sector and projects that are focused on civic development rather than humanitarian aid [was a factor];”

“Despite the efforts made by the municipalities to ease the IDPS lives, there are a lot of problems the solution of which requires close co-operation of local governments, IDPs and HCs, as well as inclusion of IDPs and HCs in local decision-making processes, which is regarded to be a continuous challenge.” (Ibid.)

Also the limited capacity of local administrations was a problem for follow up not just on this project, but generally, the regional administrations where IDP settlements are located have been considered as the only beneficiaries of the project; however, they have very limited capacity to follow up the project recommendations and do not have global vision and good understanding of the problem.

Innovative approaches were tried to get more local government engagement in IDP issues through programmes such as,

“The increased number of articles in the newspapers, especially in local and regional ones, also contributes to making local governments more interested in IDPs problems.”

These positive results were validated externally, *“The level of ownership of the project by the targeted IDP population is extremely high. Also the covered municipalities are interested in the project and its cost-sharing scheme.”* (ROM, Support for achieving sustainable livelihoods through agricultural cost-shared investments in IDP settlements and constraint returnee areas in Georgia, 2013)

“Regarding the project’s embedment in local structures, it is quite high, as the project: is fully embedded in the targeted IDP communities; co-operates well with respective municipalities; and has ad hoc meetings with MRA and the MoA.” (Ibid.) *“In Zugdidi Municipality, Legal Advice Centre (additional activity) is also actively involved in the process of delivering different types of legal consultations to project beneficiaries on a daily basis.”* (EU IFS Annual Narrative Report, 2011)

In only one project looked at was participation and engagement with government authorities thought to be a major problem

“One of the important tasks of the project was facilitation of creation of farmers associations, joint enterprises or companies at the community level. However, this was not an easy task since no Governmental Institutions (i.e. Ministry of Economy, Ministry of Agriculture) were involved in the project implementation.” (ROM Economic Development for IDPs in Georgia, 2012)

It also appears this failed because the project was poorly planned,

“However, at this stage it is not clear how these pilot projects will be implemented after the project completion since no income has been generated yet. Moreover, regional Governments do not have enough capacity and means to support the project results.”
“The involvement of the representatives of other donors/projects and relevant Ministries would be valuable for the better implementation of the project. The Contractor does not participate in the donors’ coordination meetings which are organised regularly. There is impression that the project is implemented in isolated way.” (Ibid.)

Not adequately planning for the engagement of local authorities was a significant negative impact on sustainability

“However, at this stage it is not clear how these pilot projects will be implemented after the project completion since no income has been generated yet. Moreover, regional Governments do not have enough capacity and means to support the project results.” (Ibid.)

However, this negative perspective from ROMs is somewhat countered by the implementing partners description

“The project was successful in connecting local farmers to stakeholders of the government, NGOs and INGOs in 2011. The local government, members of parliament of Liakhvi Gorge, as well as INGOs (e.g. FAO, EBRD, EUMM) and NGOs operating in Shida Kartli region are very well aware about the project activities, including establishment of demonstration plots, trainings and CIG meetings.” (World Vision, Interim Narrative Annual Report, 2012)

“Also, WV representatives and especially EDIG team members have a very good and fruitful co-operation with local self-government, ministries and local municipalities. Some examples show the meetings the EDIG Project Manager had with different stakeholders and state authorities, including representatives of the Ministry of Agriculture of Georgia (Irakli Mekvabishvili, Head of International Organizations Project Implementation Department), MP of Liakhvi Gorge (Mr. Badri Basishvili), and Head of Villages, representatives of Gori municipality representatives and the Ministry of Education and Science of Georgia. These meetings promote the visibility of the project and also fostered implementation of activities.” (Ibid.)

To conclude, at the macro, meso and micro levels EU activities funded through budget support and IfS actions engaged or targeted local authorities, requiring the GoG or other implementing partners to work with local authorities and municipal development funds. Almost all project documentation assessed mentioned engagement with local authorities as a key aspect. This was confirmed by the field visit and interviews with beneficiaries. In the one instance where there were problems in design and consultation with central and local authorities, the IDP project was found not to be a success (the Word Vision-Germany livelihoods project) – yet it is probably no accident that this was a DCI-funded project through headquarters rather than one originating in close co-operation with the EUD.

Despite this overall positive assessment, the capacity of local authorities to engage, their level of interest in IDPs issues and community tensions were subtexts in much of the project-level evidence studied. There were challenges with the Municipal Development Fund (MDF) and also it appears at times that the Ministry for Regional Development and Infrastructure (MRDI) had a limited interest in taking forward IDP related issues.

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Municipal Development Fund (MDF) Georgia, Executive Director Association of Disabled Women and Mothers of Disabled Children “DEA” – Zugdidi, IDP Women Association “Consent”, Tbilisi, Deputy Representative – UNHCR, Deputy Minister - MRA, Deputy Head of International Relations Department – MRA.

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5.2.3 Indicator 523: Inclusive community-level activities in affected areas occur in context of EU- supported co-operation

Presentation of the evidence gathered and detailed analysis

Georgia endorsed the (EU-led) European Neighbourhood Policy Action Plan (ENP AP) as early as November 2006, which had one of its goals to improve protection for, and provide assistance to, IDPs and to promote integration of IDPs in their current places of residence. The EU recognised the need to be inclusive,

“54% of Georgians live below the poverty line and assistance to IDPs must address poverty of host communities in line with the Government’s ‘Georgia Without Poverty 2008 – 2012’ programme, the State Strategy for IDPs and Action Plan and other complimentary programmes. Failure to do this risks creating inter community resentment and conflict.” “Their socio-integration into their existing communities has also become an important challenge, as growing gaps between the communities (IDPs and hosting communities) is observed and it could lead to some tensions. For example, in many cases IDPs have better WASH (Water, Sanitation and Hygiene) than hosting communities and receive higher social assistance compensation.” (AF for special measure, Support to Georgia’s IDPs AP, 2009)

“Significantly the MRDI is now adopting the community consultation methodology and will utilise it as a tool to identify future infrastructure projects. This is an important milestone. The MRDI now appreciate the benefits to project sustainability of involving communities in meaningful decision making and communities now have a voice in their own development.”(Hovey, Tessier & Kebabze. 2012, Compliance Review of the TAPs)

There are numerous examples of EU support project activities that benefit all communities:

“During the mobilisation day, total up to 1500 people from all three regions living in IDP settlements and host communities was participated in mobilisation event under the slogan “Better health for all”.(EU IFS Annual Narrative Report, 2011)

In Tserovani, Mtskheta: *“Internal road rehabilitation: The road serves an IDP settlement, but is useful to other citizens going through or having fields nearby.” (Hovey, Tessier & Kebabze, Interim Review, 2013)*

In Bazaleti, Dusheti: *“Water system rehabilitation: The water system serves the whole village, without any IDP distinction.” (Ibid.)*

In Tianeti: Drainage channel rehabilitation: The channel serves the whole village without distinction.”(Ibid.)

“The activities under Result I serve the purpose of achieving the goal of Result II: IDPs and host communities are empowered and have the capacities and channels to voice their interests and able to realise their potentials; Local Governments are empowered and have the capacities to effectively respond to the needs of IDPs and HCs through engaging in active dialogue to identify common problems and solutions.”(Oxfam GB, EU IFS Annual Narrative Report, 2011)

Even advocacy capacity building or the setting up of committees with IDPs involved could also have knock on positive effects,

“It is not every day that we are asked to participate in decision-making on vital infrastructure issues,” says Mamuka, 27, resident of Kareli. “I am proud that as a result of this process we now have high quality road not only for the IDP population, but also for the rest of the community.”(ACF & FEE, ENPI – Final Narrative Report, 2013)

When INGOs such as Oxfam ran EU-supported IDP projects they took a holistic approach, forming municipal development committees with IDP and local communities representation rather than simply focussing on IDPs. *“7 municipal Community Development Committees have been established in the seven municipalities of the project locations.” (EU IFS Annual Narrative Report, 2011)*

This would seem to be a practical, sustainability- and effectiveness-oriented approach rather than simply a principle of equity.

“The ACF technical assistance project has made a strong positive impact on policy-making at the technical level. All the major methodologies and documents developed under this action were finally adopted and continue to be used by the government after the finalisation of the project.” Specific projects usually clearly stated they were to benefit IDP and non IDP populations, “Facilitate 27 infrastructure projects benefitting over 100.000 final beneficiaries (IDPs and non-IDPs) with active involvement of local authorities.” (ENPI – Final Narrative Report, 2013)

Even in difficult circumstances, the EC sought to implement projects that benefitted both communities

“The OSCE-led rehabilitation programme in South Ossetia, of which the European Commission is the major contributor, was on one of the few effective confidence building measures benefiting both ethnic communities in South Ossetia” (ENP Progress Report Georgia, 2008)

In managing the tensions that inevitably arose. In general, good practice was followed by NGO implementing partners. For example,

“In order to illustrate that the direct beneficiaries are selected fairly and in an unbiased manner, the project team explained in detail the selection criteria and the reasons why specific person are chosen to become a direct beneficiary of the project.” (World Vision, Interim Narrative Annual Report, 2012)

“Before the start of the trainings the WV and Elkana Community Mobilization Group jointly carried out meetings with the target settlements representatives, and schools administrations, for the purpose of obtaining (along with other important information about the settlements) the information on schools (where the pupils are dispersed), school land and availability of irrigation water, number of youth in each target location, and also on the willingness of the schools to take part in the project activities.” (Ibid.)

In one project assessed there were clearly problems following through on this

“The ‘humanitarian obligation’ (which is the mechanism that the project foreseen to ensure a wider impact of the action in the community) seems more a moral responsibility than an actual obligation by the benefiting farmers.” (Mission Report – To assess the implementation of the EU-funded project ‘to improve livelihoods of IDPs, 2012)

“This activity has a high impact on the direct beneficiaries, but little in the wider community. For future intervention WV would perhaps want to explore more sustained benefit-sharing modalities than the proposed ‘humanitarian obligation’.”, “the ‘humanitarian obligation’ seems elusive here (the beneficiaries were not fully clear answering when asked with whom should they share 15% of the breeding they are obliged to).” (Ibid.)

Yet there is also an acknowledgement even in successful projects that there was significant tension in some communities – also picked up by EU-funded projects between IDPs and local populations,

“All planned activities have been implemented; however, we must mention that there were some obstacles: [such as the] hidden confrontation between local population and IDPs.” (EU IFS Annual Narrative Report, 2011)

Also some concepts like the ‘humanitarian obligation’ where IDPs have to share benefits with the local community appear to have been difficult to operationalise in practice, with some projects seemingly unsuccessful in this area,

“Despite the fact that all IDPs who participate in the implementation of the pilot project have signed the agreement which stipulates that they bear humanitarian obligation toward the whole community for at least 2-3 years, all demonstration projects are implemented as humanitarian assistance projects to individual families, without strong business related obligations. In this respect it should be mentioned that experience with other EC financed projects showed that the humanitarian type of TA projects is not effective and in most cases they cannot lead to the development of sustainable livelihood for IDPs.” (ROM Economic Development for IDPs in Georgia, 2012)

Other issues also arose in projects, for example, *“Questions have been raised as to the ratio of IDPs to host community members in some proposed project”.* (Hovey, Tessier & Kebabze, Compliance Review of TAPs, 2012)

To conclude, as an operating principle, a key objective and a practical implementation consideration, an inclusive approach to community-level activities was at the heart of the EU’s response to the IDP issue. The EU identified possible tensions early on and strove in its budget support, and in individual projects (mostly IfS-financed) to ensure equitable access to benefits for both IDPs and host communities. There are numerous examples of infrastructural initiatives, or greater involvement in community development more widely, being beneficial to the entire community. Clearly in some instances issues did arise, and that there was tension between IDPs and host communities is acknowledged as an on-going issue, yet it did not appear that these were particularly related to EU projects. Concepts such as humanitarian obligation where IDPs have to share benefit with the wider population were difficult to operationalise in practice; simple economic reasoning should have anticipated this. However, the EU was both principled and practical in its selection of objectives, negotiation of implementation arrangements, and monitoring of activities that initiatives aimed at IDPs should benefit the wider community. Difficulties and tensions naturally arose. However, no egregious problems were reported in the project documentation nor did they become noticeable during the field visit.

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5.3 JC53: Policy dialogue contributed to changes in government policy towards IDPs

As one of the largest and most consistent donors for IDPs as well as an active political actor, the EU maintained a constant policy dialogue with the GoG on IDP issues throughout the period 2007-2014. In particular, the EU was part of the formal Steering Committee comprising members of the international community and also Civil Society representatives, but also tried to induce changes indirectly through TA support and direct bilateral dialogue.

The EU sought both to influence the creation of and align with the GoG State Strategy and Action Plans to deal with IDPs. As evidenced by specific sections incorporated in these strategic documents, the EU had a significant influence on the State Strategy and Action Plans, although the EU acknowledged that this was often part of a wider engagement of the international community. Specific criteria such as “*further consolidation in the establishment of a monitoring/reporting system under the MRA to follow up on the implementation of the Action Plan and IDP State Strategy*” were found to have been met in relation to budget support tranches. Yet it was also clear that the MRA was often not a political player powerful enough to effect change in all issues related to IDPs in Georgia or at times focussed more on its housing and status mandate than wider issues. As evidenced by the limited interest shown at times by the MRDI, the EU struggled to have influence over other Ministries in relation to IDP issues. Also the EU’s ability to influence policy was hampered by the turnover of both Ministers (five during the period under evaluation) and also their senior staff who often left as well. Many of these Ministers and senior staff had a poor understanding of the budget support modality and saw limited direct benefits to their Ministry (as the resources were channelled through the MoF and onwards to the MDF). (I-531, I-532)

In addition to trying to influence policy at the general level of the overarching State Strategy and Action Plans, the EU engaged, with some success, at the level of specific issues such as privatisation, development of the durable housing and sustainable livelihood strategies. If not always influencing policy directly, the EU projected influence by the provision of technical

support (I-531).

In addition to its attempts to influence government policy directly through bilateral dialogue, the EU was also a significant supporter of advocacy efforts undertaken by IDPs and wider Civil Society, and of the involvement of all relevant stakeholders in policy development and monitoring. (I-531, I-532)

5.3.1 Indicator 531: Evidence of changes in government policies towards IDPs

Presentation of the evidence gathered and detailed analysis

The core political fact is that the EU chose to align behind and seek to influence the GoG State Strategy and Action Plans for IDPs and ensure that sector policies coherent with EU values and goals were adopted. The EU built indicators and criteria linked to these into its budget support programmes. While attributing changes in government policy to the EU would be difficult, the EU did set itself up to continually influence the government to improve the situation of IDPs. In this regard the EU was a consistent voice and also a consistent investor in the IDP issue.

The success the EU had in actually influencing government was mixed. The reasons why success was mixed are multiple:

- The Budget Support modality gave the EU limited direct influence over the MRA as it was the MDF rather than the MRA that was the major beneficiary;
- The IDP issue or lack of progress in implementation was rarely taken to the ‘political’ level, e.g. beyond the Operations Section of the EU Delegation to be taken up directly with the President of Georgia by the EU Head of Delegation;
- There was significant political turnover, with five separate Ministers responsible over the period 2007-2013;
- The senior administration of the MRA (e.g. Deputy Ministers and some Directors) would change with each change of Minister;
- The MRA as a Ministry, and IDPs as an issue, had weak traction within the overall position of GoG policymaking, a particular difficulty as dealing with many IDP issues would require a whole of government approach.

At times the EU and also the international community was surprised by changes in policy,

“In a surprise move of which the international community only learned some months later, on 23 December 2011, the parliament adopted amendments to the law on internally displaced persons (IDP)”. (ENP Progress Report, 2013)

In aligning behind government policies the key touchstone was the IDPs Strategy,

“In May 2009, an action plan was adopted for implementation of the State Strategy on Internally Displaced Persons (IDPs) for 2009-2012, covering all IDPs, as requested by the EU. The action plan allowed the set-up of proper coordination mechanisms on IDP issues but does not outline the link between the actions foreseen with the funds available and the total population of IDPs whose situation still need to be addressed. There is also lack of clarity on the selection criteria for those IDPs who will receive housing during the process of privatisation of collective centres.” (Implementation of the ENP in 2010. Country report: Georgia, 2011)

“In the aftermath of the 2008 crisis, additional allocations of EUR105 million were granted to Georgia under two ‘Special Measures’ in 2008 and 2009 to support the implementation of national action plans on Internally Displaced Persons (IDPs).” (Implementation of the ENP – Statistical Annex, 2014)

There were examples whereby the EU did have a specific influence on overarching policy of GoG, and specific policies.

The following extracts illustrate this observation, e.g. on Action Plan for implementation of the State Strategy on IDPs for 2009-2012:

“In May 2009, an action plan was adopted (...), covering all IDPs, as requested by the EU. The action plan allowed the set-up of proper coordination mechanisms on IDP

issues but does not outline the link between the actions foreseen with the funds available and the total population of IDPs whose situation still need to be addressed.” (Implementation of the ENP in 2010. Country report: Georgia, 2011)

Example of IDP Action Plan 2012-14:

“On 13 June 2012, the Government formally adopted the 2012-14 IDP Action Plan for implementing the state strategy on internally displaced persons. The plan received continued support from an EU-financed reform programme. The Action Plan was brought into line with donors’ suggestions, with timing and costing introduced. Nonetheless, a more strategic approach, more national ownership and more financing will be needed, if the Georgian Government is to effectively tackle the persisting problem of socio-economic integration and the development of IDP communities.” (ENP Progress Report, 2013)

Example of draft of the IDP Livelihood Strategy and corresponding Action Plan:

“have been developed in a participatory multi-stakeholder process and submitted to MRA. The existence of these products allows the Ministry to fulfil their contractual requirements of the IDP-IV programme” “For the purpose of the Livelihood Strategy ACF had formalized MoU with DRC and active involvement of UNDP. Number of local NGOs and INGOs were involved in the process as well as FAO, UNHCR, World Bank and SDC.” (ENPI – Final Narrative Report 2013)

Specific criteria under the budget support programme were followed,

“Criteria: Further consolidation in the establishment of a monitoring/reporting system under the MRA to follow up on the implementation of the Action Plan and IDP State Strategy [...] Compliance: Yes” “Criterion/Indicator: The Action Plan for implementation of the State Strategy for IDPs. Action Plan is updated at least once a year in consultation with local authorities, donors and Civil Society. [...] Compliance: Yes” (Hovey, Tessier & Kebabze, Interim Review, 2013)

“Criterion/Indicator: A comprehensive costed and prioritised Action Plan for IDP housing needs (housing strategy) is approved by the Government, regularly updated and reflected in the State Budget (or draft budget as appropriate). [...] Compliance: Yes. [...] Evidence of Compliance/Non-Compliance: MRA has updated its Housing Strategy and Action Plan. It includes a costed strategy but does not include a categorisation of collapsing collective centres. However the MRA and MDF possess a comprehensive categorisation of CCs according to their structural integrity and this is used to give added weighting to IDPs in collapsing collective centres during the IDP accommodation application process.” (Ibid.)

“Criterion/Indicator: Further progress in the transfer of IDP selection and transfer of ownership of accommodations to IDPs based on transparent and informed decisions. [...] Compliance: Yes. [...] Evidence of Compliance/Non-Compliance: The MRA has developed a new system of prioritising housing needs according to vulnerability criteria in close collaboration with donors, NGOs and other stakeholders. This has been generally welcomed by the assistance community and stakeholders. This combination of prioritising vulnerability and accommodation safety is considered to be a satisfactory replacement for the previous strategy of prioritising collapsing collective centres as the sole criterion. The new system is in the pilot testing phase.” (Ibid.)

“Indicator: A complaint and Conciliation mechanism under the MRA and MDF is adopted by official decree and functioning. [...] Compliance: Yes. [...] Evidence of Compliance/Non-Compliance: A revised process has been designed upon the initiative of the new MRA Minister and is contained in the update MRA Housing Strategy and Working Plan. The new selection criteria based on vulnerability enables legal redress for IDPs. This revised process, once adopted will provide a workable and legal complaints and redress mechanism” (Ibid.)

As examples of specific issues on which the EU had some influence:

“The IDP families registered in Tbilisi before June 1 2012 will be eligible for living spaces in newly constructed blocks of apartments or rehabilitated buildings in Tbilisi”,

“This had been a recommendation of the EU and other stakeholders and is an example of the MRA’s willingness to consider and act on advice it receives.” (Ibid.)

On updating the Housing Strategy and Working Plan in September 2013 (by MRA):

“The new comprehensive document contains inter alia, detailed housing needs, overall costings as well as implementation plans on Socio-Economic integration, Privatisation, Communications and Monitoring and Quality Assurance. These aforementioned plans are an encouraging inclusion but do require development if they are to become standard operating procedures.” “Clearly the process will require modification but the clarification the process has and will bring to the OHS selection field can only be a welcome move and further evidence of collaboration between the MRA and stakeholders including the EU and its partners who have featured strongly in process development, piloting and monitoring.” (Ibid.)

If not influencing policy directly, the EU also provided technical support which indirectly influenced the direction of policy. This was confirmed during the field phase, where the TA provided by the EU was reported to be invaluable in terms of technical capacity but also in terms of ensuring institutional memory, as many of the senior staff changed:

“The ACF technical assistance project has made a strong positive impact on policy-making at the technical level. All the major methodologies and documents developed under this action were finally adopted and continue to be used by the government after the finalisation of the project.” (ACF & FEE 2014, ENPI – Final Narrative Report 2013), “In April 2013 ACF requested are-alignment of its TA funds to support the MRA in its development of a Livelihood Strategy. This process was undertaken through a series of participatory meetings between the MRA, ACF, other NGOs and stakeholders.” (Hovey, Tessier & Kedadze, Interim Review, 2013)

“Although the original adopted mechanism was not operationalised, other accountability initiatives were undertaken in the meantime by some NGOs. For example the EU funded ORC engineering survey of the newly constructed apartments in Poti, Tskhaltubo and Batumi built with EU budget support funds produced a comprehensive database of construction defects within apartments” (Ibid.)

This was also confirmed during the field phase where the TA provided by the EU was seen to be invaluable in terms of technical capacity but also in terms of ensuring institutional memory as many of the senior staff changed:

Why such changes occurred may have been as much (if not more) a case of national politics and political personalities yet the EUD was not slow to capitalize on this:

“The change in MRA Minister brought optimism in the early months of his tenure: collaboration with the MRA TA programme and the EUD was very close and many recommendations were taken up and implemented. An example is the work DRC undertook with the MRA to revise the Privatisation process. As a consequence of DRC’s TA, privatisation has recently restarted.” (Ibid.)

“The government’s practice of IDP “resettlements” has remained problematic, although a steady improvement has nevertheless been observed. Ongoing concerns include; the notice and information provided to IDPs on upcoming evictions; inconsistent offers for alternative housing; and lack of consideration for particular vulnerabilities.” (Implementation of the ENP in Georgia. Progress in 2011 and recommendations for action, 2012)

“2012 saw the implementation of the recommendations and in February 2012 the MRA requested the EU and its TA partner the DRC to assist with developing the Privatisation system.” (Hovey, Tessier & Kedadze, Compliance Review of TAPs, 2012)

Having a Minister who was supportive and knowledgeable about the IDP issue was brought up by many of those interviewed as the key determinant of success.

However, the EU did not always get its way in its dialogue with the government:

“Prior to the MRA formulating its funding concept to the EU for LEPL funding, intensive negotiations between the MRA, ACF experts and the EU took place over a period of a fortnight to arrive at a compromise on LEPL sub-granting. However the MRA

maintained its stance and the concept, when presented proved unacceptable to the EU.” (ACF & FEE 2014, ENPI – Final Narrative Report 2013)

“The MRA Minister considered it of paramount importance that the MRA IDP Livelihoods should distribute livelihood support to IDPs directly within a few weeks of the LEPL being set up. This was in sharp contrast to the opinion of the EU and many other experts and NGOs that, while the ultimate aim was for the LEPL to be capable of implementing a number of projects directly, it would take a number of years until it was at that stage and that meanwhile projects should be out-sourced to expert implementers.”(Ibid.)

As previously noted, the standard of construction was a consistent problem and despite being brought up numerous times by the EU continued to be unaddressed:

“The report found the MRA not to be in compliance in most areas. Of particular concern are the standards of construction and the lack of a complaint and redress mechanism which has fallen out of use since the last review.” (Hovey, Tessier & Kedadze, Interim Review, 2013)

“Although there have been noticeable improvements in compliance, the report found areas of concern such as construction standards which remain poor. Construction defects identified under previous compliance review remain either unrepaired or repaired very badly.” (Ibid.)

Yet there was at times progress:

“While problems remain, the review found many encouraging signs: examples are the complaints and redress mechanism which was developed as parts of a new IOP selection and accommodation application procedure and the privatisation process which has recently re-started following significant revision.” (Ibid.)

On influencing IDP related policies

“In January 2009 the Government and the European Commission issued a joint statement on political conditionality linked to increased EU budget assistance, accompanied by a series of commitments by the Georgian Government, which included the aim of finding mutually acceptable implementing rules for the Law on Occupied Territories.” (Implementation of the ENP in 2009: Progress Report Georgia, 2010)

Even on policy issues not specifically focussed on IDPs but closely related to them the EU had some successes:

“After the reporting period, in January 2010, the Government adopted the new “State strategy on Occupied Territories: Engagement through Co-operation”. This strategy envisages a policy of engagement to complement the Government’s efforts towards the peaceful resolution of conflicts. This is generally in line with the EU’s non-recognition and engagement policy and Confidence Building approach and was welcomed by the international community as a positive development.” (Ibid.)

This was concern about other regulations:

“The international community has expressed concerns about these regulations and the restrictions imposed, recommending changes; however, only a few of these changes were accepted by the Georgian government. Successful implementation of the Georgian Strategy and Action Plan, and the continuation of international assistance projects for peaceful Conflict Resolution, will depend on the implementation of the ‘modalities’ in a practical and enabling manner.” (Implementation of the ENP in 2010. Country report: Georgia, 2011)

There are specific policy areas in which the EU wished to see policy developed that were subsequently given attention by the GoG:

“Georgia continued to implement the internally displaced persons (IDPs) Action Plan, which was reviewed in May 2010. In tandem with the review, a new ‘IDP Housing Strategy and Working Plan’ was drafted. The latter outlines the remaining needs and challenges in providing durable housing solutions for all remaining IDP families due to limited availability of funding.” The EU was an advocate for a much needed

comprehensive socio-economic State strategy for IDPs “A number of projects exist, including some financed by the EU, but a comprehensive socio-economic State strategy for IDPs is not in place.” (Ibid.)

“It is also notable that this EU funded FAO project took part in the elaboration of the IDP Livelihoods Strategy and the Action Plan of the MRA. The Strategy has not been approved to date. Instead, it was updated in the last three months (with participation of NGOs) and reportedly will be approved in the near future.” (Implementation of the ENP in Georgia. Progress in 2012 and recommendations for action, 2013)

Yet even in 2013 the existing legal framework for IDPs in Georgia was still not optimal as brought up by the EU. The government acknowledged that existing legislation on internally displaced persons did not extend benefits to all IDPs as defined in international law and practice, and prepared a new draft law to address this. The new legislation is more in line with international standards and gives IDP status to those displaced for fear of threat to life from adjacent conflicts.

As of 2014,

“The Georgian government continues to implement the strategy and action plan on internally displaced persons, assisted by a comprehensive EU support programme. It has adjusted its approach of relocating IDPs to remote areas and is now striving to offer more housing solutions in urban centres and focusing on more needs-driven selection of beneficiaries.” (Implementation of the ENP – Statistical Annex, 2014)

The EU also ensured that it was a key stakeholder within important committees,

“In February 2009, the Ministry for Refugees and Accommodation (MRA) has established a Steering Committee on IDP issues in which the European Commission Delegation is a member with the right of vote. This steering committee aims to ensure overall monitoring of the implementation of the State Strategy for IDPs, coordination of international and national efforts to improve living conditions of IDPs in Georgia and support their integration, and to provide advice to the Government of Georgia on these topics.” (AF for special measure, Support to Georgia’s IDPs AP, 2009)

Yet the membership of some of these committees was large,

“The following institutions are permanent members of the Steering Committee: MRA, Ministry of Labour, Health and Social Affairs, Ministry of Justice, ministry of Finance, MRDI, Ministry of Agriculture, MDF, EU, SDC, UNHCR, UNCT, USAID, World Bank, one international NGO and one local NGO.” (Ibid.)

Regarding the State Strategy and Action Plan for IDPs 2009-2012:

“Cooperative effort is underway to associate the donor community to all IDP-related discussions, including matters related to the social and economic integration.” (AF for special measure, Support to Georgia’s IDPs AP, 2009)

“The drawing up of an MoU between the EU and the MRA was a good strategy and demonstrates that the EU understood the need to formalise discussions and agreements. However the wording of the MoU could have been more specific which would have given less room for the MRA to interpret clauses differently from the EU.” (Hovey, Tessier & Kebabze, Compliance Review of TAPs, 2012)

“The MRA Steering Committee (SC) is functioning according to its ToRs. A regular policy dialogue with key donors is maintained on both the political and the operational level, including (but not limited to) issues related to human rights, good governance, gender and children. [...] Compliance: In Compliance.” (EuroPlus & GEOTest, Compliance Review for SBSP IDP IV, 2014)

“Oversight of the entire programme is provided by a Steering Committee chaired by the Minister of the MRDI while specific responsibilities are derogated to the MRA and MDF. The Committee is scheduled to meet at the request of one of the members. In previous years the Committee failed to meet as regularly as was originally envisaged. However this improved in 2011 with meetings held to discuss the implementation of the IDP III funds. According to the MRDI and other IDP III Steering Committee members, the IDP III Steering Committee met several times during the reporting period. Topics

discussed at these meeting revolved around the apartment blocks in Western Georgia and debate and approval of the use of the EUR 5 million PSD funds.” (Hovey, Tessier & Kebabze, Compliance Review of TAPs, 2012)

By hosting the Brussels donor conference after the 2008 war the Commission also had influence

“In 2007 a change in Government policy saw moves to re-integrate IDPs into mainstream Georgian society and the first IDP Action Plan (AP) was developed. The Brussels donor conference prioritized Durable Housing Solutions (DHS) and Georgia, with international support accelerated the development and operationalization of a new AP which is revised annually.” (AF for special measure, Support to Georgia’s IDPs AP, 2009)

Clear conditionality (with resultant disbursements) was part of the EU’s strategy for changes in policy and practice. Independent monitoring for example of the IDP III programme encouraged the EU to continue to engage and show progress on a number of policy issues

“The IDP III programme has entered its final phase and the report is pleased to see that the EU is strengthening its already close ties and working relationships with Government Ministries and Departments to ensure that objectives are reached or exceeded. With continuing close and productive co-operation with the GoG as well as collaboration with other donors such as KfW and USAID and support from its partners in the field the consulting team considers that original and subsequent objectives will be met.” Hovey, Tessier & Kebabze, Compliance Review of TAPs, 2012)

“Review of Compliance Levels of the Technical and Administrative Conditions Part III (General Conditions)

Condition	Compliance Level
Update and monitoring of implementation of the Action Plan	In Compliance
Transfer/Privatization process – complaints/conciliation mechanism	In compliance but with improvements required

The EU was however reliant on the Government Agreeing and implementing the Action Plan for IDPs.

“The update of the Action Plan was generally well received (particularly by the UNHCR) for a number of reasons: It was regarded as a re-affirmation of the GoG’s commitment to IDP welfare; Fine tunes the GoG’s strategic approach to IDPs; Provides donors with a regularly updated framework to work within; Provides opportunities to review IDPs needs from a strategic viewpoint.

Yet certainly aspects were noted as problematic,

“However there were some concerns expressed that the livelihood component was very LEPL-centric. Indeed the AP matrix only lists the LEPL as the livelihood strategy. With a range of livelihood providers the AP should have incorporated more options in the matrix.” (Ibid.)

“Assumptions: this programme is based upon the assumptions that: The Government remains committed to the process of supporting the re/integration of IDPs and the necessary structures (MRA) are kept in place;” (Implementation of the ENP in 2010. Country report: Georgia, 2011)

Generally the EU conditioned its disbursements on progress, such as under IDP IV

“Given the Government of Georgia’s (GOGs) compliance with the general conditions for disbursements, described in section 2, and the levels of compliance with the specific conditions set out in the Policy Matrix for 2013 for the three reform areas as analysed in section 3, the mission recommends to the EC a disbursement level of 75% or EUR 3 million in value terms of the foreseen first variable tranche of EUR 4 million.” (EuroPlus & GEOTest, Compliance Review for SBSP IDP IV, 2014)

Given the progress of EU support IDP past initiatives independent assessments noted that the EU should follow-up as was the case at the end of IDP III,

“MRA already has at its disposal a database system which allows following several aspects of the IDP situation (including received benefits, status, residence, etc.). It has also good institutional networks in the regions and has improved its coordination, communication and reporting tools with the actors active in the field, including NGOs and IDPs themselves. Based on above-mentioned analysis, success to date and lessons learnt, the EU should strive to continue and broaden its policy dialogue with Georgia on the IDP sector. An SPSP could be a logical follow up of the previous Budget support programs and projects addressing socio economic integration issues.” (Implementation of the ENP in 2010. Country report: Georgia, 2011)

About performance criteria and indicators used for disbursements (budget support) a number of specific criteria were used and as the reporting shows below the progress was mixed.

“The conditions set out in the Policy Matrix are based on achievable and objectively verifiable indicators, based on the Government’s own IDP Action Plan 2012-2014 and other international commitments made by GoG (such as, e.g. the UN Guiding Principles on Internal Displacement). They reflect commitments that the GoG itself has undertaken. The conditions also reflect EU priorities, such as a focus on a human-rights based approach, a gender and child concern and principles of good governance.” (Implementation of the ENP in 2010. Country report: Georgia, 2011)

Table 18 General conditions for all tranche releases

Condition	Criterion	Means of Verification
A. MACROECONOMIC STABILITY		
Sound macroeconomic framework	Satisfactory progress in the maintenance of a stability-oriented macroeconomic policy	[...]
PUBLIC FINANCE MANAGEMENT		
Sound public finance and fiscal management	Satisfactory progress in the implementation of the PFM Reform Programme	Available reports/aide-memoires from WB or IMF EC PFM Progress Reports PEFA Progress reviews
C.IDP STRATEGY AND ACTION PLAN		
[...]	The Government of Georgia remains committed to the State Strategy and Action Plan for IDPs. The IDP Action Plan 2012-2014 is fully costed, annually updated in an inclusive manner and reflected in the budget. It is implemented in compliance with the UN Guiding Principles on Internal Displacement and with the participation of representative NGOs and CSOs The MRA Steering Committee (SC) is functioning according to its ToRs. A regular policy dialogue with key donors is maintained on both the political and the operational level including (but not limited to) issues related to human rights, good governance, gender and children.	BDD and budget law (budget allocation at the first day of the budgetary year and executive report) GoG Decree on the adoption of the new Action Plan; adopted annual update of the Action Plan MRA’s Annual Report on the implementation of the IDP Action Plan Meeting notes highlighting participation of representative NGOs and CSOs [...]

“To guarantee sound implementation of the Programme, [of budget support] European Commission is associated in all Government-donor discussions on the elaboration and implementation of the IDP State Strategy and the IDP Action Plan; any substantial revision of the structure and/or charter undertaken by the Government of the MRA will

be subject to prior notification to the European Commission; and the Ministry of Finance will present an English version of IDP-related parts of the annual budget law - particularly for financial year 2013, 2014 and 2015- to the European Commission.” (Ibid.)

“The EU Delegation, EUMM, UNHCR and other protection partners (such as DRC, NRC) will monitor developments related to the IDP Action Plan and the IDP IV Policy Matrix (including data collection, relocation from collapsing Collective Centres, provision of durable housing solutions, privatization of living spaces to IDPs, operation of the Livelihood LEPL and the functioning of the Inter-ministerial Working Group tasked to come up with policy proposals for a review of IDP legislation). Their observations will duly influence the assessment of the GoG’s progress in the respective areas.” (Ibid.)

“The EU Delegation will keep a regular and coordinated policy dialogue with the MRA/GoG and co-operate and coordinate with other major donors such as USAID, SIDA, KfW, SDC - in order to ensure that policy developments are in harmony with agreed principles of the current Financing Agreement and international protection standards.” (Ibid.)

“The release of instalments under this programme will require compliance with the following general conditions: 1. Satisfactory progress in the maintenance of a stability orientated macro-economic framework inter alia the IMF macro-economic programme; [...] 3. Satisfactory progress in the implementation of the GoG’s IDP Strategy and Action Plan (including its annual update) and the analysis and distribution of qualitative information.

The release of the variable tranches will be linked to compliance with the specific conditions set out in the three policy reform areas: Provision of durable housing solutions for IDPs; Access of targeted IDPs and Host Communities to sustainable income/employment; The GoG’s concrete steps to harmonize IDP legislation and increase cost-effectiveness of IDP assistance (potential shift from "status" to "needs-based" assistance).“ (Ibid.)

The challenge of working to get changes in government policy across different policy areas was noted

“...coordination between the different governmental structures (namely the MRA and the MRDI but also between them and other line ministries) is often scarce. This has been particularly visible in the context of the elaboration of the Regional development Strategy, led by MRDI.” (Ibid.)

“Subsequent changes in the Georgian cabinet of ministers has required ongoing negotiation involving the Head of Delegation (HoD) and UNDP Resident Representative (RR) emphasising that the GoG approval of individual projects is not required but that Government will be informed on funding decisions after the decisions have been made. Indeed, any decision-making role for the GoG would mean that activities in the breakaway regions would not be possible. The GoG is reportedly (somewhat reluctantly) agreeable to this although it does not agree of the need for 'confidence building'.” (Ibid.)

One of the key issues of influencing changes in policy (and for that matter implementation) was

“...structural and human resource shortcomings within the Ministry of Reintegration remain.”, and “MRA’s capacity can be assessed as quite weak. Human resources and necessary tools are available to manage the daily IDP-related work, however, MRA does not seem to be the ultimate decision-maker in this field, with other governmental bodies (MRDI, MoF, Prime Minister’s cabinet) playing a key role.” (Ibid.)

It was also seen that in a number of areas the MRA was often if a strict assessment was taken compliant in a number of key areas, e.g. as stated in the interim Compliance Review of the Budget Support programme – IDP III

“The following narrative represents a very strict assessment of the MRA’s obligations under the EU IDP III budget support programme.[...] In response to the change in MRA leadership and in recognition of the problems facing the new Government the EU has agreed to extend the IDP III budget support programme until the end of 2013 thus allowing the GoG extra time to comply with the terms of budget support agreement. [...] The report found the MRA not to be in compliance in most areas. Of particular concern are the standards of construction and the lack of a complaint and redress mechanism which has fallen out of use since the last review. The review also found the Privatization process has been halted while new procedures are produced. On the positive side the IDP Action Plan update is underway and the Privatization process with TA from DRC Privatized 7,650 accommodation units up until the end of 2012.” (Hovey, Tessier & Kebabze, Interim Review, 2013)

Clearly changes in the political environment in Georgia had a large influence on the EU (and international community’s as a whole) ability to influence the course of policy:

“The Minister – Koba Subeliani has recently been replaced by Dali Khomeriki. The final months of Minister Subeliani’s tenure were marked by an increasing sense of frustration on the part of the International Community and other stakeholders in the IDP field: elements such as Privatisation and PR were promoted but the internal processes of the Ministry remained inefficient while strategic decision making forums such as the IDP Steering Committee suffered from a lack of productive engagement from the Minister.” A change in the political environment brought key opportunities, “The new Minister has had a positive impact on the Ministry with a new emphasis being placed on clear and accurate external and internal communications. Co-operation with the international community and Civil Society groups has improved and a period of optimism has appeared to engender the IDP issue.” (Hovey, Tessier & Kebabze, Compliance Review of TAPs, 2012)

To conclude, there was a significant evolution in the policy of the GoG towards IDPs throughout the period 2007-2013 with several initiatives being launched. The on-going dialogue maintained by the EU and the various relevant departments of the GoG (particularly the MRA) yielded some influence on government policies towards IDPs. IDP Strategy and Action Plans were influenced by the international community. The EU was adept at developing policy criteria in its budget support programmes that were coherent with EU goals as well as acceptable to the GoG. However, the low political prioritisation of IDP issues across the GoG and capacity constraints at the MRA, as well as the overall political environment, meant that the process was not smooth throughout the 2007 – 2013 period. Other government Ministries where less interested in IDP issues and collaboration was often scarce and where it did occur such as with the Ministry of Regional Development and Infrastructure yielded mixed results. The turnover in Ministers also severely hampered progress, with new Ministers often being unwilling to fully back policies that had been advanced but not finalised under previous Ministers. The EU elaborated the right issues in its policy matrices and undertook to support a range of support measures, but because the policy-setting MRA was not the recipient of budget support there was limited leverage. Ministers and senior staff at the Ministry were actually confused about this modality. Some changes in government policy (including an IDP-related law) took the international community by surprise. Yet over the evaluation period the government did introduce new strategies on durable housing solutions and sustainable livelihoods (although not signing off on the Action Plan), with apparently significant input from the EU or EU funded TA. In some of these policies the EU was influential in ensuring that Civil Society and INGOs were properly consulted. The EU was a consistent advocate for progress and policy change regarding IDPs throughout the period 2007-2014. It was active on the issue before the 2008 war and long after the initial emergency phase and political spotlight had passed, something for which it should be commended.

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- Interviews in Brussels: former Head of Operations (HoO) EUD to Georgia, EUD with conflict and IDP responsibility (Operations Section).
- Focus Group - grass-roots perspectives on IDP issues and EU support (see Annex 5, Volume III).

5.3.2 Indicator 532: Evidence of changes in implementation of government and EU funded programmes towards IDPs

Presentation of the evidence gathered and detailed analysis

The ENP Progress Reports (2012 and 2013) indicate that the overarching analysis of the EU was that:

“Georgia has, to a large degree, respected the principles laid down in 2010 to work toward a durable solution to housing problems.”

“Georgia acted on most of the key recommendations. It ensured broadly free and fair parliamentary elections, continued to engage with its breakaway regions, actively participated in the Geneva discussions and took measures to improve the living conditions of Internally Displaced Persons (IDPs).”

“The programme coordinates with the Government in accordance with the Paris declaration¹⁵⁸, the European Consensus and Code of conduct: all actions are designed to follow Municipal, Regional and National development strategies including the MRA housing strategy and the IDP AP. All aspects of the programme have been discussed in detail with different Ministries and incorporate their priorities.”

However, there were persistent challenges.

Throughout the period of the evaluation (2007 – 2013) poor construction standards were one of the most challenging issues. The EU sought to use its leverage to improve the standards for durable housing solutions, including conditioning budget support. Yet as noted in various reports and independent monitoring issues, this remained one of the most problematic issues:

“The MRA Minister considered it of paramount importance that the MRA IDP Livelihoods should distribute livelihood support to IDPs directly within a few weeks of the LEPL being set up. This was in sharp contrast to the opinion of the EU and many other experts and NGOs that, while the ultimate aim was for the LEPL to be capable of implementing a number of projects directly, it would take a number of years until it was at that stage and that meanwhile projects should be out-sourced to expert implementers.” (ENPI – Final Narrative Report 2013)

¹⁵⁸ On 13 December 2010 the GoG officially announced its intention to sign the Paris declaration.

“Prior to the MRA formulating its funding concept to the EU for LEPL funding, intensive negotiations between the MRA, ACF experts and the EU took place over a period of a fortnight to arrive at a compromise on LEPL sub-granting. However the MRA maintained its stance and the concept, when presented proved unacceptable to the EU.” (Ibid.)

“The ACF technical assistance project has made a strong positive impact on policy-making at the technical level. All the major methodologies and documents developed under this action were finally adopted and continue to be used by the government after the finalisation of the project.” (Ibid.)

While the EU did manage to obtain some changes in how housing was allocated, and a move towards more needs-based approaches, the GoG maintained the status-based approach. Given the intensely political nature of the status-vs.-needs issue, it is an achievement in itself that the EU was able to consistently table this point. The ability of the EU to influence policy or to improve the standards of housing built through MDF contractors was quite limited.

In coordination with the European Union, the INGO who provided technical assistance ACF worked towards ensuring compliance with IDP-III of ministries and Local Authorities.

“Drafting the Strategy also contributed to the capacity building of the MRA to reach the compliance with the IDP-IV budget support as well as to be the party of the participatory development process and liaise with different stakeholders, international and national NGOs and state institutions.” (Ibid.)

“The [technical compliance] report found the MRA not to be in compliance in most areas. Of particular concern are the standards of construction and the lack of a complaint and redress mechanism which has fallen out of use since the last review.” (Hovey, Tessier & Keadze, Interim Review, 2013)

Examples of monitoring not in compliance:

“The MRA has not provided reports on housing construction, quality or needs for the last two quarters. Neither has it provided minutes of planning meetings for the rehabilitation/construction of IDP accommodation.” (Ibid.)

Examples of concern, such as construction standards, found in the compliance review on technical progress commissioned by the EU

“Construction defects identified under previous compliance review remain either unrepaired or repaired very badly.” (Ibid.)

“Complaints and redress mechanism which was developed as parts of a new IOP selection and accommodation application procedure and the privatisation process which has recently re-started following significant revision.” (Ibid.)

The criteria on further consolidation in the establishment of a monitoring/reporting system under the MRA to follow up on the implementation of the Action Plan and IDP State Strategy [...] was met. The compliance was observed for the following criterion/indicators:

- The Action Plan for implementation of the State Strategy for IDPs. Action Plan is updated at least once a year in consultation with local authorities, donors and Civil Society. [...]
- A comprehensive costed and prioritised Action Plan for IDP housing needs (housing strategy) is approved by the Government, regularly updated and reflected in the State Budget (or draft budget as appropriate). Evidence of Compliance:

“MRA has updated its Housing Strategy and Action Plan. It includes a costed strategy but does not include a categorisation of collapsing collective centres. However the MRA and MDF possess a comprehensive categorisation of CCs according to their structural integrity and this is used to give added weighting to IDPs in collapsing collective centres during the IDP accommodation application process.” (Ibid.)

Further progress in the transfer of IDP selection and transfer of ownership of accommodations to IDPs based on transparent and informed decisions.

“The MRA has developed a new system of prioritising housing needs according to vulnerability criteria in close collaboration with donors, NGOs and other stakeholders.

This has been generally welcomed by the assistance community and stakeholders. This combination of prioritising vulnerability and accommodation safety is considered to be a satisfactory replacement for the previous strategy of prioritising collapsing collective centres as the sole criterion. The new system is in the pilot testing phase.” (Ibid.)

“A complaint and Conciliation mechanism under the MRA and MDF is adopted by official decree and functioning. Evidence of Compliance:

A revised process has been designed upon the initiative of the new MRA Minister and is contained in the update MRA Housing Strategy and Working Plan. The new selection criteria based on vulnerability enables legal redress for IDPs. This revised process, once adopted will provide a workable and legal complaints and redress mechanism” (Ibid.)

Also,

“The IDP families registered in Tbilisi before June 1 2012 will be eligible for living spaces in newly constructed blocks of apartments or rehabilitated buildings in Tbilisi”; “This had been a recommendation of the EU and other stakeholders and is an example of the MRA’s willingness to consider and act on advice it receives.” (Ibid.)

With EU encouragement the MRA updated the Housing Strategy and Working Plan in September 2013:

“The new comprehensive document contains inter alia, detailed housing needs, overall costings as well as implementation plans on Socio-Economic integration, Privatisation, Communications and Monitoring and Quality Assurance. These aforementioned plans are an encouraging inclusion but do require development if they are to become standard operating procedures.” (Ibid.)

“Clearly the process will require modification but the clarification the process has and will bring to the OHS selection field can only be a welcome move and further evidence of collaboration between the MRA and stakeholders including the EU and its partners who have featured strongly in process development, piloting and monitoring.” (Ibid.)

Although, the change in MRA Minister and first few months were marked by political turmoil, practical and organisational problems and pressure from myriad organisations and Governments:

“Despite this, the Minister was able to call upon the support of the EU and its TA programme and identified a number of strategic initiatives. Therefore the MRA has, through a combination of close support from the EU, TA providers and other stakeholders as well as through its own initiative revised, re-designed and re-launched its privatisation, accommodation selection and complaints mechanisms, updated its housing strategy and policy documents and manuals and increased the flow of information in many areas.” (Ibid.)

“The strategy was developed as discussions between the MRA and the EU regarding EU funding for the proposed IDP Livelihood LEPL were reaching a critical stage. The MRA became strongly engaged in the strategy process (a pre-requisite for LEPL funding) and took full ownership of it.” (Ibid.)

“The change in MRA Minister brought optimism in the early months of his tenure: collaboration with the MRA TA programme and the EUD was very close and many recommendations were taken up and implemented. An example is the work DRC undertook with the MRA to revise the Privatisation process. As a consequence of DRC’s TA, privatisation has recently restarted.” (Ibid.)

An action plan was adopted for implementation of the State Strategy on Internally Displaced Persons (IDPs) for 2009-2012, covering all IDPs, as requested by the EU (ENP Progress Reports 2010 and 2013):

“The action plan allowed the set-up of proper coordination mechanisms on IDP issues but does not outline the link between the actions foreseen with the funds available and the total population of IDPs whose situation still need to be addressed. There is also

lack of clarity on the selection criteria for those IDPs who will receive housing during the process of privatisation of collective centres.”

“The MRA, the official counterpart of the FAO in this project, has not been involved in the project activities so far. This was related to the fact that the Ministry passed a tense transition period after parliamentary elections (October 2012) and dealt mainly with ad hoc solution of IDP issues in that period.”

The EU room for manoeuvre was not great in terms of promoting policy and implementation change,

“The programme coordinates with the Government in accordance with the Paris declaration¹⁵⁹, the European Consensus and Code of conduct: all actions are designed to follow Municipal, Regional and National development strategies including the MRA housing strategy and the IDP AP. All aspects of the programme have been discussed in detail with different Ministries and incorporate their priorities. “ (Implementation of the ENP in 2010. Country report: Georgia, 2011)

Although a condition of comprehensive sector management system for implementing the IDP State Strategy and Action Plan is established and operational was noted,

The “MDF is totally dependent on the policy level, and the implementation of any programme requires prior negotiations with a strong Ministry, MRDI, which lacks political focus with regards to IDP issues, and an increasingly weak one, MRA, which has little weight in the country’s decision-making architecture. “ (Ibid.)

On defects in executed apartment block for IDPs, was noted that:

“The level of making good of the defect listed in the report to the core phase was found to be poor, from insufficient to inexistent, and the previous defect list can still be considered as valid in its current state.” (Hovey, Tessier & Kebabze, Interim Review, 2013)

And that the MDF presented,

“A flagrant lack of capacity and experience in effective supervision: None of the procedures typical to that trade are in place, such as material approval before use.” (Ibid.)

“The long term view: The MDF must adopt a progressive and reformist view, acknowledge its lack of modern, independent Project Management capacity, and take all measures to build one.” (Ibid.)

EU’s role in ensuring objectives was recognised:

“The IDP III programme has entered its final phase and the report is pleased to see that the EU is strengthening its already close ties and working relationships with Government Ministries and Departments to ensure that objectives are reached or exceeded. With continuing close and productive co-operation with the GoG as well as collaboration with other donors such as KfW and USAID and support from its partners in the field the consulting team considers that original and subsequent objectives will be met.” (Hovey, Tessier & Kebabze, Compliance Review of TAPs, 2012)

The Review of Compliance Levels of the Technical and Administrative Conditions Part III (General Conditions) shows that:

Condition	Compliance Level
Transfer/Privatization process – complaints/conciliation mechanism	In compliance but with improvements required

“The new Minister has encouraged more meaningful outreach to IDPs. As part of this policy a survey of IDPs will take place. The main thrust of the survey will be to define which information IDPs require and how they would prefer it to be delivered. [...] If this survey does inform policy development, this will mark a milestone in the institutional maturity of the Ministry. The use of the survey as a policy tool will be enhanced if

¹⁵⁹ On 13 December 2010 the GoG officially announced its intention to sign the Paris declaration.

advice is sought by the Ministry. The EUD, with its own in-house experience as well as access to policy development and communications experience through its TA programmes, links with NGOs and other stakeholders is ideally placed to assist both the survey and policy development process.” (Ibid.)

“Another area of concern raised by more than one interviewee is the prioritisation for closure of larger over smaller and more rural CCs. In the 2011 selection process the EU prioritised ‘collapsing’ CCs (where the structure of the buildings is unsound). The MRA prioritised IDPs living in poor living conditions as well as buildings required by the GoG and private enterprise (such as the CCs in Tskaltubo). Smaller and rural CCs appear to have been missed in assessments.” (Ibid.)

The changes long urged by the EU in the privatisation of Collective Centres seemed to have had positive impact as did changes in the Housing Strategy and Working Plan from 2012. This issue was consistently advocated for by and enabled with technical support from the EU and was appreciated by IDP beneficiaries, as confirmed during the field phase.

“2012 saw the implementation of the recommendations and in February 2012 the MRA requested the EU and its TA partner the DRC to assist with developing the Privatisation system.

Working together, the EU, MRA (with financial support from the UNHCR and TA from DRC), MoED, the Civil Registry and DRC formed a Privatisation task force which swiftly developed a complete Privatisation process complete with supporting documentation from profiling to issuing legal ownership documents.” (Ibid.)

“As in the privatisation process there has been a complete transformation in the MRDI’s attitude towards the project. Was this transformation politically motivated to bring infrastructure projects to communities just prior to the October 1st parliamentary elections? Or was it a pragmatic move based on a desire to bring development and integration to IDPs from a Ministry which, until a short time ago had no interest in IDPs or micro projects.” “Unfortunately the MRA, instead of adhering to the list provided by the DRC and the agreement to prioritise structurally unsound CCs decided to define ‘collapsing’ as CCs where residents were living in poor conditions detrimental to their health. This definition can arguably be applied to the majority of CCs in Georgia and runs counter to the concept of prioritising criteria to arrive at a group of selected CCs supported by a transparent and supportable selection process. In addition, the MRA made this change to their plans without consulting either the EU or the DRC. There is a suspicion that the DRC and EU partners were deliberately misinformed about the selection of CCs for closure.” (Ibid.)

“The MRA’s action in disregarding the vast majority of the DRC report and discussions with the EU shows that such agreements need to be strengthened in terms of definition of terms and (if possible under a budget support programme) be reinforced with potential sanctions in cases of non-compliance.” (Ibid.)

Table 19 Review of special measures for support to Georgia's IDP Action (condition "update and monitoring of implementation of the Action Plan")

Criterion/Indicator	Indicator	Remarks	Compliance Level	MRA Action Required to be in Compliance
Condition: Update and monitoring of implementation of the Action Plan				
Further consolidation in the establishment of a monitoring/reporting system under the MRA to follow up on the implementation of the Action Plan and IDP State Strategy	Regular (at least quarterly) reports containing open needs (including financial) and detailed information on progress in: <ul style="list-style-type: none"> •Rehabilitation/construction works •Privatisation and resettlement of IDPs •Infrastructure building and planning Minutes of regular information sharing and coordination meetings of the MRA on durable housing solutions and socio economic integration of IDPs	IDP Action Plan current until June 2013. May 14th Minister announced MRA will update AP.	In compliance but will fall out of compliance end of June 2013. UNHCR and MRA has started update process	Complete update process in collaboration with stakeholders
		Quarterly housing needs report not issued	Reports not in compliance	Compile and issue quarterly housing needs report. Would be useful to use this as a fund raising tool. Suggest Minister tasks UNHCR project or seeks assistance from DRC T/A project
		IDP Steering Committee meetings held and regarded as generally useful and improvement on previous administration	Steering Committee meetings in compliance	No action required
		TEG meetings held – regarded as very useful by participants. Evidence that conclusions and recommendations being taken up by MRA (for example IDP law draft changes)	TEGs in compliance	No action required
		DRC/MRA Privatisation report issued in Feb. 2013 covering Jan. – Dec. 2012	Report in compliance, process worked well until elections but now stalled. Process now restarting. Cadastre records require	As a matter of urgency accelerate and operationalise the privatisation process Ensure NAPR have registered privatised properties and cadastre records are updated Recommend Minister tasks MRA Legal

			updating	Department
		Regular MRA coordination and information sharing meetings not being held.	Not in compliance	Organise regular coordination and information sharing meetings and disseminate minutes. Recommend Minister tasks UNHCR Department
		MRDI Infrastructure projects identified by communities as priorities	MRDI in compliance	N/A to MRA
		MRA Construction planning and strategy unclear and not formally distributed	Not in compliance	Update housing strategy, agree construction strategy (priority areas, types of buildings, rehabilitation or new-build etc). Disseminate information. Recommend Minister tasks UNHCR Project/International/PR departments
A comprehensive costed and prioritised Action Plan for IDP housing needs (housing strategy) is approved by the Government, regularly updated and reflected in the State Budget (or draft budget as appropriate)	Housing Strategy for IDPs includes a categorisation of Collective Centres according to their level of risk and a detailed indicative and costed Action Plan.	Not updated fully since 2010	Housing Strategy not in Compliance	Housing Strategy requires updating, costing and reflecting in State Budget. Recommend using the updated strategy as a fund raising tool by using participatory process of updating. Recommend minister tasks UNHCR project and MRA Finance Department.
Condition: Transfer/Privatization process – complaints/conciliation mechanism				
Further progress in the transfer of IDP selection and transfer of ownership of accommodations to IDPs based on transparent and informed decisions	Clear criteria and procedures for attribution of durable housing solutions are adopted and implemented, allowing for a transparent and participative selection process	MRA did not conform to the agreement to prioritise collapsing CCs Selection process non-transparent	Not in compliance Evidence that moving into beneficiary selection compliance with USAID programme. This is a very positive development	Immediately announce the approved policy of prioritising the closure of collapsing CCs. Upon finalisation of beneficiary selection process in Kutaisi – adopt and disseminate

Source: Hovey, Tessier & Kedadze (2013), p.11-17

To conclude, the real-life consequences for IDPs of changes in government policy at the macro-level such as those new policies for durable housing solutions and livelihoods were difficult to discern during the reporting period 2007-2013. This does not mean such policy changes were not worthwhile and indeed it was entirely justifiable to focus at the macro-policy level to have the most impact on the largest numbers IDPs using the leverage of budget support. It may simply be too soon to see the full impact of these policies on actual programmes – particularly as aspects like the Livelihood Action Plan have still to be agreed. While there were undoubted problems in many compliance areas of budget support programmes, most were judged at the macro level to be in compliance. However, there is a question if there should have been more robust political dialogue at the highest level on IDP issues and the performance of the MDF, the major recipient of the budget support. As noted before, although there were times when there were improvements during the 2007-2014 period, persistent problems existed in terms of the construction quality of housing and progress on livelihoods. The persistence of these issues shows that there was not a steady linear improvement, let alone a dramatic change in action. Where there were problems in EU programming through NGOs regarding IDP initiatives, this appeared to have stemmed from the fact that it was through a global DCI process managed at EU headquarters level. Others seem to have been largely successful. The DCI instrument was not used again by the EU to finance IDP actions.

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- Field Interviews: IDP & Conflict Lead (FPI), EU Delegation to Georgia, Danish Refugee Council, USAID Project Manager (Former Evaluator for IDP Budget Support and TA), Danish Refugee Council, Regional Director South Caucasus Mission – ACF, Technical Assistant – Process Orientated Technical Assistance to the Ministry of IDPs Georgia (former Deputy Minister), Head of Strategic Development Unit, Municipal Development Fund of Georgia, Programme Coordinator – ACF, Charity Humanitarian Centre Abkhazeti, Chief Technical Advisor, FAO in Georgia, Country Director, Oxfam, Former Country Director Norwegian Refugee Council currently Deputy Dean, School of Social Science, Georgian Institute for Public Affairs Director of Legal Aid Centre – Georgian Young Lawyers Association, Head of Financial Management and Investment Unit, Municipal Development Fund (MDF) Georgia, Executive Director Association of Disabled Women and Mothers of Disabled Children “DEA” – Zugdidi, IDP Women Association “Consent”, Tbilisi, Deputy Representative – UNHCR, Deputy Minister - MRA, Deputy Head of International Relations Department – MRA.
- Interviews in Brussels: former Head of Operations (HoO) EUD to Georgia, EUD with conflict and IDP responsibility (Operations Section).
- Focus Group - grass-roots perspectives on IDP issues and EU support, (eight participants drawn from IDP communities, local Civil Society, former local authority representative, and local NGO administering IfS project) Wednesday, the 5th of November Zugdidi, Georgia.

6 EQ6 on Conflict Resolution

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

6.1 JC61: Co-operation programme coordinated with political engagement, policy dialogue and other EU tools

It is clear (from Indicators I-611 – I-614 and indicators analysed under EQ 5 namely I-541 and I-542) that there was an on-going policy dialogue on IDP issues and conflict issues with the GoG. There was also policy dialogue when possible, more through the EUSR, with the de facto authorities in Abkhazia and South Ossetia although this broke down at points. EU co-operation programming in relation to conflict and conflict-related issues such as IDPs has been informed by political considerations at all levels. What is less apparent is how mechanisms to derive lessons learned and obtain insight actually work in practice – such as the EU Heads of Missions meetings or with the EUSR (I-612). However, there are a number of good instances in relation to confidence building (COBERM and COBERM II, but also INGO peacebuilding projects) which involved significant complementary political and policy dialogue (I- 611 and I-612).

It is less clear from the evidence presented in the project and overarching documents how knowledge and insight gained from programmes related to confidence-building and IDPs informed on-going political dialogue on wider conflict issues. Evidence suggests that the EU was the largest continuous funder of confidence building and that this had, within constraints, a positive impact and also attracted other donors. The fact that the EU, through a variety of grants, could support activities in the breakaway regions to which EUMM had no access was an important factor and added value. The EUMM was engaged to some extent in other confidence building measures supported by the EUD, often at micro level in areas where it was operating, but could not directly utilise EUD operational resources for their on projects. Given the larger geographic reach of EUD-supported confidence building measures (in the Abkhazia and to a lesser extent South Ossetia), these certainly complemented the more limited (non-breakaway regions) focussed activities of the EUMM. There were some instances where the EUMM was involved in EU-funded activities within areas where they were operational (I-613).

The depth and breadth of the interaction between the EUMM, EUSR and the EUD's programming and political dialogue were constrained by the hierarchy and mandates, but also political access. The EU- funded confidence building measures could in no way make up for the lack of EUMM access to the breakaway regions which was restricted by Russia, as the EUMM's confidence building was of a quite different nature than that funded directly by the EU. The EUD's funded activities were viewed in the breakaway regions as more neutral than the EUMM. Other than the statement of "non-recognition but engagement" there appears to have been no overarching EU strategy for confidence building. The co-operation of EUMM, EUSR and EU funded activities was ad hoc in nature, with few consistently functioning and effective forums to bring all these players together. EUSR staff in Georgia and EU Delegation operations staff appear, however, to have had a good working and information-sharing relationship. At times there was also a good relationship between the EUMM and EUD although this was often more related to personalities than joint systems and processes. The EUMM has commented, albeit briefly, on certain EUD-funded initiatives (I-614).

6.1.1 Indicator 611: Insight and lessons learned in co-operation communicated to those responsible for political dialogue and vice-versa

Presentation of the evidence gathered and detailed analysis

The European Union in 2007 before the 2008 conflict clearly noted the dangers of renewed conflict utilizing information gained at least partially from projects it was running in the regions and direct engagement, as for example indicated in the ENP Progress Report 2008:

“Although the EU is not a formal party in existing peace mechanisms for the resolution of conflicts in South Ossetia and Abkhazia, a number of conflict-related objectives were included in the ENP Action Plan in order to underpin the EU intention to contribute to the settlement of Georgia’s internal conflicts. One of the most urgent priorities throughout 2007 was to re-establish a minimal level of confidence among the parties in order to prevent a new outbreak of hostilities and create favourable conditions for a restart of peace negotiations.”

Yet, this knowledge and intention was not able to prevent what has been noted by the EU supported Independent International Fact-Finding Mission on the Conflict in Georgia as a preventable conflict. Quickly after the 2008 crisis, however, the EU presented a portfolio of a comprehensive engagement. *“From the onset of the crisis, the EU provided substantial political, financial and practical post-conflict support to Georgia”* (ENP Progress Report Georgia, 2009). At the Brussels HQ level it is also clear that the EUSR, EUMM and even the EU Political and Security Committee (COPS) benefited, in the form of greater sensitivity to the issues at play in the breakaway regions, from the contacts and insights gained through the EU’s funded projects. The factors underlying this good information exchange was good relations between the EU staff at the working level both in Brussels and in Georgia itself rather than good relationship with the leadership of the various EU entities.

The EU’s co-operation experiences and lessons learned as these related confidence building to some extent informed political and policy dialogue. For example, as described in the ENP Progress Report Georgia 2009, at the high political level,

“The European Commission and the UNHCR act as co-moderators of the Working Group [In the overarching Geneva talks] dealing with humanitarian and IDP issues.” “In spite of the difficulties linked to status issues and to the opposed positions of the sides involved, the Geneva discussions have allowed a number of concrete [co-operation] measures to advance that could contribute to defusing tensions and creating a better confidence climate.”

At country level (Implementation of the ENP in 2010. Country report: Georgia, 2011),

“Coordination with EU Member States is led by the EU Delegation which hosts regular EU heads of mission meetings where, among other topics, IDP issues are regularly discussed.”

Informally there is good evidence that the EUSRs staff and the EUD operation staff particularly concerned with conflict issues did interact and share insight. Given the sensitive nature of some of this, much of this was done informally. Yet this interaction at the functional level was noted and appreciated by implementing parties.

However, there is generally a lack of evidence that EU experience in confidence building on the co-operation programme side was systematically and officially fed into the political dialogue at country level or beyond. Some of this was explained as sensitivity of information and the limited capacity in the EU Delegation operation section, and the limited interest in the EUD at the highest levels to engage in a delicate political dialogue with the GoG on these matters.

Access to and engaging in the breakaway regions for confidence building was necessary, and changes in GoG policies played a large role in this domain. While not explicit in the Indicator, how political dialogue helped to bolster the co-operation programme is clearly also relevant to the quality of the overall EU engagement:

“In autumn 2008 the Government of Georgia adopted a new “Law on the Occupied Territories” regulating access, economic activities and assistance to South Ossetia and Abkhazia, Georgia. The European Commission and the international donor community have expressed serious concerns about the negative impact that the implementation arrangements drafted by the Government in December 2008 could have on the delivery of humanitarian and rehabilitation assistance to the two breakaway regions.” (Implementation of the ENP, 2009)

“The international community has expressed concerns about these regulations and the restrictions imposed, recommending changes; however, only a few of these changes were accepted by the Georgian government. Successful implementation of the

Georgian Strategy and Action Plan, and the continuation of international assistance projects for peaceful Conflict Resolution, will depend on the implementation of the 'modalities' in a practical and enabling manner." (Implementation of the ENP in 2010, 2011)

It would appear that the EU was at least partially successful on having political dialogue on these issues that yield results:

"In the Joint Statement on political conditionality linked to increased EC assistance, the Georgian government took the commitment to further discuss the implementing rules with the European Commission." (ENP Progress Report, 2009)

"The confidence building measures which continue to be supported by the EU aim at creating conditions for the return of IDPs and facilitating progress in a constructive dialogue between opposing social groups." (ENP Progress Report, 2010)

When it came to individual projects to be supported by the Confidence Building Mechanism it would appear that there were significant concerns that GoG direct control could undermine the entire initiative. Here again there is evidence of a coordinated and high level political action to complement co-operation initiatives.

"Subsequent changes in the Georgian cabinet of ministers has required ongoing negotiation involving the Head of Delegation (HoD) and UNDP Resident Representative (RR) emphasising that the GoG approval of individual projects is not required but that Government will be informed on funding decisions after the decisions have been made. Indeed, any decision-making role for the GoG would mean that activities in the breakaway regions would not be possible. The GoG is reportedly (somewhat reluctantly) agreeable to this although it does not agree of the need for 'confidence building'." (Implementation of the ENP in 2010, 2011)

In the area of confidence building and COBERM the necessity for this dialogue was ongoing:

"Policy changes and changes in interpretation of policy impact on the project, and have necessitated extensive intervention at HoD and UNDP RR level with the responsible Ministry to maintain the project's independence and the perceptions of its neutrality in the two breakaway regions." (Ibid.)

The EU had regular contact with the State Ministry for Reintegration (which became the State Ministry for Reconciliation), his staff and the Ministers concerned at the political but also significantly the operation level, as well as with those involved in designing and implementing programmes. Also EUD operational staff could (unlike the EUMM) meet and engage with the de facto authorities in Abkhazia (but not South Ossetia). The EUSR had a mandate to conduct a political dialogue with the de facto authorities and this at times dealt with co-operation issues deemed political.

Programming in relation to conflict and conflict-related issues was at times informed by political considerations at various levels, as well as supported politically. There were instances when confidence building (primarily COBERM and COBERM II) which involved significant political and policy engagement up to the level of the EU Head of Delegation to assist initiatives to move forward or negotiate potential political roadblocks to implementation. At the same time, there was lack of a clear political strategy underpinning the limits and scope of the 'engagement' part of the non-recognition but engagement 'policy' of the EU. There was no evidence discovered that the EUD at the highest political level engaged with the GoG on the full extent of what was possible to fund within Abkhazia or South Ossetia.

Coordination among the three main EU players, EUD, EUMM, and EUSR, was generally mixed. There is evidence of input to the co-operation programme mostly from EUSR staff, to a lesser extent from EUMM and to some extent from the EUD political section. However, this input seems to have been more ad hoc, intermittent, and haphazard than regular, continuous, and structured. It primarily concerned one programme, COBERM I and II and some of the work of the peacebuilding INGOs, rather than the entire EU co-operation engagement. There appears to have been little incentive or capacity within the apparently overworked EUD Operations section to engage in intense consultations with the EUD political section or EUMM particularly in light of the fact that this was not encouraged or rewarded institutionally.

However, interviews indicated that EUD operations and EUSR staff worked well together at most times and shared information freely and consistently.

At the higher level, although there were meetings between the EUSR, Head of EU Delegation and Head of EUMM (and at times the political officers concerned with the three entities) there was no clear hierarchy between these entities informing the engagement. In the early years of the evaluation period, there were turf wars and disputes and competitions for visibility between the three EU entities present in Georgia.

To conclude, there is some evidence, at the country level, of the co-operation programme informing political dialogue with its experiences, local knowledge, and lessons learned particularly the EUSR. There is also evidence of political dialogue being used to clear the way for EU co-operation activities particularly with the GoG in one instance, but not of a robust dialogue with the GoG exploring the full extent of possible operations in Abkhazia or South Ossetia. The three main EU entities – EUD (particularly operations staff but also HoD), EUMM, and EUSR did interact and share some information and lessons but it this interaction was not smooth particularly at the higher levels.

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6.1.2 Indicator 612: Sector policy dialogue incorporates data and indicators specific to IDPs and conflict

Presentation of the evidence gathered and detailed analysis

Although conflict and IDPs are linked, the GoG interlocutors for dealing with conflict issues and IDPs were different.

For the IDP side, policy dialogue with the MOA has been discussed in answering EQ 5. Clearly data played a role in monitoring: The EU Delegation, EUMM, UNHCR and other protection partners (such as DRC, NRC) will monitor developments related to the IDP Action Plan and the IDP IV Policy Matrix (including data collection, relocation from collapsing Collective Centres, provision of durable housing solutions, privatization of living spaces to IDPs, operation of the Livelihood LEPL and the functioning of the Inter-ministerial Working Group tasked to come up with policy proposals for a review of IDP legislation). Their observations will duly influence the assessment of the GoG's progress in the respective areas.” (Financing Agreement N° ENPI/2011/22671, 2011)

The political and policy level and dialogue on conflict was conducted by the EUSR with the conflicting parties on all side, with the EUD and HoD with the Reconciliation and Civic Equality of Georgia (formerly Ministry of Reintegration). There was no evidence of sector policy dialogue related to conflict (for example with other sector policy areas such as Agriculture, Private Finance etc.) although the Ministry of Reconciliation and Civic Equality of Georgia (formerly Ministry of Reintegration) was appreciative of the on-going dialogue with the EU Delegation on conflict issues and the engagement of the EU through the EUMM and EUSR.

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6.1.3 Indicator 613: Coordination and complementarity of Commission-supported confidence building with EUMM, OSCE, EU member-states and previously UNOMIG activities

Presentation of the evidence gathered and detailed analysis

The COBERM and COBERM II programmes were a useful mechanism for coordination and complementarity and there was good dialogue between the EUD and the UNDP on these projects; in addition, the EUMM and even the EUSR were more informally consulted at various moments as well:

“Through COBERM, UNDP has enhanced its strategic co-operation with the EU Delegation, pursued coordination with other donors that have announced calls for proposals in confidence building and related areas to avoid double-funding of NGOs, has created synergies with other UN agencies, donors, and other relevant stakeholders.” (Interim Report, COBERM – Phase II, 2014)

The EU was the largest funder in confidence building and did have some success in getting another donor to join:

“Co-operation with the Dutch Embassy: COBERM has become a platform where new donors can be encouraged to provide additional funding for supporting confidence building actions. The first such success entailed a contribution of EUR 200,000 from the Dutch Embassy that provided support to four projects related to support to peace journalism and enhancing youth educational opportunities. A panel on interim achievements of these organizations was organized at the UN House, with participation of the Dutch Ambassador, EU Ambassador and UNDP Resident Representative. Visibility of the EU and the Dutch Embassy was consistently observed by the funded NGO implementers.” (Ibid.)

The extent and reach of COBERM enabled

“a very close coordination with the UK Embassy, Swiss Embassy, USAID, and Kvinna till Kvinna in form of sharing of information on COBERM’s experts’ roster and on organizations funded under other confidence building/human rights instruments. This practice will continue for the duration of COBERM II.” (Ibid.)

Yet, it appeared from field interviews that some of these actors were not aware of exactly what COBERM was funding, as a result of which, there was some limited duplication and overlap with what they themselves were funding. This issue should not however be overstated.

Lack of EUMM access to the breakaway regions has been a major constraint on EU contribution to conflict-resolution. While it is difficult to directly compensate for this lack of access, EU confidence-building projects in Abkhazia (and too much smaller extent in South Ossetia) helped to assure some EU presence.

The fact that the EU through a variety of grants could support activities in the breakaway regions that EUMM could not access was complementary to EUMM engagement in other confidence building measures, often at the micro-level, in areas that it was operating in. At the same time, EU confidence-building co-operation projects could in no way substitute for the EUMM’s lack of access to the breakaway regions, as EUMM confidence building would be of a quite different nature than to that in EU co-operation projects.

On the complementarity of EU and EUMM actions, see also Indicator-614 below.

There is some evidence that Commission-funded projects in relation to both confidence-building and IDPs interacted with EUMM:

“On 3 February 2011 within the Supporters Network meeting between young people from IDP and local communities and Lion Bruin, EUMM representative, was organized at the association DEA. The guest introduced EUMM mission and activities to the participants, as well as gave presentation on the Netherlands and answered questions.” (EU IFS Annual Narrative Report, 2011)

“The third issue of the newspaper covered 5 articles about the health rights of IDPs including the information on the health insurance program for vulnerable population; information on the rights of citizens to participate in the activities of local governments; information on the State Program for IDPs having been developed by the Ministry of Refugees and Accommodation; information on the organisations working with IDPs, including IRC, DRC, Red Cross, and EUMM.” (Ibid.)

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6.1.4 Indicator 614: Conflict Resolution activities supported by EU complemented activities of EUMM and EUSR

Presentation of the evidence gathered and detailed analysis

The EUMM mandate, while being continuously renewed, suffered serious structural difficulties.

“Following a strategic review, the mandate of the EUMM was extended in September 2011 for another year. The review concluded that the EUMM had performed its stabilisation and confidence building tasks well, but that the lack of access to

breakaway regions still remained a challenge for the full implementation of its mandate.” (Implementation of the ENP in Georgia, 2012)

The EU itself appears to have recognized that co-operation actions were an alternative way of promoting confidence, for example the *Implementation of the ENP in Georgia. Progress in 2012 and recommendations for action, 2013* indicates that,

“Since April 2012, the Incident Prevention and Response Mechanism (IPRM) for Abkhazia has been blocked, after the Abkhaz de facto authorities declared the Head of the EUMM to be persona non-grata. Following the change of government, there are some encouraging signs that the new authorities might do more to engage with the breakaway territories. Several EU projects promote conflict prevention and confidence-building measures, especially in Abkhazia.”

Yet, as this rather weak statement suggests, EC-financed confidence- building measures were never presented as substitute for potential EUMM activities that it was prevented from carrying out due to EUMM's lack of access. In fact, the EC supported supporting confidence building in the breakaway regions at least since the late-1990s, long before the first mandate of the EUMM. As noted in assessing the previous indicator, there are instances when the EUMM took advantage of events and activities supported through other grants to engage in public outreach to the general population in areas it was operational.

Sometimes beneficiaries confused projects with entirely different funding (e.g., IfS-financed international NGO projects) with EUMM. At other times EUMM has sought to engage with EC-funded projects:

“EUMM approached the EDIG project team with a request for information sharing. They offered their support in terms of problem identification in the settlements. Their help could be very useful for WV in future planning of projects targeting Shida Kartli.” (World Vision Report Interim Narrative Annual Report, 2012)

While they could not substitute for the lack of EUMM engagement in the breakaway regions, EC-financed confidence building in the breakaway regions clearly complemented EUMM work in Georgia proper. There were also a few instances where the EUMM was involved in Commission-funded activities in areas where both were active. While positively assessed, this co-operation did not arise from an overall strategy, but rather from the common interests of individual staff member in cooperating. While EUMM was involved in providing some feedback on possible COBERM funded projects this was of a very limited nature.

There does not appear to have been an overarching EU strategy or effective co-operation framework either at the political or functional level driving co-operation between EUMM, EUSR and the EU co-operation programme. Senior officials in the relevant institutions do not appear to have enabled or promoted such co-operation. It is also clear that at times both EUMM and EUSR would have preferred to have direct access to their own resources for projects rather than entering into a dialogue with the EUD.

Sources of information used

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6.2 JC62: EU support helped establish and keep open direct and indirect contacts between stakeholders to the conflict(s)

Judging from a range of EU-funded projects, the largest being COBERM I and COBERM II, the EU has been a consistent provider of resources to initiatives enabling direct and indirect contacts between stakeholders in the conflict. The EU Head of Delegation level worked with partners including the UNDP Resident Representative to address threats to confidence building programming from parties to the conflict through COBERM I and II and to build necessary trust for their effective functioning. (I-621)

While the financial and programming scope and reach of COBERM I and II were unsurpassed, other, smaller projects also enabled contact between stakeholders.

The EU supported confidence-building initiatives through the IfS and other mechanisms with established INGOs with a track record such as particularly Conciliation Resources and International Alert, but also Saferworld and Berghof Foundation. The first two of these organisations, with hard won trust built up over many years, was highly regarded by almost all parties to the conflict.

As has been noted by other independent evaluations, it would be unrealistic to expect EU-funded initiatives to change the overall conflict dynamics. However, the scope of EU actions has been recognised, given that there were no other donor initiatives of similar nature. The EU also stood out for the scale of its actions, the variety of financing mechanisms it was able to bring to bear, and the long-term nature of its engagement. (I-621)

Most EU-facilitated connections between parties came at the middle level but there were some at the grass-roots levels, and in other processes the EU supported level engagement of elites and high-level political authorities. Among the latter were the Geneva talks and the Incident Prevention and Response Mechanism or IPRM for Abkhazia. However, in these processes and mechanisms, although important, were often compromised by political maneuvering associated with the conflict dynamics and geopolitical factors that the EU was incapable of changing. Field interviews consistently underscored the importance of keeping lines of communication open, such as the Geneva Talks and IPRM, yet also the informal channels but persons interviewed questioned their effectiveness in yielding tangible results in the face of the non-changing positions of official parties. (I-621)

In other frozen conflicts (such as Transnistria) harmonizing rules on, e.g., pensions, health insurance, and professional certification has been a source of confidence building. While there was never any formal requirement or commitment to harmonise imposed by the UN all others it is at times used as an indicator that confidence is being build. Yet no evidence has been found in this case on the harmonization of administrative measures across conflict lines that would have facilitated interaction. This is because of conflict dynamics in which the elites and administrations themselves were more concerned with developing quite distinctly different systems, not to mention the fact that they work in different languages. So, while some health visits of those from the breakaway regions to facilities in the rest of Georgia

were made possible, there was almost no evidence found of a desire of tangible examples of harmonisation of administrative measures, with those interviewed noting that, while possibly desirable, there was no serious constituency among officials or politicians for the compromises necessary to make this happen. Yet one example of medical treatment being available free of charge based on Abkhazian or Ossetian documents was cited by the Office of the State Minister of Georgia on Civic Equality and Reconciliation as an example. Another minor counter-example was the sharing of technical veterinary information facilitated through COBERM II. (I-622). Yet this does not mean to say there was not an desire to learn about different systems and approaches across conflict lines, so of which was facilitated by EU funded projects.

Limitations and constraints, some self-imposed, on the EU engagement were important, as the example of Abkhazia shows. The EU's funded activities broadly fell into three categories 1) confidence building 2) humanitarian / livelihoods 3) and the specialist project of the Inguri dam refurbishment. The EU was restricted in what it could fund in Abkhazia by 1) the Government of Georgia, which does not want to see the EU's activities legitimatising the de facto authorities in any way that can be constituted state building 2) the de facto authorities who, for example, under the previous President restricted INGOs to the Gali district only allowing only Abkhaz Civil Society and the UN wider access, and 3) the lack of diversity and reach amongst implementing partners within Abkhazia. The EU was constrained in its implementing partners within Abkhazia to 1) humanitarian/developmental INGOs, 2) specialist peacebuilding INGOs, 3) UN agencies, and 4) local Civil Society.

Yet the EU also placed restrictions on itself 1) by not engaging in a robust political dialogue to explore at a high level where space for developmental programming could be found and 2) by not being clear what types of co-operation resources could be used in Abkhazia and having little institutional incentives and mechanisms across all areas in the EUD to identify such resources within those allocated to Georgia. The EUD officials tasked with responsibility for Abkhazia were diligent and Abkhazia is undoubtedly an extremely challenging operational environment since the EU is not viewed as a neutral player given its official position and support for Georgian territorial integrity. However, higher-level EU political leadership on creative development programming in Abkhazia seemed to be absent during the evaluation period. The EUD did not have the political backing from the EEAS or from the very highest levels of DEVCO to explore (or, if identified, follow through on) larger people-centred development actions. While the EU was a significant donor within Abkhazia compared to other OECD and EU member-states donors, its presence paled in comparison with that of Russia, which has made significant investments in tangible infrastructure and which has recently announced its intension in other areas. The EU's portfolio gives the impression of a collection of interesting projects rather than anything strategic or comprehensive.

6.2.1 Indicator 621: Confidence-building measures and activities supported nationally or regionally with participants from Georgia (including breakaway regions)

Presentation of the evidence gathered and detailed analysis

The Commission invested significant resources in confidence-building and was the largest and most consistent (through various mechanisms) donor in this area. COBERM I and COBERM II were the large umbrella confidence building projects supported by the European Commission. In addition to these, there were other projects directly funded, usually through IfS or EIDHR, implemented by international NGOs such as Conciliation Resources or Saferworld or International Alert that were very much appreciated. The ROM Report 2011 of COBERM indicates that,

“The underlying strategy of the project [COBERM] is to promote the emergence of a critical mass of opinion in favour of Conflict Resolution so as to bring about a change in policy as pursued by the various authorities and engage in negotiations to reduce the underlying causes of conflict in the country.”

COBERM's engagement and working through Civil Society across Georgia and the breakaway regions was seen as successful:

“The project [COBERM] successfully complements other, sector-oriented activities implemented by the contractor (UNDP) and is positively perceived by Civil Society actors in all regions of the country, in some of which Civil Society funding opportunities are non-existent” (Ibid.)

“Through its engagement in Abkhazia, South Ossetia, areas adjacent Administrative Boundary Lines (ABLs) and other communities in Georgia, COBERM is considered a trusted and impartial partner by the parties to the conflict and Civil Society on either sides of conflict divides.” (Final Evaluation Report of COBERM, 2012)

In COBERM II the *“59 projects had a total of 12 991 direct beneficiaries.” (Ibid.)* As described in the Interim Report, COBERM Phase II (2014) COBERM and COBERM II promoted increased opportunities and interest:

“The number of partners involved in joint projects is on an upward trend, representing a mixture of Georgian-Abkhaz, Georgian-Ossetian, Georgian-Abkhaz-Ossetian, or international NGOs-Abkhaz/Georgian initiatives. 71% or 34 out of total of 48 projects contracted initiatives that have been implemented or are currently unfolding are joint.”

This contributed to increased willingness of conflict-divided community representatives to participate in confidence building initiatives:

“This is evidenced by the increased number of new applicants that applied to COBERM II both during the rounds II and III: Out of the total of 232 project ideas received, 168 (72%) were received from new applicants.” (Ibid.)

“Grants funded under COBERM supported new approaches to local problems proposed by NGOs geared to increase inter-community confidence via solving problems of joint interest that resulted in the improvement of wellbeing and livelihoods in general.” (Ibid.)

At a micro level there have generally been cautiously positive assessments, e.g.:

“Finalized projects have contributed to increase of confidence building among the Abkhaz, Ossetians and Georgians by means of humanitarian health care assistance; joint trainings of Abkhaz-Georgian and Ossetian-Georgian doctors in Turkey that created new links and opportunities for co-operation in the health care related sphere. Joint Georgian-Abkhaz-Ossetian international youth camp was conducted in Gudauri with support of Finnish trainers that resulted in creating new communication channels for the participants and a unique opportunity to be trained on conflict management issues as well as tolerance and human rights. A number of joint trainings, joint study tour at international fair in Turkey, provision of vaccines for cattle and poultry as well as endowment of veterinarian departments have brought closed Abkhaz and Georgian farmers from the poorest Abkhaz villages, agronomist and veterinarians. New entry points stimulating connections between Georgian and Abkhaz academic circles via exposure to European academic circles and methodologies was successfully undertaken and completed.” (Ibid.)

“(…) project activities are encouraging the breaking down of misconceptions and increased people - to - people contact and exchanges and, together with unplanned positive effect on strengthening Civil Society groups and organisations in the breakaway regions, appear likely to have laid the groundwork for confidence building at community level.” (Implementation of the ENP in 2010. Country report: Georgia, 2011)

“In brief, interim results [COBERM II] on [health] initiatives suggest that impact on restoration of trust and confidence achieved by these projects is one of the most tangible.” (Interim Report, Confidence Building Early Response Mechanism (COBERM) – Phase II, 2014)

As well as,

“Interim results show that non-political dialogues that are based on equality of points of view of the participants are essential ingredients for the success of such meetings. Further, such meetings allow for two points of view to emerge that are now being considered.” (Ibid.)

At the micro level examples exist of engagement from young journalists, e.g.:

“The media camp in Turkey in September 2013 brought together Georgian, South Ossetian and Abkhaz young journalists. For many of them the course was the turning point to change their perceptions about each other.” (Ibid.)

“The utilisation of resources to achieve the envisaged results has been efficient. JC 62 confidence building interventions within a two-year implementation period and ensuring that grantees are accountable and transparent in their activities clearly demonstrates this. The enthusiasm for a COBERM 2 underlines that capacity has been built and that grantees increasingly understand the importance of transparency and accountability in their relations with both donors and their beneficiaries.” (Final Evaluation Report of COBERM, 2012)

Commission-supported confidence building was important not only for delivering activities but in building capacity:

“The organisational development of Civil Society groups and organisations, particularly in South Ossetia but also in Abkhazia, has been a major plus for the project, whose grants, and the skills associated in their management, have made important contributions to organisational growth and development.” (Implementation of the ENP in 2010, 2011)

South Ossetia has proved particularly challenging for the international community to engage; the EC as well. Despite COBERM, Civil Society in South Ossetia is experiences great challenges in accessing project resources, because of both the limited nature of Civil Society development and a rigid approach by the authorities.

Particular challenges exist, due to travel restrictions, in identifying and monitoring good projects in South Ossetia. *Nonetheless* some innovative measures were taken:

“The implementing agent in this case has required photographic and other hard evidence (news reports, video recordings, TV reports, etc.) to indicate that project implementation is in progress.” (Ibid.)

Impact in confidence building is by nature a long-term proposition:

“Confidence-building and conflict reduction/mitigation takes time. As such, 18-months [for the original COBERM interim project] is insufficient time for a project to contribute to the achievement of the overall objective.” (Ibid.)

“Notwithstanding this cautionary observation, the evaluation team is confident that COBERM helped to create new links between the divided parties and restore old ones, which were broken during the 2008 war.” “In the light of this belief, 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.” (Final Evaluation Report of COBERM, 2012)

“It should be noted that their [confidence building measures] influence is frequently only acknowledged when key national actors, their confidence having been successfully raised to engage with each other, request the individual project implementers to provide their good offices to facilitate the engagement process. Nonetheless, the project has facilitated, through the Liaison Mechanism, the means through which the contending parties in Georgia (GoG and the Abkhaz and South Ossetian de facto authorities) can interact with each other.” (ROM, COBERM, 2011)

“The challenge is to identify links between individual projects, and their sum, and any overall improvement in confidence building and a reduction of conflict as a whole. Evidence from elsewhere is that establishing such causal links are highly problematic, frequently only evident after sufficient confidence in all actors has developed to engage each other. As such, it is problematic to report adequately on progress towards immediate and overall objectives.” (Ibid.)

Despite the caution on the ‘impact’ COBERM I and COBERM II have done some useful things:

“the project has facilitated, through the Liaison Mechanism, the means through which the contending parties in Georgia (GoG and the Abkhaz and South Ossetian de facto authorities) can interact with each other. In the context that communication is positive

for conflict reduction, this can be seen as positive progress towards the overall objective.” (Ibid.)

The success of COBERM I led to the direct recommendation to continue this work area:

“In the absence of any follow-up programme supporting the same objective [from COBERM I], it appears likely that the EUR4 investment over an 18 - 24 month time frame will be inadequate for this purpose. In the light of this (and the experience of peace building projects elsewhere), a follow up project is both desirable and necessary.” (Ibid.)

Even on final reports and in COBERM II reporting a similar and justifiable cautionary note is struck:

“Changing of perceptions and attitudes (logframe; indicator of achievement #2) were reported among the project direct beneficiaries only at the time of the final evaluation stage.” (Final Evaluation Report of COBERM, 2012)

While there was generally a positive perspective on COBERM, there were those amongst implementing partners and informed observers that the initiative was not transparent enough, or flexible enough to deal with movements in a dynamic conflict environment, as well requiring a high administrative burden on Civil Society partners with limited implementing capacity. Particular criticism was reserved for one very short funding round of 6 months projects (justified in terms of disbursing previously unallocated funds before the expiry of funding) which beneficiaries and other observers criticised for low potential impact and value for money.

Longer-term projects or initiatives run by experienced peacebuilding INGOs such as the so-called “London process” were assessed as mostly positive by all sides to the conflict. The INGOs however had often to themselves link one funding instrument to the other to ensure follow-up and follow-through. The long-term trust these organisations (usually funded with IfS resources but also regionally through EIDHR and Support to NSA-LA), some operational for over two decades, had been able to generate with conflict partners deserves praise as it is very difficult to maintain. Specialist INGOs’ sensitive analytical work on a range of conflict policy issues (funded via IfS), and these organisation understanding of the differing views of the conflict parties has been appreciated by the EUD, EUSR, EU member-states, and also Civil Society. As has these organisations provision of expert knowledge and informal briefing to the EU stakeholders directly. There were few criticisms but one was that that INGOs operational for the long-term had not actually helped build the administrative capacity of local NGOs to administer grants from donors themselves.

To conclude, there is ample evidence that the EC through its funded projects, but also through its policy and political dialogue enabled some confidence building to occur. Often this was at a unique level using creative instruments and a range of implementing partners. The benefits, while broad, are limited in depth. As always with confidence-building measures in the absence of an enabling political environment, they were important but there was a limit to what they could achieve. They could not change geopolitical realities nor did they contribute to a major shift in principle conflict parties’ official positions. This does not mean that they were not worthwhile or did not show results on some level. They positioned the EU for impact should there be significant changes in the conflict parties’ positions or geopolitical realities. The EU operations section and personnel were well aware of these limits, as reflected in their pragmatic approach to the design, reporting and evaluation of these activities. They worked creatively and constructively with implementing partners, making the best use of the instruments available to them.

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6.2.2 Indicator 622: Harmonisation of administrative measures promoted across conflict lines – educational credentials, social insurance, etc.

Presentation of the evidence gathered and detailed analysis

There is little evidence that the EU engaged in programmes, policy dialogue or initiatives to directly encourage such promotion of administrative understanding across conflict lines. To judge from both document review and field interviews, there was not real constituency within the upper level of the respective bureaucracies or political cover to pursue this in an equitable spirit of good will. Functional issues with different languages used contributed further difficulties.

However, through the COBERM II programme the EU tried to ensure that those living in breakaway regions can access the health services available in the rest of Georgia (as well as that functional collaboration between veterinarians can take place):

“Both Abkhaz and Ossetian societies have their health related needs only partially met. COBERM programming in this area has provided lifesaving medical treatment opportunities, including for emergency cases. Up to almost 300 people were carefully assisted to obtain medical documentation, to undertake tests and treatment in hospitals and clinics of Tbilisi, Kutaisi and Zugdidi. Many patients were helped to collect all the necessary documentation and were helped to benefit by free treatment under the Referral Programme in Georgia. The patients’ feedback and expressions of gratitude are overwhelming: happy to have been cured, they return home with a positive and trustful attitude towards the Georgians.” (Interim Report, COBERM – Phase II, 2014)

“The Government of Georgia took several steps to implement its strategy of deisolation and engagement with the breakaway territories, including stepping up efforts to provide health services to inhabitants of the breakaway regions. Specifically the provision of healthcare services has been a welcome constructive step towards reconciliation; it is important that it continues without preconditions, such as an insistence on the acceptance of Georgian-issued ID documents by the beneficiaries of medical assistance.” (Implementation of the ENP in Georgia, 2012)

While this is likely to be highly appreciated by the individuals concerned given the small numbers involved is unlikely to yield changes in attitudes more widely.

Somewhat related, both Abkhazians and those in the rest of Georgia can benefit from the electricity generated by the Inguri dam facility which was refurbished by the EU. This is appreciated on both sides of the ABL, but the EU's significant financial support for this initiative does not appear to be widely known.

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6.3 JC63: EU supported actions were unique in method or implementation

The amount of money mobilised and different types of funding mechanisms available (IfS, EIHDR, ENPI, and even DCI) during the period evaluated enabled the EU to act swiftly and fund some creative activities. However, there was a large discrepancy between planned and actual spending in the broad area of “Support for peaceful settlement of conflicts” both in 2007-2010 (planned disbursement of 16% of the total amounts committed, actual of 8%) and 2011 and 2013 (planned 5-10%, actual 2%). This discrepancy is explained by the restrictions placed on the EU by almost all parties to the conflict, but particularly the Government of Georgia, which was concerned that the EU activities in South Ossetia and Abkhazia not be construed as “statebuilding”. Budget support was out of the question, so most support was given through calls for proposals, via UN agencies, or specialist procedures. The calls for proposals procedures that required co-financing or registered Georgian local partners, or were solely Georgian- focused were not sufficiently adapted to realities of the conflict (potential Abkhazian partners were unwilling to apply and other donors had very limited interest in co-financing). The EU with the PAMF for the IfS did try to use derogated procedures but this was also not easy, straightforward or fast.

The initiatives that consistently stand out from the conflict-related projects assessed are COBERM I and II, as well as those carried out by specialist peacebuilding INGOs with unique access and trust on all sides earned by long-term engagement. The EU support for the Inguri Dam through a large amount that allows electricity for those on both sides of the conflict line in Abkhazia was also a unique and appreciated contribution.

While there were some criticisms of COBERM for not being flexible or transparent enough, or for one fund cycle that were too short to actually make an impact, most of those consulted were appreciative of the initiative. (I-632). While the EU's livelihood supported work in Abkhazia in Gali district was also appreciated for its scale (not so much the size in relative to the need, but rather the size compared to others donors), length and diversity, the scope of the EU's engagement in Abkhazia in more developmental work was constrained on multiple sides.

A major disappointment was that, after laying the groundwork, and despite strenuous efforts of the EUSR's staff and the EUD, the EU was unable to find resources to allow Abkhazian or South Ossetian students to study in Europe because of restrictions of type of budget available. This was the cause of considerable frustration and loss of credibility for the EU.

EU political and policy dialogue was an essential and central element to complement its co-operation programmes in Georgia. There are several instances where the EU's political and policy dialogue had direct relevance to progress in programming and vice-versa – particularly in the area of confidence-building measures. There are some relevant examples (e.g. such as the dialogue around the Government of Georgia, State Strategy on Occupied Territories: Engagement through Cooperation and its Action Plan from 2010. This included interpreting its principles of the strategy and action plan that if implemented without pragmatism may have made resolution of the conflict and certainly EU programming in breakaway regions even more difficult), but there also seems a clear limit to what type of changes in overall

conflict dynamics the EU could bring given the geopolitical nature of the conflict. (I-633)

One of the EU's unique assets was that programming could be supported by a range of political, policy and even crisis management arrangements involving the EUD, EUSR, and EUMM, as well as the collective voice of the EU working with international partners. However, there is limited evidence that that different aspects of conflict prevention and peacebuilding added up to something more strategic than the sum of their parts, despite some excellent individual initiatives. This caused some frustration, not least amongst EU actors themselves, yet the acknowledgement was that it would require quite significant and consistent high-level political leadership to achieve this greater commonality of purpose that was well beyond the reach of the EU's operational engagement. (I-633)

6.3.1 Indicator 631: Evidence of EC funding modalities enabling unique responses

Presentation of the evidence gathered and detailed analysis

The scale and range of the EU's funding modalities, as well as its continued presence (extending from humanitarian aid to confidence building) were unique amongst the international donor community, including EU member states. That the EU was able also to act fast was also appreciated, as included in the ENP Progress Report 2009:

“As a result of the emergency situation due to the conflict with Russia of August 2008, Georgia’s assistance needs have dramatically increased. In the international donor conference in October 2008 the EC pledged to contribute up to EUR 500 million towards the country’s reconstruction needs for the period 2008-2010. A number of projects are already under implementation such as humanitarian assistance (ECHO - EUR 8 million), support to internally displaced persons (ENPI – EUR 61.5 million and Instrument for Stability – EUR 15 million) and the ESDP mission of EU observers.”

While other donors were present on a significant scale (e.g., USAID in IDP relief in Georgia), scope and the long-term nature of its engagement placed the EU amongst a select group of donors. It has worked on the wide range of issues, both “in conflict” (humanitarian aid) and “on conflict” (Conflict Resolution, Confidence Building, Peacebuilding, Civil Society development) for over 15 years at least. Other long-term investors in this area have been the United Kingdom and, to lesser extent, Switzerland and Sweden. In the 1990s and early 200s some private foundations also supported this work.

The project approach was effectively the only option for the EU. Budget support would not have been an appropriate modality for ‘on conflict’ work as this would have placed resources to the GoG that did not have access to South Ossetia or Abkhazia; not to mention the reaction of the de facto authorities. Direct financial support to the Abkhazian or South Ossetian authorities was out of the question. This left the EU supporting 1) INGOs (either specialist peacebuilding NGOs or humanitarian/livelihood INGOs operational in Abkhazia), 2) UN agencies, and 3) local Civil Society.

The EU did also support projects in South Ossetia conducted by the OSCE until they were required to leave after the 2008 conflict:

“The OSCE-led rehabilitation programme in South Ossetia, of which the European Commission is the major contributor, was on one of the few effective confidence building measures benefiting both ethnic communities in South Ossetia” (ENP Progress Report, 2008)

The ejection of the OSCE from South Ossetia is a good example of how, while the EU was enabling a unique response, it was always hostage to the wider political dynamics.

Dealing with the war obviously had a significant impact,

“Assistance previously provided under the ENPI for the rehabilitation programme in the conflict zones of Abkhazia and South Ossetia, with the overall aim of confidence building and peaceful settlement of conflicts, was stalled after the armed conflict in August. However, the Commission is focused on its principle of peaceful resolution of the conflicts and hence is looking forward to finding workable solutions in order to continue this type of assistance under the ENPI.” (ENP Progress Report 2009)

The EU developed a unique overarching policy:

“In December 2009, the EU also developed its non-recognition and engagement policy towards the breakaway regions of Abkhazia and South Ossetia.” In this regard one of the most innovative aspects of the EU’s policy was this creative policy of both ‘non-recognition and engagement’. (ENP Progress Report 2010)

This allowed it to engage with and in the breakaway regions but not recognise officially their authorities or independence. This pragmatic approach had its limits but did allow the EU to fund activities in these areas (by careful selection of intermediaries) that would not have been open to other funders. Yet the EU struggled to define the parameters of what engagement should be, and took a rather cautious approach both with the GoG and the de facto authorities. Despite this, it is remarkable that in Abkhazia the EU has been able to provide significant resources to Civil Society, sometimes through INGOs or times through COBERM. Without this and the livelihood / humanitarian plus work of INGOs in Gali and UN agencies the EU’s engagement in Abkhazia would have been confined only to the infrequent visits of the EUSR and their staff.

There was a large discrepancy between planned and actual spending. This was largely because the EU did not feel comfortable challenging the GoG or de facto authorities on what kind of work it could support in South Ossetia and Abkhazia. Complicating matters was that ENPI resources (as opposed to thematic programme funds) require government ownership. The EU could not agree with the GoG on what type of activities could be supported in Abkhazia and South Ossetia, although it is unclear how aggressively they advocated their views.

National Indicative Programme (NIP) 2007-2010 for the following priorities:

Table 20 Planned investments vs. actual implementation in the area of support for peaceful settlement

NIP	Priority	Planned	Actual
NIP 2007-2010	Support for peaceful settlement of Georgia’s internal conflicts	16%	8%
NIP 2011-2013	Support for peaceful settlement of conflicts	5-10%	2%

Source: European Commission. 2014. Implementation of the European Neighbourhood Policy – Statistical Annex (Joint Staff Working Document, SWD(2014) 98 final.

At the heart of the EU’s unique approach was COBERM, working through UNDP and making onward grants to Civil Society:

“COBERM design was clearly relevant to the post-conflict environment and remains so today. It was the only mechanism that was sufficiently broadly-based to engage successfully with Civil Society across de jure Georgia divisions both within communities and between them.” (Final Evaluation Report of COBERM, 2012)

“[there was a clear] appreciation of the value-added that COBERM can provide” (Ibid.)

“Civil Society in Abkhazia remains isolated, and COBERM has been instrumental in keeping Civil Society dialogue alive. In regard to South Ossetia, the international community, with exception of ICRC, does not have access, and COBERM appears to be the only initiative supporting a significantly underdeveloped Civil Society. Through its engagement in Abkhazia, South Ossetia, areas adjacent Administrative Boundary Lines (ABLs) and other communities in Georgia, COBERM is considered a trusted and impartial partner by the parties to the conflict and Civil Society on either sides of conflict divides.” (Ibid.)

“In addition, the support provided to Abkhaz and particularly South Ossetia Civil Society organisations and groups is an important contribution to emerging and developing Civil Society in both regions.” (Implementation of the ENP in 2010, 2011)

Capacity constraints and expectations were significant:

“When they did decide to pursue financial support from COBERM, it was done in a context of limited experienced human resources. And those that remained were informed by a belief that reporting requirements were minimal or non-existent, reportedly based on pre-war experience.”¹⁶⁰

For many, therefore, COBERM's reporting requirements stretched their capacities to the limit, although all acknowledge that the Management Team were always accessible and willing to assist.

While there were heavy qualifiers used, COBERM did have an important positive contribution to make in the absence of similar programmes, 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.” (Final Evaluation Report of COBERM, 2012)

The COBERM I and II approach was specifically designed to keep the GoG informed while denying it power of authority over project activities:

“Efforts should be made to identify funding sources, which are independent of GoG approval to prevent the GoGs politicisation of the project.” (ROM, COBERM, 2011)

The EU's consistent support of EU values through various mechanisms has been extremely important and widely appreciated by Civil Society in Abkhazia (including both Abkhaz and ethnic Georgian Civil Society). The EU has, through the extent and consistency of various mechanisms (usually with a livelihood-, conflict- or human rights dimension) had an extremely important role in enabling the functioning of Civil Society within Abkhazia. Given that there are limited other donor options in Abkhazia and South Ossetia, the longer-term impact of this engagement is significant. While this Civil Society in Abkhazia represents mainly the views of their core constituency the fact that the EU has been able to support Civil Society (although a clear Civil Society strategy is not discernible) through various mechanisms is a testament both to the strength of Civil Society but also the willingness of the EU (DEVCO / EUD Operations Section in charge of conflict aspects) to engage - often against considerable odds.

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- Cleary, S. & T. Tkeshelashvili. 2012. Final Evaluation: Confidence Building Early Response Mechanism (COBERM) – Final Evaluation Report. Brussels: European Commission.

¹⁶⁰ The evaluation team finds this highly questionable. In their international experience there has been only one example of an official donor, the EU-funded Support to the Victims of *Apartheid*, where this occurred. However, the numerous Solidarity-movements seldom required detailed reporting from recipients of their donations and, as late as the beginning of the 1990s, UK development NGO project staff argued that evaluating partner organisations' projects the NGO funded displayed 'a lack of trust' and was 'a denial of partnership principles'.

- European Commission. 2011. Response Sheet – Confidence Building Early Response Mechanism (COBERM) (RS-22681.01-MR-141426.01).
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6.3.2 Indicator 632: EU funding modalities enabled joined up and flexible responses throughout evolving conflict cycle

Presentation of the evidence gathered and detailed analysis

The EU was quick to act following the conflict in 2008 rapidly responding and helping lead the international donor process:

“As a result of the emergency situation due to the conflict with Russia of August 2008, Georgia’s assistance needs have dramatically increased. In the international donor conference in October 2008 the EC pledged to contribute up to EUR 500 million towards the country’s reconstruction needs for the period 2008-2010. “A number of projects are already under implementation such as humanitarian assistance (ECHO - EUR 8 million), support to internally displaced persons (ENPI – EUR 61.5 million and Instrument for Stability – EUR 15 million) and the ESDP mission of EU observers.” (ENP Progress Report Georgia, 2009)

In this adaptation the Commission changed its approach in 2008 while not losing sight of the dealing with the underlying conflict:

“Assistance previously provided under the ENPI for the rehabilitation programme in the conflict zones of Abkhazia and South Ossetia, with the overall aim of confidence building and peaceful settlement of conflicts, was stalled after the armed conflict in August. However, the Commission is focused on its principle of peaceful resolution of the conflicts and hence is looking forward to finding workable solutions in order to continue this type of assistance under the ENPI.” (Ibid.)

Yet, as the table below illustrates, the EU had some difficulties moving from planned investments to their actual implementation in the area of support for peaceful settlement of Georgia’ internal conflicts.

Implementation of the ENP – Statistical Annex (2014) presents Georgia ENPI allocations.

Table 21 *Planned investments vs. actual implementation in the area of support for peaceful settlement*

<i>NIP</i>	<i>Priority</i>	<i>Planned</i>	<i>Actual</i>
NIP 2007-2010	Support for peaceful settlement of Georgia's internal conflicts	16%	8%
NIP 2011-2013	Support for peaceful settlement of conflicts	5-10%	2%

Source: European Commission. 2014. *Implementation of the European Neighbourhood Policy – Statistical Annex (Joint Staff Working Document, SWD(2014) 98 final.*

The explanation for under-spending lies with constraints that the GoG and de facto authorities placed on the EU. But beyond that also the constraints the EU placed on itself in terms of not fully exploring through co-operation focussed political dialogue (which is beyond the level of the EUD operations section) what would have been possible to support particularly in Abkhazia.

Of COBERM it allowed a flexible response in reaching new type of participants. While youth organisations had been a focus for some time ex-combatants had not, also linking multiple levels (community and elite) is well accepted good practice in peacebuilding programming but sometimes difficult to realise in practice because of funding issues.

“Another new approach of COBERM II, to support new organizations by offering “capacity building” grants, has resulted in widening the access from participation of new groups to peacebuilding processes, with most notable support to youth organizations and ex-combatants”. (Final Evaluation Report of COBERM, 2012)

“Abkhaz context: Responding to the recently emerging challenges whereas the Abkhaz authorities limited the existing international presence in Abkhazia, COBERM II turned to be a sole opportunity to maintain much needed efforts for bridging the gaps between the NGOs, grass-roots confidence building needs and initiatives, and official governmental peace policies through supporting and rising capacities of the local civil community”. (Ibid.)

Joining up with UNDP, which had links with albeit no direct access to South Ossetia, permitted the EU to fund some South Ossetian partners:

“Civil Society in Abkhazia remains isolated, and COBERM has been instrumental in keeping Civil Society dialogue alive. In regard to South Ossetia, the international community, with exception of ICRC, does not have access, and COBERM appears to be the only initiative supporting a significantly underdeveloped Civil Society. Through its engagement in Abkhazia, South Ossetia, areas adjacent Administrative Boundary Lines (ABLs) and other communities in Georgia, COBERM is considered a trusted and impartial partner by the parties to the conflict and Civil Society on either sides of conflict divides.” (Ibid.)

The flexibility of COBERM to involve to the political environment was noted:

“The flexibility of COBERM has already shown that it can accommodate changes in the political climate and even positively influence on these. Such flexibility will be continued. However, given the unpredictability of the political processes (e.g. tackling political turmoil, closing of Abkhazia, etc.), a contingency plan is in place and approved by the Steering Committee.” (Interim Report, COBERM – Phase II, 2014)

It appears that this flexibility was crucial to its relative success:

“During its first phase, COBERM has built a positive reputation and is a trusted mechanism due to its neutrality and flexibility. During the independent evaluation, it was revealed that almost all previous Georgian, Abkhaz and South Ossetian partners expressed interest to apply again if COBERM will start a new phase.” (Ibid.)

COBERM in the breakaway regions was an important signal that the international community was still engaged – a signal not sent by other donors:

“While many of the organisations’ interviewed had had experience of the donor community pre-2008; inevitably, this resulted in loss of experience as personnel sought other means to support themselves and their families. For the overwhelming majority COBERM’s advent marked the first opportunity post-2008 for them to access donor

funding. When this possibility first was presented, it was strongly resisted because of nationalist positions, for many leading to delays in decisions to engage with the programme.” (Final Evaluation Report of COBERM, 2012)

It was clear that the EUSR and EUMM would have appreciated direct and flexible access to the EUDs financial resources to undertaken some ‘hot pursuit’ items related to perceived windows of opportunity in overall conflict dynamics. Yet the EUD was unable to accommodate easily these types of requests because of the financial regulations (even with the supposedly flexible IfS / IcSP) and also the EUD limited capacity. After the immediate conflict phase the ability of the EU to break the isolation (and entrenched attitudes) of the younger generation in Abkhazia and South Ossetia by funding longer term postgraduate study in Europe was constrained by the lack of an available mechanism to do so (as IfS / IcSP could not be used for this purpose). This was a cause of some frustration for EUD and EUSR staff but also those interviewed in Abkhazia.

The EU acted quickly after the 2008 crisis and with flexibility. It supported successful innovative measures (COBERM) I and II as well as work by the peacebuilding INGOs. It showed through the COBERM project and through other projects in the sphere that support could evolve during the on-going conflict to better meet needs and adapt to the political environment. In large part by joining up with UNDP, it was able to fund what little Civil Society there was in South Ossetia.

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6.3.3 Indicator 633: Evidence specific EU political and policy dialogue complemented co-operation programmes

Presentation of the evidence gathered and detailed analysis

Political and policy dialogue through a wide variety of means was directly relevant to co-operation programmes. At the highest levels:

“The EU remain[ed] committed to Georgia’s territorial integrity and sovereignty, and to the peaceful resolution of the conflicts in Georgia, providing continued support through the work of the EU Special Representative (EUSR) for the South Caucasus and the Crisis in Georgia and the EU Monitoring Mission (EUMM) in Georgia.” (Implementation of the ENP – Statistical Annex, 2014)

The official position of the EU meant that it was not a neutral party to the conflict. While its close alignment to the GoG position assisted political dialogue at the highest levels, political dialogue with the de facto authorities was more of a challenge and was mainly conducted by the EUSR.

Therefore the EU was actively politically engaged at number of levels and was more than just an administer of projects

“The EU’s Special Representative for the South Caucasus and the Crisis in Georgia continued to play a key role in the EU’s efforts to resolve the conflicts in Georgia and Nagorno Karabakh. Together with the UN and the OSCE, the Special Representative co-chaired the Geneva International Discussions on the crisis in Georgia. These talks are currently the only forum for dialogue between the Georgian authorities and the break-away regions of Abkhazia and South Ossetia, though the new Georgian administration has expressed the intention of establishing direct communication channels with representatives of the de facto entities.” (ENP Progress Report 2013)

The EUSR’s engagement was widely seen as a positive development. The EUSR does not have a co-operation budget of its own, and therefore was reliant on working with the EUD. It appears that, at certain points, the EUSR would have desired co-operation engagement with Abkhazia that exceeded the EUD’s level of political comfort given its need to maintain good relations at the highest levels in Georgia was also a factor in positioning.

There were changes in policy that would have greatly facilitated co-operation programmes. In January 2010, the Government adopted the new “State strategy on Occupied Territories: Engagement through Co-operation”:

“This strategy envisages a policy of engagement to complement the Government’s efforts towards the peaceful resolution of conflicts. This is generally in line with the EU’s non-recognition and engagement policy and Confidence Building approach and was welcomed by the international community as a positive development.” (ENO Progress Report 2010)

Despite wider changes in the political environment in Georgia and with Russia, some issues remained difficult:

“Following the change of government there have been many positive signs and some cautious steps towards a more open and effective engagement with the breakaway regions, while more decisive steps such as substantively reviewing restrictive aspects of the law on occupied territories are still pending. Georgia-Russia relations improved in 2013 with the continuation of the bilateral dialogue launched in late 2012. This dialogue has yielded results, mainly in the form of Russian concessions on increased trade, transport and cultural exchanges. However, both sides’ positions remain unchanged on the fundamental issues of Georgia’s European orientation, Russia’s role in the 2008 war, and the recognition of South Ossetia and Abkhazia.” (Implementation of the ENP – Statistical Annex, 2014)

Despite this, it appeared from field-phase interviews that the EU was reluctant to test the boundaries of its engagement with Abkhazia. The EU could have done more to explore, at the highest political level, the boundaries of politically feasible co-operation engagement.

The EU worked with one of its major implementing partners on dialogue with specific Ministries when difficult questions arose:

“The UN Resident Coordinator and the EU Ambassador continue to maintain active co-operation and dialogue with the State Ministry of Reconciliation and Civic Equality in order to coordinate the efforts of the international community for peaceful transformation of conflicts in Georgia as well as providing support to the conflict affected communities.” (Interim Report, COBERM – Phase II, 2014)

When the goals of its programmes on confidence building were directly undermined or threatened the EU also engaged with the government. Including on the GoG policy to “The ‘Modalities for Engagement of Organisations Conducting Activities in the Occupied Territories of Georgia’”. (Implementation of the ENP in 2010. Country report: Georgia, 2011)

The EU also had some success in changing GoG policy in related to specific issues in support of co-operation programmes:

“Subsequent changes in the Georgian cabinet of ministers has required ongoing negotiation involving the Head of Delegation (HoD) and UNDP Resident Representative (RR) emphasising that the GoG approval of individual projects is not required but that Government will be informed on funding decisions after the decisions have been made. Indeed, any decision-making role for the GoG would mean that activities in the breakaway regions would not be possible. The GoG is reportedly (somewhat reluctantly) agreeable to this although it does not agree of the need for ‘confidence building’.” (Ibid.)

There were also instances regarding specific programmes (COBERM) where it was necessary for the EU to address government changes in policy to ensure that there could still be progress

“Policy changes and changes in interpretation of policy impact on the project, and have necessitated extensive intervention at HoD and UNDP RR level with the responsible Ministry to maintain the project’s independence and the perceptions of its neutrality in the two breakaway regions.” (Ibid.)

The EU also engaged with the Abkhaz de facto authorities when programmes were threatened there, yet it was unable to stop humanitarian/development INGOs being restricted to working in Gali district by the previous de facto President.

Dialogue with the South Ossetian de facto authorities did not result in the ability of the EU to gain direct access to the territory to monitor or support the one project that was allowed access indirectly – the COBERM project.

The EU was also powerless to prevent the OSCE from closing its mission in South Ossetia, meaning that its most tangible supported project there could no longer be supported. The pressure to close the OSCE mission came from the highest levels in Russia.

There is no doubt that political and policy dialogue was an essential and central element to complement EU co-operation programmes in Georgia. There are several instances where the EU’s political and policy dialogue had direct relevance to progress in programming and vice-versa – particularly around IDPs (see EQ 5) and confidence-building measures, as well as in relation to large politically sensitive programming such as COBERM. At the same time, there were clear limits to what type of changes in overall conflict dynamics the EU could bring.

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7 EQ7 on Modalities and Instruments

Evaluation Question 7: To what extent was the mix of aid modalities and instruments used by the EU appropriate in the Georgian context?

7.1 JC71: Appropriateness of Sector Budget Support and accompanying measures to support reform processes

Background on the mix of aid modalities in the EU portfolio in Georgia

The basic modalities employed in Georgia were sector budget support and projects in about at 50:50 proportions for the evaluation period as a whole, with some important yearly fluctuations like in 2009 where budget support represents almost 75% of the contracted amounts (see Annex 2 - Inventory).

Around 90% of the support provided for PFM reform was via budget support (including TA to the MoF). At the other end of the spectrum, no budget support at all was available for Civil Society development although, as discussed under EQ 4, Civil Society involvement in monitoring budget support may have contributed to Civil Society development. In IDPs, conflict management, and confidence building, budget support was the largest modality but there were a significant number of complementary projects, as well, including a number financed as a matter of urgency by the IfS. In Agriculture / Regional Development and Criminal Justice, budget support predominated, although in the area of Agriculture, this began only in the latter years of the evaluation period. In the early years, projects were a stopgap intervention in response to extreme poverty in the countryside and government's emerging interest in developing a long-term strategy in agriculture. Cooperative development projects served an important role in laying the groundwork for ENPARD. Justice sector reform was a leader in budget support, with the first programme dating back to 2008. In the non-focal sectors, projects dominated, in large part because many of the actions undertaken in non-focal sectors had to do with democracy and human rights or good governance and institution strengthening or were small interventions in areas such as water and the environment.

In the documents consulted, there is no evidence of much consideration being given to the choice of the budget support modality. It appears to have been adopted largely as a matter of convenience and confidence in the quality of government ownership. In the end, our assessment of budget support has been reasonably positive, as was that expressed in the Final Report of the support of sector policy support in Georgia (February 2012). At the same time, weaknesses that have been identified suggest that a deeper dialogue with GoG to identify areas of common interest, shared goals, and EU value added would have improved the overall quality of budget support.

Budget support accounted for 53 % of total support provided (all instruments). This share rises up to more than 80% if only the ENPI (country level) programmable aid is taken as a reference. Budget support was combined with technical assistance and Twinning. Where the capacity to sustain a long-term relationship existed The rest of EU financial support consisted of projects. Non-financial support included policy dialogue lined to budget support and political dialogue.

In general, budget support worked reasonably well in all sectors except IDPs, where there were significant constraints to success. There was tangible progress in Justice sector reform, driven by international standards and allowing for the promotion of EU priority institutions and areas such as the Public Defenders Office (a beneficiary of Comprehensive Institution Building), the Legal Aid Service, and juvenile justice reform. The extent of progress, and the effectiveness of sector policy dialogue, was clearly tied to political will. In those areas where the interest of GoG in genuine reform was weak, such as the procuracy and independence of the judiciary, the policy matrix associated with budget support was very formalistic and, in fact, tangible progress was weak. Projects, whether EIDHR or Civil Society Facility (or in a few innovative cases via ENPI thanks to resources freed by More for More) were effectively used to complement budget support.

Modalities for Agriculture and Regional Development sector approaches largely followed an appropriate sequence of support interventions addressing the wider policy issues and then supporting implementation of strategy through a mix of budget and non-budget support with target beneficiaries, e.g. budget support to strategy development, and food legislation coupled with project- and agricultural service centres through project support. In Agriculture, the initiation of budget support was tied to the development of a sector policy, which was accomplished with EU technical support to the relevant working group. The same goes, at national level, for Regional Development. However, for timing issues most tangible improvements in living standards over the evaluation period were accomplished by projects, mostly implemented by INGOs. It is still too early to see national-level impact on living standards via ENPARD. In the area of Regional Development, the development of a national strategy and action plan is a step forward, as is the development of regional development strategies in a number of regions, but the latter have not yet been matched by action plans.

The effectiveness of budget support in PFM is nuanced. While there has been progress, as attested to by improved PEFA assessment, (i) the sector strategy consists of a number of targeted sub-strategies aimed at various institutions and functions that together add up to PFM, (ii) as a result of which, there is no structured and strategic capacity-building strategy, (iii) as a result of which capacity in many institutions and at all levels remains low. The role of Civil Society in monitoring as called for in the budget support agreement is improving (in part thanks to projects) but remains low relative to CSOs' engagement in other sectors such as Agriculture and IDPs. No evidence has been found that there was a capacity needs assessment in the MoF or any other PFM-related institution. In the area of highly political area of IDPs, the EU approach has been to stand behind government strategies and action plans via budget support while using the leverage of policy dialogue to influence directions of policy and priorities. The record has been mixed, with overall goals in durable housing solutions, sustainable livelihoods, and needs- as opposed to status-based assistance being successfully promoted (much against GoG instinct) but with persistent problems in the quality of housing provided. WTA provided essentially went to MRA in the area of policy, not to technical issues of housing construction. While the budget support modality was used with partial success to identify problems identified and promote EU priorities, capacity in the Ministry of Refugees and Accommodation and Municipal Development Fund remained a persistent problem. A wide range of projects to promote the wellbeing of IDPs was also implemented with ENPI, DCI, and IfS financing. The latter was especially effective in generating quick responses in the wake of the August 2008 conflict. NSA/LA, EIDHR, and other instruments have promoted Civil Society involvement at the community level. 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 and INGOs specialising in conflict has significant results. COBERM was especially successful, and can in some ways be credited with keeping Civil Society in Abkhazia alive. We have argued on answering EQ 6 that more aggressive use of political dialogue would have opened up missed opportunities for people-centred development interventions in Abkhazia.

TA was a strong point in the EU's programme (I-712). As needs and priorities in Justice sector reform were well defined, a wide range of TA was provided under the two sector budget support programmes, and there was tangible progress in developing policies consistent with European standards many areas. Areas where TA was effective include the Penitentiary Service, the National Probation Service, the Legal Aid Service, juvenile justice, and the Public Defenders Office. There was some use of Twinning but less is known. Both criminal and civil codes underwent re-drafting with EU TA support. In PFM, as in justice, as well, the grand outlines of reform were set by international standards and in particular by the critical 2008 PEFA assessment. There was no government interest in TA in the first PFM budget support programme, an opportunity missed. TA was used much more effectively under the second PFM budget support programme, because it was more demand-driven and thus suited the needs of the beneficiary institutions. Twinning was also used effectively. However, capacity remains weak at all levels and in many PFM-related institutions because of the lack of a strategy for PFM capacity development. In Agriculture and Regional development, the contribution of TA is easily stated: EU technical support 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 best by constant change in top leadership and staffing.

7.1.1 Indicator 711: TA in ministries and Twinning contributed to sectoral policy development

Presentation of the evidence gathered and detailed analysis

Criminal Justice

In the Justice sector, a large amount of TA was provided, mostly under the two SPSPs (financed via budget support), in a range of areas, and played a key role in progress over the evaluation period. The Justice sector provides an ideal field for TA for two reasons. First, European standards, from the constitutional to the operational level, are well established and reliably monitored. Second, at the operational level (e.g., conditions of detention, prevention of torture, access to justice), good practice is often defined in readily transmissible terms.

The evidence on TA was reviewed under I-113 as it related to the justice system in general, under I-112 as it related to the penitentiary service and juvenile offenders, and under I-122 and 123 as it relates to Legal Aid Services. TA to the Public Defenders Office is analysed under I-124. In all cases, TA helped to raise capacity and, directly or indirectly, contributed to policy development. Capacity building to meet European standards is also discussed under I-122. In the process, TA enhanced transparency and accountability and contributed to reduced impunity. TA was found under I-131 to have promoted adherence to European standards in juvenile justice, prisons, and probation. Under I-133, TA was found to have helped Georgian authorities to tackle corruption. In short, there is no doubt that TA under Justice sector reform contributed to developing policies in line with European good practice. However, in most areas, the authorities have had difficulties in going past *de jure* compliance to effect real changes.

There was some use of Twinning, for example with the National Bureau of Enforcement (NBE) under the Ministry of Justice, as well as use of “flexible Twinning” with the Penitentiary Department. The NBE benefited from the Twinning project by getting support in learning about and developing two new services: (1) simplified procedure and (2) re-statement of facts. Since then, the public is mostly using simplified procedure, as it makes it easier and faster for them to use the NBE services. The Twinning project also is credited for the realization in the NBE and the GoG that an enforcement code is needed to better regulate this field. This said, both the TA and the twinning project only benefited the NBE (read: public enforcers) and did not put much effort into the private enforcement agents, who are currently fairly disorganized and need much capacity building to perform their functions according to the Constitution and broader European standards.

Table 22 Example of twinning contracts financed during the period 2007-2013 (Criminal Justice)

Contract Title	Contract Number	Decision Reference	Decision Title	Contract Year	EU Contribution
Georgian – European Policy and Legal Advice Centre (GEPLAC) – Phase VII	236015	ENPI/2008/019-751	Twinning/Technical Assistance Facility in support to the EU-Georgia ENP AP implementation	2010	1.208.298,45
Support to the PAO in Application and Coordination of Institution Building Facilities	281700	ENPI/2010/022-152	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2011	1.163.000,00
Better Enforcement	271411	ENPI/2008/019-751	Twinning/Technical Assistance Facility in	2011	1.150.000,00

System through Twinning (Twinning ref: GE10/ENP-PCA/JH/06)			support to the EU-Georgia ENP AP implementation		
Support to the Public Defender's Office, Georgia	250809	ENPI/2009/021-068	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2010	540.486,00
Georgian - European Policy and Legal Advice Centre (GEPLAC) Phase VI, Gap II	218245	ENPI/2008/019-751	Twinning/Technical Assistance Facility in support to the EU-Georgia ENP AP implementation	2009	486.081,22
Georgian-European Policy and Legal Centre (GEPLAC VI GAP)	203203	ENPI/2007/018-954	Twinning facility in support of the EU-Georgia ENP AP implementation	2009	273.844,16
Support to the National Bureau of Enforcement of the Ministry of Justices of Georgia	227678	ENPI/2008/019-751	Twinning/Technical Assistance Facility in support to the EU-Georgia ENP AP implementation	2010	58.833,73
GEPLAC evaluation of phase VII	299477	EN PI/2010/022-152	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2012	24.584,48

PFM

The picture in PFM on use of TA and Twinning is mixed. National capacity (both individual and institutional / organisational) in implementing and sustaining PFM reforms is one of the weakest chains, in large part because of the lack of a capacity needs assessment for the PFM sector and capacity strengthening strategy described under EQ 2. Capacity deficiencies persist in many areas and Georgia still has only separate strategies dealing with resource management, accounting and reporting, audit, IT, etc.

Under the first SPSP, TA was envisaged but government interest and hence uptake was low (I-232 and 221), an opportunity missed (policy dialogue, by contrast, was extremely successful under PFM-I). The SPSP TA started to gain momentum only in the second SPSP. There was more use of TA, for implementation and monitoring of the programme, under the second budget support programme and lessons learned from the first phase were applied. These suggested that the design and approach for providing TA is crucial for it to be effective and beneficial. The TA under the second phase was demand-driven, conformed better to the needs and interests of the beneficiaries and effectively promoted compliance with the conditionalities of the Policy Reform Matrix. Nevertheless, during field interviews, the beneficiaries suggested that although TA has its advantages, Twinning, used to support the MoF in customs, taxation, and strategic management, was held to be more effective. This may have to do with the great institutional depth and commitment to long-term change that is inherent in the twinning arrangement.

Table 23 Example of twinning contracts financed during the period 2007-2013 (PFM)

Contract Title	Contract Number	Decision Reference	Decision Title	Contract Year	EU Contribution
Strengthening the National Customs and Sanitary-Phyto-sanitary Border Control System in Georgia	270659	ENPI/2008/019-751	Twinning/Technical Assistance Facility in support to the EU-Georgia ENP AP implementation	2011	1.800.000,00
Promote the strengthening of e-governance in Georgia	308284	ENPI/2009/021-068	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2012	1.270.000,00
Introduction of E-governance in Local Governments	277984	ENPI/2010/022-152	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2011	1.262.952,00
Capacity Building of the Academy of the Ministry of Finance of Georgia	327117	ENPI/2012/023-281	Programme in support of EU-Georgia agreements	2013	880.000,00
EU Georgia E-governance Facility	304521	ENPI/2010/022-152	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2012	854.675,00
Support to Tax Administration, Phase II	200080	ENPI/2007/018-954	Twinning facility in support of the EU-Georgia ENP AP implementation	2009	567.885,52
Support to the Revenue Service of the MoF in the area of Customs	232059	ENPI/2009/021-068	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2010	173.709,10
Support to the Treasury Service of the Ministry of Finance in translating IPSAS	283797	ENPI/2009/021-068	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2012	89.746,40
Support to the MoF for the Elaboration of a Twinning Fiche concerning the Strengthening the National Customs System of Georgia	167397	ENPI/2007/018-954	Twinning facility in support of the EU-Georgia ENP AP implementation	2008	82.926,64
Support to the design of a State Modernization program in Georgia	247843	ENPI/2007/018-954	Twinning facility in support of the EU-Georgia ENP AP implementation	2010	81.809,02
Local Governance Reform in Tbilisi - A Case Study	301965	ENPI/2009/021-068	Twinning & Technical Assistance Facility to the EU- Georgia ENP AP implementation	2012	63.249,73

Agriculture, Rural and Regional Development

TA provided to Ministries, at national level as well as at the regional level (e.g. the MoA in the Autonomous Republic of Ajara), was an essential input to sector policy development as well as supporting improved planning and administrative implementation capacity at the local level (I-313). This is most evident in the development of the national Agriculture sector strategy, the State Strategy for Regional Development, regional development strategies such as the Ajara Regional Development plan, and planning for development of the National Food Agency (for the latter, see I-331). TA provided through the Regional Policy Implementation Project and capacity building support to the introduction of Agricultural Service Sectors proved successful (I-311). There appear to have been no Twinning arrangements.

IDPs

Given the weak capacity in Ministries dealing with IDP issues particularly the MRA, as well as initial GoG reluctance, TA played a key role in encouraging the move from a focus on physical infrastructure to a more comprehensive approach to sustainable livelihoods. TA also provided an institutional memory in periods of high turn-over of senior staff and also Ministers during the period of the evaluation.

A specific example of TA contributing to not only good policy development but also good principles of consultation and international best practice in the IDP area is ENPI/2009/021-783 - Technical Assistance for Local and Regional Development in IDP-populated Regions in Georgia. TA support directly contributed to capacity for the government to begin to think beyond physical infrastructure to a much more comprehensive approach to livelihoods for IDPs and provided specific technical and expert support to specialist committees that fed into the overall work of the steering committee. There were no given examples of twinning in the IDP sector.

Overall

A synthesis of the sector-level indicators in EQs from 1 to 6 gives a positive picture of the use of TA, and of Twinning, as well, although it was less-used, slow to take off, and made greater requirements on Georgian institutions. There is also some evidence in EU documentation that Twinning was sometimes difficult to implement, as indicated the EAMR 2011:

“Other issue is that although there is an increased number of Twinning projects launched in the reporting period, the pipeline for twinning project ideas in a medium term prospective is decreasing. The potential beneficiaries of Twinning projects are hesitant in using this instrument for the implementation of the respective reform agendas, including Institution Reform Plans (IRPs). This is partly explained by the duration of the preparatory process and the limited flexibility of the instrument. Besides, there is a recent trend to minimise or avoid the inclusion of legal approximation (legislation revision/elaboration) elements within the Twinning projects.”

Sources of information used

- Analysis of the EU portfolio in Georgia (Inventory).
- EAMRs Report 2007, 2008, 2009, 2010, 2011, 2012.
- Project documentation.
- Interviews key stakeholders in Georgia (incl. GoG, EUD and project staff).

7.1.2 Indicator 712: Policy dialogue in context of budget support effectively promoted EU priorities

Presentation of the evidence gathered and detailed analysis

One of the main advantages of the budget support modality is held to be its ability to amplify the EU's voice in policy dialogue. Evidence relevant to this Indicator is also presented under I-811: EU was able to use sector strategies to identify shared priorities, but effectiveness varied widely across sectors.

Criminal Justice

This was assuredly the case in some areas the Justice sector where policy dialogue in areas such as juvenile justice, access to justice and reducing the prison population were effectively combined with budget support. EU efforts have been credited with progress in these areas (see I-112, I-122, I-123). In interviews carried out during the field phase, several stakeholders highlighted the EU leverage over policy gained via the use of budget support. In the Justice sector, the EU was able to actively promote through policy dialogue the priority of juvenile justice support, the role of the Public Defender's Office and the Legal Aid Service. At the same time, the effectiveness of policy dialogue was constrained by the nature of the policy matrix negotiated, and as described in answering EQ 1, policy conditionalities in areas where there was genuine interest in change (e.g. juvenile justice) had teeth, whereas those in areas where interest in change was thin (e.g., the procuracy and independence of the judiciary) were formalistic. The EU used policy dialogue to advocate for the increased involvement of CSOs (e.g., in monitoring prison conditions) with success. CSOs implementing EU grant projects have been greatly aided by the clout that the EU brought to their efforts and have been appreciative of the support that the EU has provided to them when advocating for changes. At the same time, e conditions for budget support are not made public, which dilutes the impact of EU budget support, as the CSOs are not able to undertake shadow monitoring of the GoG work and feed this information to the EU during the review process.

PFM

There was regular policy dialogue between the EU (via the EU Delegation) and various institutions involved in PFM reform. The main venue was quarterly Steering Committee meetings chaired by the Ministry of Finance at which the focus of discussion was the Policy Reform Matrix. Other venues for policy dialogue on PFM were the dialogue on PFM related issues in the framework of MFA, ENP Action Plan for Georgia, Association Agreement, and DCFTA. The conditionalities were consistent with EU policy priorities and generally relevant to the government reform strategy. The policy dialogue around the Policy Reform Matrix at the beginning of the SPSP operations played a substantial role in putting PFM reforms on the government agenda and advancing PFM reforms. A weakness was, however, that the interlocutor, the MoF, was not in charge of all the areas in which PFM reform was taking place, but only a subset. Moreover, with the growing ownership and government leadership of PFM reforms, the role of the policy dialogue gradually changed. From having a political reinforcing effect at the beginning of SPSP operations it gradually started to have a more operational reinforcing effect triggering the government to stay on track and provide continuous accountability. . A need was identified to structure the dialogue so as to make it more reform-oriented and doubts have been raised about government commitment and investment in the dialogue. Also of some consequence was the fact that PFM was driven not only by approximation but also by WTO and other commitments, some involving various DGs, that were outside the co-operation programme.

Agriculture, Rural and Regional development

In Agriculture, Rural and Regional development, EU policy dialogue facilitated the policy-, strategy- and planning processes that resulted in the Agriculture Sector Strategic Plan and the national Regional Development Strategy. Budget support helped the EU to promote priorities in, for example, food safety and poverty reduction. The State Strategy for Regional Development and associated Action Plan marks a step forward in recognising the need to reduce regional disparities, but still is not fully aligned with the European approach (I-313). Regarding Regional Development, EU support to the Inter-ministerial working groups was instrumental at the national level in moving the regional development planning process forward. At the local and regional levels, there was less impact outside the drafting of the regional development strategies, as the capacity of regional and local authorities was not yet adequate enough to fully address the development of Action Plans. Meaningful regional development planning became more evident with the 2012 Support to Regional Policy Implementation Project, which has tried to link national policies to tackling identified regional disparities. The EU support has through the regional development program for 2015-17, prepared in conjunction with the inter-Ministerial working group provided a road map for the way forward.

IDPs

Policy dialogue relating to IDPs has had only partial success. The EU chose to align solidly behind the Government's overall IDP strategies and action plans, seeking to influence policy through budget support conditionality and political dialogue. It is clear that there was little other political choice; eschewing budget support for, e.g. aid channelled through international agencies such as UNHCR or INGOs would have amounted to a slap in the face to the authorities. There was also a practical constraint: the EU Delegation did not have the capacity to implement a large housing construction programme. As discussed under EQ 5, the effectiveness of policy dialogue was constrained by (i) the structural fact that the interlocutor, the MRA, was not in receipt of the budgetary resources, which were instead directed to the implementing MDF, (ii) frequent changes at the senior level, meaning that the very nature of budget support was often not appreciated, and (iii) the lack of capacity at MDF to follow through. However, the EU had some successes in promoting, through policy dialogue, the alignment of the overarching strategy and action plan relating to IDPs with international priorities such as sustainable livelihoods (I-531). The evolution on overall government policy towards IDPs over the evaluation period probably owed something to on-going dialogue with the EU. In addition to sustainable livelihoods, likely areas where budget support policy dialogue contributed something included tighter conditions on durable housing solutions, privatisation, and the move to more needs- rather than status-based approaches. All of these represented significant shifts in government thinking, which preferred to regard displacement as a temporary phenomenon and looked to exploit the public-relations advantages of being IDPs' main economic benefactors via transfers. The area of building quality was a major disappointment, with the EU unable to effectively promote its priorities despite strenuous efforts, as a result of which problems persisted throughout the evaluation period (I-511). In addition to incomprehension of conditionality, the budget support policy dialogue in IDPs was characterised by resistance to sharing technical information and concern with formal issues of terminology rather than substance. Engagement was clearly difficult, but the EU had little choice in view of the political necessity of standing behind government in this politicised area. It is clear that, despite the difficulties encountered, EU budget support buttressed by policy dialogue and TA made a tangible difference in IDPs' lives.

Conflict Resolution and Confidence Building

In the wake of the new State Strategy on Occupied Territories adopted in early 2012, the EU was able to influence government policy in some specific areas through policy dialogue (I-633). There was, for obvious reasons, no budget support in the area of Conflict Resolution and Confidence Building. There was considerable policy and political dialogue and we have found, in answering EQ 6, that a more aggressive approach could have significantly increased the effectiveness of the EU's engagement.

Sources of information used

- EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- Interviews with key stakeholders in Georgia (incl. GoG, EUD, project staff).

7.2 JC72: The aid modalities used were consistent with the capacities of the various stakeholders

The EU used a variety of implementing partners – Ministries, in the case of budget support, private firms, 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) was suited to the capacity of the partner (I-721). In PFM, the lack of an integrated capacity development strategy hampered capacity development and, in the idiosyncratic case of IDPs (where there effectively was no alternative to significant budget support) the low capacity of partners, especially, the MDF caused problems. On the other hand, the EU used TA effectively in the MRA to alleviate capacity gaps. We have found very little information related to communications regarding aid modalities (I-722) – from the very beginning of the evaluation period, EU documents consulted seem to assume that all the conditions pointed to significant use of budget support. Communication regarding TA appears to have been

lacking in the first PFM budget support programme but the second programme made up for this deficit. A specific communication problem arose in IDPs where, due to frequent turnover and the fact that budget support funds passed directly to MDF, MRA senior staff persistently failed to comprehend the nature of budget support and the key role of meeting conditionality. While we have snapshot of EUD capacity at present, and it appears to be sufficient to meet needs, we do not have as good a picture over the evaluation period. Some EAMR documents suggest that capacity was stretched thin at points. It is known that there was a major expansion of staff in 2009 as aid needs increased.

7.2.1 Indicator 721: Appropriateness of the modalities and project approaches to the existing capacities of implementing partners

Presentation of the evidence gathered and detailed analysis

The pros and cons of the various aid modalities used in Georgia can be argued at length, but two main advantages are generally cited for budget support (in addition to Paris Declaration aid effectiveness arguments). First, budget support practically by definition means on going policy dialogue with the relevant government actors and the monitoring (including by Civil Society actors) of Policy Matrices that amount to conditionality. In this way, budget support is held to leverage EU aid into policy influence that is impossible through projects. Second, the budget support modality supports institutions and their development, rather than one-off project actions. In this way, it is ideal for purposes of delivering technical assistance, institutional capacity building, and promoting long-term strategic planning. The paradox is that the lower the existing capacity in the institutions supported, the less attractive is budget support. In situations where government capacity is low and no viable sector strategy is in place, the project modality may be the only feasible approach.

Overall, in Georgia, appropriateness of the modalities and project approaches has been adequate to the existing capacities of implementing partners. Yet, in areas related to PFM and IDPs, the capacity of partner agencies was particularly low and other problems - frequent turnover, erratic priorities, failure to set long-term strategy consistent with development and association, lack of appreciation of the nature of conditionality that accompanies budget support, weak ownership were cited by the EU Delegation. While the budget support modality was used with partial success to identify problems and promote EU priorities (see also JC 71), capacity in the MRA and MDF remained a persistent problem but one not open to an easy solution. The 2008 EAMR note:

“Sector and budget support linked to clear conditionalities does not always suit Georgian reality, since the government basically does not want to engage in any kind of medium term policy dialogue”.

None of these issues were serious enough to stop the gradual move towards greater reliance on the budget support modality, but provide evidence that the process has not always been easy.

Criminal Justice

The mixture of project approaches and budget support in Justice sector reform was appropriate to the capacities of the partners, which nonetheless required significant capacity building. It is perhaps due to this reason that the EU support to the Criminal Justice reform involved fairly significant level to TA and capacity building actions. Thus, budget support through both SPSPs. was accompanied by a comprehensive TA package to support implementation of Criminal Justice sector Strategy (I-112). This TA addressed capacity needs that had been identified in the National Probation Service, the Penitentiary and Probation Training Centre, the Legal Aid Service, and the Public Defenders’ Office, in addition to providing backup to the Council coordinating the multi-donor Justice sector reform. In some cases, EIDHR and later the EaPIC projects played a complementary role. The partners implementing were generally of good quality. Human Dynamics, responsible for the main Criminal Justice TA project, mobilised a good team which commanded wide respect in the beneficiary community. In the pressing area of juvenile justice reform, UNICEF operated with unique authority. It must be noted that the first sector specific program in Criminal Justice was elaborated following the results of the EUJUST THEMIS Mission, which supported the

Georgian authorities in addressing the then urgent challenges in the Criminal Justice system, including TA and capacity building needs of Justice sector institutions.

Different targeted institutions have had (and still continue to have) different level of capacity, as well as will to change. Thus, the SDA has been able to learn great deal about the EU aid modalities and take advantage of TA/EX instrument quite a bit. On the other hand, the Penitentiary Department was unable to take advantage of the “flexible twinning” project, which was implemented together with the Swedish Prison and Probation Service, mostly because they did not have the capacity and the GoG lacked the political will to engage with the EU counterpart.

PFM

Desk phase research and field work have not revealed any capacity needs assessments in the MoF or any other PFM-related institution that could have guided the EU in its choice of modalities. However, EU sector support included trainings, study tours, etc. designed to strengthen the capacity of PFM reform implementing institutions. Despite this, capacity remains low in many institutions concerned with PFM, including the budget committee and budget office of the Parliament and many of the CSOs who should in theory, monitor PFM. This was reflected in the ROM report of the Support to the PFM Reform (2009):

“The PFM reform still lacks an overall policy and strategic framework, a performance monitoring system, and sector and donor coordination systems, and is hindered by insufficient institutional capacity and acute lack of sufficiently qualified human resources.”

The lack of a systematic and structured approach to capacity building in the PFM area does not facilitate or inform reform measures taking into account the readiness and adequacy of the existing capacity. At the same time it does not facilitate a coordinated and informed mobilisation of donor funding for capacity development. The capacity development that has taken place has been very much at the individual and functional level.

IDPs

In the area of IDPs, the Ministry of Refugees and Accommodation (MRA) suffered from low capacity (I-531), although this was addressed to some extent through TA and accompanying projects funded through calls for proposals that also targeted IDPs. The MRA was, in addition, not a strong political player, often losing out to other actors such as the Ministry of Regional Development, the Ministry of Finance, and the Prime Minister’s Office. That the MRA was not a major beneficiary of budget support that went to the MDF limited the interest of the MRA or the incentive of the MRA to understand budget support. More intractable from the capacity point of view was the weakness of the Municipal Development Fund (MDF) responsible for overseeing construction (I-511), which accounted in large part for the persistence of shoddy construction long after it had been identified as a problem. Yet there were very limited other options in terms of dealing with the scale of the problem and its political nature other than the MDF. Overall during the period 2007-2013 there was an evolution in the Sector Budget Support from one where the EU was primarily concerned with the rapid development of housing, to a much more encompassing approach to addressing livelihoods. This was due in large part to a TA project implemented by the Danish Refugee Council which genuinely addressed a capacity need at the MRA by assisting in participatory strategy development. However, the ability of the EU to influence the more tangible factors in the move to a livelihoods led approach were limited by a disinterest and at times outright suspicion shown by the GoG. The EU also engaged in a number of complementary measures to sector budget support through calls for proposals that concentrated on the “softer side” such as development of community development committees, farmers associations and protection of property rights, all were more prominent during the immediate post-hostilities phase until 2011. In general, the EU worked with well-respected INGOs in the IDPs field. In the closely-related area of Conflict Resolution and Confidence Building, the EU chose INGO partners who had long-term commitment to the conflict zones, had built up relationships of trust, and are specialise in conflict-related work. In implementing the major project COBERM, the EU turned to UNDP, which added value through the UN brand of neutrality.

Agriculture, Rural and Regional development

Modalities in Agriculture were found in answering EQ 3 to have been appropriate to the capacities of implementing partners, whether they were local NGOs needing to develop further capacity (e.g., COMBI), bilateral agencies such as SDC, or traditional international implementing agencies such as UNDP (in Ajara), FAO, and consulting firms. Similarly, choice of implementing organisation was consistent with the type of project envisaged. The mix of modalities was appropriate and balanced reflecting the needs of the beneficiaries and matched to their respective capacities. The match with capacities may have been lacking somewhat regional development as a result of the inability of local and regional authorities to act upon the regional development strategies developed and move forward to development of appropriate actions plans. Further local and regional capacity building is required in this regard. Implementing partners such as NGOs, international agencies (e.g., FAO and UNDP) and private firms (e.g. Ecorys for regional development strategy development) had the needed capacity.

Sources of information used

- Project documentation.
- EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- Interviews with key stakeholders in Georgia (incl. GoG, EUD, project staff).
- Monitoring report (MR 41657.01), Penitentiary and Probation Reform in Georgia project TACIS/2006/123217.
- Interviews with Tamar Khulordava, Bernard Menut, Papuna Papiashvili.

7.2.2 Indicator 722: Timeliness and appropriateness of the communication with the Government and other stakeholders on aid modality choices

Presentation of the evidence gathered and detailed analysis

The clearest example of the orderly development of a budget support approach is in ***Agriculture, Rural and Regional development***, where long policy dialogue between government and the EU led to the elaboration of sound strategies, the introduction of budget support as they took form, and (in the case of Agriculture) a full budget support programme, ENPARD, financing the official launch of the sector strategy in 2012.

No information has been gained on the introduction of budget support in ***Justice***, which occurred in 2007, but this also appears to have gone well.

In ***PFM***, no evidence has been found on the initial discussions of budget support, but it was noted in EQ 2 that there was no evidence that the appropriateness of the budget support modality had been explicitly assessed.

The situation in ***IDPs*** may be weakest of all, to judge from the communication difficulties of coordination and policy dialogue which are discussed under EQs 8 and 9. The budget support programmes seemed to be poorly understood at the MRA despite efforts of the EUD at the operational level to inform and educate. The probable reason for this was because, while MRA was the recipient of budget support, the funds went directly to MDF. The EU Delegation was a key member of Steering Committee organised by the Ministry for Refugees and Accommodation on IDP issues. But the Government did not always understand the requirements of budget support conditionality or the need to arrive at priorities shared under the overall goals of development and association. This would suggest that the budget support modality, while it was indicated politically by the need to work in tandem with government, was not adequately explained either by GoG stakeholders or at the very highest levels by the EUD in Georgia.

On ***Conflict*** issues the European Union chose not to work in terms of funding directly either through the government of Georgia or the de facto authorities in Abkhazia or South Ossetia. While the European Union has a clear position of territorial integrity that aligns itself with the Government of Georgia the choice not to work through the GoG (who does not have access to Abkhazia or South Ossetia) or the de facto authorities was a principled and pragmatic one.

We have argued in answering EQ 6, however, that political dialogue could have been better used to communicate to GoG the advantages, in terms of Conflict Resolution, of a more active engagement in the breakaway regions, particularly Abkhazia.

Sources of information used

- EAMR Reports EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- Interviews in Tbilisi.

7.2.3 Indicator 723: Existence of procedures, methods and sufficient human resources within the EU to adequately manage the aid modalities and instruments

Presentation of the evidence gathered and detailed analysis

In general, the field visit did not raise issues of capacity gaps in EU Delegation staffing. EUD capacity in Justice sector reform and human rights was adequate over the evaluation period, with three fulltime project managers on staff. The changes that ensued in Georgia after the 2008 war with Russia and the October 2012 elections have put significant strain on the Justice sector staff, which they seem to have taken in stride. There is a dedicated project manager who is a PFM expert in the EUD and in principle this should put him in a position to have an informed dialogue with the MoF. Available minutes of the Steering Committee meeting suggest that the EUD top management was fully involved in the management/implementation of the PFM budget support programmes. There are full-time specialists in Agriculture, Regional development, and Civil Society development. There is a dedicated staff member for IDP issues and nothing suggests that the EU was unable to manage the various modalities employed in the IDPs or conflict area. Interviews with former staff covering the conflict and IDPs area indicate an important good length of service in the post to cover a complex dossier (five years) and a high degree of professionalism.

These observations relate, however, to the present. In reviewing EAMRs, some evidence of staff pressure has been found:

“The new areas of concern for the Delegation are in the present setting (i) the human and financial resources response capacities of the Delegation towards the challenges ahead, notably in the present situation of foreseeably increasing staff turnover and limited mission budget resources as well.

(...) The Delegation is thus in need of close and effective follow up of its needs, notably in the field of human and financial resources. The support on filling the extremely long vacancy of a CA post, the scarce availability of mission budget funds and any support on filling timely and effectively upcoming vacancies for CA posts are therefore critical entry points for support by HQ.” (EAMR December 2012)

“In view of the fact that the DCFTA negotiations starting in January 2012 will require significant monitoring and follow up resources it should be highlighted that there is only one CA at the Delegation covering the required trade profile being DEVCO staff. Should the Delegation be asked to cover the above tasks it requires clear instructions and guidance on the appropriate measures to comply with the upcoming assignment”. (EAMR December 2011)

It is known that there was a major staff expansion in 2009 as the amount of assistance grew in response to the events of August 2008.

Sources of information used

- EAMR Reports EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- Interviews with the EU Delegation.

7.3 JC73: The choice of mix of instruments (bilateral, thematic and regional instruments) and aid modalities were appropriate to achieve the EU co-operation objectives

Georgia benefitted from all three sets of instruments, and the bilateral programme, consisting

mostly of budget support, was complemented by thematic programmes (such as EIDHR) and regional / cross-border programmes. Lack of EUD involvement in regional programming limited the synergies that were gained from bilateral-regional combinations. Based on findings of the 2013 ENPI regional programme evaluation, it seems unlikely that regional experiences influenced the bilateral programme through the avenue of regional programmes (I-733)

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 de-concentrated. One example from the IDPs sector illustrated the advantages of local decision-making for ensuring project practicality and relevance. Among the most important instruments managed from Brussels was the IfS, which served a crucial role following the August 2008 conflict. Nothing indicates that the degree of de-concentration was a strategic choice (I-731). A number of regional evaluation studies and assessments over the evaluation period were available to inform co-operation in Georgia and may have made some contribution to adjusting directions and approaches (I-732). I-734 asks whether there was a planned sequencing of modalities and instruments. At least as regards the first, budget support was in place very early in the evaluation period in justice, although there is evidence that it responded in part to dissatisfaction in the degree of local ownership of TA and capacity building provided under TACIS. PFM also received budget support from the very beginning of the evaluation period. Budget support was politically indicated in the case of IDPs, and reflected practical considerations of EUD capacity, as well. Nothing would allow an assessment of whether there was a strategy at work. Agriculture presents a rather different case, as there appears to have been a logical and highly effective mix of policy dialogue, TA, sector strategy development, and finally budget support. I-735, on the appropriateness of the modalities employed to adapt to changing conditions, is very close to I-811 and 812. Findings for those indicators suggested that the EU flexibly responded to the two major discontinuities – the August 2008 conflict and the October 2012 election – flexibly, as it did to the shifting policy priorities in the latter years of the previous government and the emerging need to more effectively engage Civil Society.

The target question is whether the mix of instruments was appropriate to achieve EU objectives. There were essentially three at the highest level: integration of Georgia with the EU, essentially via approximation, poverty alleviation and setting Georgia on a sustainable growth path, and propagating European values and approaches. In answering sector questions, we have identified areas of progress in all sectors. This was least satisfactory in IDPs and was somewhat patchy in Justice sector reform, where some areas progressed more than others. In Agriculture and Regional Development, budget support and TA led to the adoption of national strategy designed mainly to address rural poverty and income disparities. In PFM, improvements in PEFA assessments give testimony to concrete progress. In all sectors (except perhaps PFM, where there were nonetheless non-EU actors such as World Bank)), projects implemented by national and international NGOs and in some cases international agencies helped to achieve EU goals. Questions have been raised in Conflict Resolution and IDPs as to whether political dialogue was sufficiently used to pursue EU goals.

7.3.1 Indicator 731: Appropriate mix of instruments centrally and locally managed

Presentation of the evidence gathered and detailed analysis

Most of the portfolio was locally managed and the degree of decentralisation was very high by the end of the evaluation period,

“The degree of deconcentration of the aid portfolio is very high. The vast majority of the country-specific projects implemented in Georgia are already decentralized, with the exception of some NIF contracts, which have been devolved during the last quarter of 2011. Currently, most of the Delegation’s AAPs portfolio is implemented via budget support (Sector Support Programmes complemented via TA), whereas several actions under thematic and global programmes are implemented through project approach. Although not formally decentralized the quite elevated number of 12 regional projects

including prominent projects such as TRACECA, INNOGAGE, FLEG and on nuclear safety create a significant degree of workload and thus absorb resources, notably when it comes to interfacing and facilitating tasks for the concerned project managers. The same applies for the projects under the Instrument for Stability notably in terms of impact. (EAMR December 2011)”

Criminal Justice

With the coming to power of the post-Rose Revolution government in Georgia, the donor community has noted increased political will and local ownership of reforms, especially, in Justice sector. The EU was no exception and much of the funds allocated to support the reform processes were channelled through the GoG. Since local CSOs still did not have the capacity to compete globally, international Civil Society actors were the prime recipients of EU grant support, more so than local CSOs. The latter were mostly getting funding through local EIDHR and NSA/LA calls, although several organizations were also able to win grants through global EIDHR instrument (e.g. RCT Empathy, GCRT, Human Rights Centre).

Considering that EIDHR was the major instrument that does not require prior government consent, it offered independence of action to the implementing organizations, which is particularly important in closed systems and in areas where little political will exists to effect positive changes. Local EIDHR calls were also useful in developing institutional capacities for local CSOs, especially, those in the regions, which are doing a good job in supporting the rule of law reforms and the EU political agenda. As was noted under EQ1, the evaluation noted one instance of duplication of efforts between projects funded locally and by Brussels. This, however, did not create an issue, as the project implementers were able to find a way to work together.

During the latter part of the evaluation, the EU channelled more funds through qualified local and international CSOs to support Criminal Justice reforms in Georgia. This was made possible through Civil Society Facility grants, as well as through EaPIC grants (as discussed under EQ1).

PFM

PFM sector budget support was locally managed. It was effectively combined with Macro-Financial Assistance, managed from Brussels, in the wake of the 2008 war. A minor complication was that certain portions of the overall PFM reform package responded to a range of delegations in Brussels, such as DG Trace.

Agriculture, Rural and Regional development

The main projects financed via calls for proposals in the Agriculture/Rural development sector were managed locally and interacted well with larger (e.g. budget support) interventions to achieve synergies. A good example is the locally-managed calls for proposals to support the establishment of agricultural cooperatives, a key aspect of Agriculture sector strategy supported by the ENPARD budget support programme.

Civil Society

Both centrally and locally managed calls for proposals were used (EIDHR, NSA/LA, CSF) to finance NGO activities in Georgia. The success rates of capital-based NGOs and second-tier NGOs located in cities outside Tbilisi were reasonably balanced. While there was a reasonable use of sub-granting (allowing grant recipients to pass funds through to smaller NGOs for specific activities), this was still not sufficient to effectively develop grass-roots NGOs.

IDPs

Apart from the very beginning of the evaluation period, most funding instruments and calls for proposals related to IDPs were locally managed. It was clear that in one case a non-decentralised instrument in the DCI global calls for proposals (DCI-HUM/2009/021-148) was poorly articulated from the start and suffered from the fact that it had been centrally allocated rather than having input from an early stage from the EU Delegation. A number of interviewees including EU Delegation staff member noted that global calls often resulted in projects being poorly articulated to the specificities of Georgia.

Conflict Resolution

The EU did not use budget support for Conflict Resolution and had a range of thematic budget lines the most significant being the IfS which played an important role in the response to the August 2008 conflict and after. All assessments are that it provided an extremely effective, flexible, and rapid mechanism for addressing the crisis.

The IfS allowed the EU to engage flexibly in the territory of Abkhazia without having to have the approval of the Georgian government. Yet while the IfS was good for the crisis phase and some of the longer-term capacity building measures one interviewee questioned if there was not the need for a post-crisis instrument and indeed several of those interviewed felt that good IfS projects with continuing relevance could not be followed up. 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 de-concentrated. Being able to use global calls to fund certain activities in the breakaway regions was advantageous as at times calls being managed from the EU Delegation or having to be submitted via the EU Delegation would result potentially good implementing partners (in Abkhazia for example) not participating. The ENPI which requires a higher degree of consultation and ownership by the GoG at times proved a difficult instrument to use towards the breakaway regions for this very fact.

Sources of information used

- EAMR Reports EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- Inventory.
- Interviews key stakeholders in Georgia (incl. GoG, EUD and project staff).

7.3.2 Indicator 732: Regional instruments used to deal with cross-border and regional problems

Presentation of the evidence gathered and detailed analysis

The ENPI Regional Strategy Paper 2007-13 identified potential areas of regional co-operation as transport and energy networks, environment and forestry, border and migration management, and people-to-people activities. As identified in the inventory (see annex 2), the main regional programmes were financed Neighbourhood Investment Facility (NIF). They included following interventions: Enguri/Vardnili Hydro Power Cascade Rehabilitation, Water Infrastructure Modernisation, Water Supply and sewerages of Batumi (Phase III), Black Sea Energy Transmission and East/West Georgia Highway. The East-West Highway project is a good example of effectiveness of NIF Investment Grants¹⁶¹:

“The project cost is of EUR 190 Million and NIF investment grant amounts to EUR 20 Million. The NIF grant was very effective in leveraging additional financial resources as it was used to secure the repayment of the first instalments of the loan extended by the EIB and two International Finance Institutions, the Asian Development Bank (ADB) and the Japan International Corporation Agency (JICA). The grant was needed to make the project affordable to Georgia. Without the grant, the financial burden would have been too heavy for Georgian authorities and the project would have had to be curtailed or implemented over a much longer period of time. The project will also contribute to NIF social development objectives by improving the efficiency and safety of road infrastructure and operations on the key national roads of Georgia, by addressing environmental issues through adherence to the European principles for the environment and promoting socio economic development in the country. The works on the Georgia East-West Highway are expected to be completed in 2015. Project results are likely to be in line with expectations and will contribute to NIF social development objectives by improving the efficiency and safety of road infrastructure and will address environmental issues through adherence to the European principles for the environment.”

¹⁶¹ Report Mid-Term Evaluation of the NIF under the European Neighbourhood and Partnership Instrument (ENPI) 2007-2013, May 2013.

Black Sea Energy Transmission System (BSETS) is an example of a project using TA at various stages of project preparation. The Black Sea Energy Transmission System has a specific objective of facilitating large scale trade of electric power between Georgia, the other South Caucasus countries, and the countries of the Black Sea Transmission Network, particularly Turkey.

Other NIF regional projects are 1) Energy efficiency programme in the corporate sector, 2) Framework for capacity building support financial intermediaries; 3) Financial Sector Institution Building and Crisis response; and 4) Eastern Partnership-SME Finance Facility.

The ENPI 2008-2013 Overview of Activities and Results (EC 2014) also included the following inter-regional programmes:

- Erasmus Mundi and Tempus;
- Technical Assistance and Information Exchange TAIEX;
- Support for Improvement in Governance and Management (SIGMA);
- Cross-border co-operation programme (CBC).

In the case of Georgia, it is important to highlight the special situation of Georgia compared to many other ENP countries: it does not have physical borders with the future enlarged EU. This partly explains the fact that regional programmes have not often targeted specifically Georgia (see also the section of the CSP 2008-2013 on ENPI cross-border co-operation & Neighbourhood and Partnership Programmes).

Moreover, as highlighted in the 2013 mid-term review of the NIF, regional interventions are sometimes disconnected to EU-financed country level interventions. The two Georgia projects reviewed (BSETS and East-West Highway projects) were assessed as “not contributing to country aid delivery”. Moreover, the 2013 mid-term review further shows that the participation of the EUD to Georgia in the regional interventions turns out to be sometimes challenging:

"[Black Sea transmission system] It should be noted that communication/co-operation among the banks related to financial issues is more than limited, EUD is not involved in these matters at all."

The 2013 mid-term review further notes:

"Most NIF interventions, focusing on infrastructure development, do demand complementary measures (i.e. institutional strengthening, capacity development, sector coordination) to support sustainability. The need of strengthening complementarities with other interventions has been highlighted by several stakeholders.

The facility needs yet to develop the tools to enhance the development of such complementarities:

- *EU Delegations most times are only lightly involved in the early stages of pipeline development and project preparation, often with low levels of project appropriation with no significant involvement in policy dialogue and development of complementarities.*
- *The system does not provide specific “incentives” to establish complementarities.(...).At project pipeline level, the co-operation between DEVCO and the FIs is too limited. DEVCO Headquarters and EU Delegations maintain a constant policy dialogue with ENP countries, resulting in NIPs and Action Plans (APs). (...) EUDs in particular have the responsibility to ensure coherence between the various instruments of development aid of the EU and also with development policies of Member States. FIs have policy dialogues with beneficiary countries too. But such dialogues are oriented towards identifying projects, with the ultimate purpose of concluding lending deals. At the level of project identification the exchanges of information between FIs and EUDs also looks too limited. "*

This echoes some of the “warnings” made by the EUD in the EAMR:

"Requests for support under certain instruments such as support under NIF may come from the GoG. The Delegation would very much appreciate to be as early and closely involved in dealing with such requests to be able to relate this to previous initiatives,

contact points and agreements and avoid duplications or parallel communication lines or structures.

(...) The evidently increasing importance of the NIF instrument for Georgia with quite remarkable response rates on new projects in Georgia enhances the need to ensure close coordination of upcoming projects, well informed and prepared counterparts on the side of the GoG and targeted support towards efficient design and management of NIF projects." (EAMR 2012)

The box below is a compilation of extracts from other documents illustrating the origin of a number of other initiatives supported by the EU at regional level and which cover some aspects related to Georgia's cross-border and regional issues.

Box 38 *Extracts related to EU funded cross-border and regional initiatives*

Extracts from the 2009 Annual Management Plan:

"(...) Georgia was allocated under TACIS two projects for the support to the Georgian Border Police for the total amount of 800 000 EUR. These projects focus on the Police Academy, and a curriculum for basic training was elaborated. These projects directly support the reform process and strengthen the capacities of GBP as training is an essential part of raising professionalism of the GBP. Both projects take place side by side with the activities of EUSR Border Support Team, who assists the GBP in elaboration of an Integrated Border Management Strategy and its implementation Action Plan. Further support to the area of border management and regional co-operation will be achieved by an upcoming ENPI East regional programme 'South Caucasus Integrated Border Management' project, managed by HQ. GBP has also submitted a Twinning proposal. Reform and improved border monitoring is an essential component also in all issues related to management of migration. Georgian Government has raised the importance of this issue in preparation for visa facilitation and EU-wide readmission agreement in foreseeable future. However, based on several expert assessments, the legislation in place does not address all the challenges, the data available is not coherent and does not provide a realistic picture of the situation, data protection and document security remains an issue and asylum policy and system is still not in line with EU or international requirements."

Extracts from 2010 Provisional Annual Management Plan:

"In the area of fighting against illegal drugs the EU has provided funding for the regional South Caucasus Anti-drug Programme (SCAD I to V) during 2000-2008, with the total approximate amount of MEUR 7,5. There have been different projects funded under the European Instrument for Democracy and Human Rights (EIDHR) and Thematic Programmes on the fight against trafficking in human beings as well as on the fight against illegal drugs, including on Institutionalisation /Strengthening of 12 step rehabilitative addiction programmes (Atlantis) in the Georgian Penitentiary System. EU has supported Non-Governmental Organizations (NGOs) to implement selected projects in the field of migration provided under different instruments. (...) Under the EC-UNDP Joint Migration and Management Initiative four projects will be focusing on Georgia (...) The Georgian Government has achieved measurable progress in certain areas of co-operation under JLS, notably fight against trafficking in human beings; however, the other fields of co-operation in this sector remain to need additional contribution for achieving the sustainable positive results. In the scope of ongoing assistance the EU has supported Georgian Government in the elaboration of the data protection legislation which is still pending approval. The EU involvement in the JLS sector in Georgia has not been structured and regular, but topic-based so far."

Extracts from EAMR last semester of 2011:

"Environment: Regarding the poor performance and management of the allocated funds to the regional environmental institution REC-Caucasus, an important step was taken this year with the preparation of a feasibility plan that would allow the institution to fill the financial gap until the end of next year. The importance of having the three countries (Georgia, Armenia and Azerbaijan) working together with a regional perspective on environmental issues has been the main driving force of the effort made to keep supporting this institution. Still, the real commitment and interest of the participating countries is not very clear since none of them is willing to make any financial contribution to it."

Extracts from EAMR last semester of 2012:

"Regional instruments come (...) as a facilitator towards national instruments, notably in the field of culture, environment and transport which is to some degree due to the regional hub function of Georgia towards its Eastern Partnership Neighbours Armenia and Azerbaijan. As the NIF is only at its relatively early stages of implementation in Georgia, its complementarity cannot be judged sufficiently at this stage.(...) With regard to the thematic, national and thematic instruments a high degree of complementarity can be commented. Notably the ENPI and the IfS instrument can be considered as significantly complementary in what thematic support and timing of the intervention is concerned. This

applies most prominently to measures towards the breakaway regions but also beyond that as and where appropriate. The EIDHR interventions also provide some quite fruitful complementary measures to related ENPI activities, notably in the field of Criminal Justice and education.”

Given the regional nature of conflict issues and the commitment to address conflict issues regionally in regional strategies it seems that there was a lack of financial mechanisms (e.g. IfS initiatives of a genuine regional nature) to address Conflict Resolution and Confidence Building regionally. This could have been done, e.g. through sharing of experiences – while both Abkhazian and South Ossetian authorities were unwilling to enter a bilateral dialogue with Georgians, they might have been willing to meet their counterparts in a neutral setting in the framework of a sharing of experiences and good practice.

Interviews carried out in Tbilisi show that there were good linkages between the EU Special Representative (EUSR) covering the “Georgia and the Crises in the Caucasus” who had a regional remit and the team in the EU Delegation who covered South Ossetia and Abkhazia both in terms of political section of the EU Delegation and particularly those managing IfS projects in Abkhazia and across the region.

Sources of information used

- EAMR 2008, 2009, 2010, 2011, 2012.
- PMP 2010.
- ENPI Inter-Regional Programme, Revised Strategy Paper 2007-2013 & Indicative Programme 2011-2013.
- European Commission (2014), European Neighbourhood and Partnership Instrument, 2007-2013, Overview of Activities and Results.
- Interviews key stakeholders in Georgia (incl. GoG, EUD and project staff).

7.3.3 Indicator 733: Bilateral co-operation informed by regional experience and lessons learned

Presentation of the evidence gathered and detailed analysis

To some extent the bilateral co-operation programme would have been influenced by regional-level assessments such as the Court of Auditors’ 2010 evaluation of the ENPI, the European Parliament-commissioned study *Improving the EU’s Support for the Civil Society in its Neighbourhood: Rethinking Procedures, Ensuring that Practices Evolve*, and (at the end of the evaluation period) the 2013 ENPI regional evaluation.

One of the purposes of regional programmes is to generate lessons learned from experiences in multiple countries in the region. The ENPI 2013 regional programme evaluation, while it did not explicitly look at the informing of country bilateral programmes with lessons learned, gives some reason to believe that this was lacking:

“The synergy and complementarity with the bilateral programmes is low. The EUD is – at times - consulted during the design of different projects/programmes. However, it does not participate to the programming process of the regional strategy and to the choice of the priorities, so that the opportunity of complementing at country level the scope of regional projects by means of auxiliary projects in the framework of bilateral interventions is partially lost. There are weak links with the bilateral strategy and with the thematic priorities at bilateral level. However, there is a significant interest to follow this process, and opportunities to participate more in regional activities would be appreciated.” (2013 ENPI regional evaluation Georgia country note)

“No evidence at field level of coordination mechanism between bilateral and regional projects. The EUD is not aware of CBC projects. They are difficult to trace from the EUD because these projects are often not implemented from Brussels but through a decentralised project approach. “A website should be set up to inform us”, ask the EUD project managers. Field interviews show that the linkage between bilateral and regional assistance is based on a “division of labour” principle but not on a synergy process: Static complementarities, to avoid duplication, are sought/checked but there is no dynamic interaction generating synergies between the different levels of intervention.

For instance in the case of East-Invest, the only contact between the project manager in the EUD and the task manager in Brussels was to avoid any duplication with a new project.” (2013 ENPI regional evaluation)

“Over the period of the evaluation, the EUD did not participate in the implementation and the monitoring of the regional projects. Moreover, the EUD was not always involved by the Head Quarters in Brussels in relation to the various steps of the regional co-operation, but was only informed (sometimes indirectly) by means of project reports. Besides, communication channels do not always perform correctly when regional projects, instead of being run directly by the EC in Brussels, are run by external organisations or other EU delegations. Since 2010, the EUD is more involved in the follow-up of the regional programmes.” (ENPI Regional evaluation)

A number of regional evaluation studies and assessments over the evaluation period were available to inform co-operation in Georgia and may have made some contribution to adjusting directions and approaches. One of the main avenues for the intra-regional transmission of lessons learned is through regional programmes, and according to the ENPI 2013 regional programme evaluation Georgia country note, it seems unlikely that this operated to a significant degree in Georgia.

Finally, it is noteworthy that the thematic areas covered by regional programmes did not overlap strongly with most of the focal areas of “bilateral” co-operation (esp. justice, PFM, IDPs). This situation limited the potential synergies between the regional programmes and EU financed interventions specific to Georgia.

Sources of information used

- 2013 ENPI regional programme evaluation Georgia Country Note.
- Interviews key stakeholders in Georgia (incl. GoG, EUD and project staff).

7.3.4 Indicator 734: Evidence on a planned sequencing in the choice of aid modalities that ensures continuity of programmes over time

Presentation of the evidence gathered and detailed analysis

There is no evidence in the documents consulted that there was a planned sequencing. Budget support, in reform PFM, and IDPs was established early in the evaluation period, so it is difficult to reconstruct a sequence running from project approaches to budget support as capacity increased and sector strategies emerged.

Agriculture

Agriculture is a sector where there is some sign of planned sequencing. There was a clear build-up to budget support in the form of EU TA to support strategy development, followed by the elaboration of a budget support plan as strategies took form. In the early consultative process (2007) for the formulation of the CSP 2007-13, it was determined that the EU Georgia Action Plan was fully compatible with the government’s own reform agenda and that the use of budget support, which had been initiated successfully under the Food Security Programme, should be extended to areas where ownership would be increased and policy dialogue deepened (see also I-823 Degree of ownership by the Government as evidence by active involvement in preparation and implementation of EU interventions). While budget support was generally an appropriate and successful modality, subsequent documents such as EAMRs and progress reports contain frequent references to low capacity and weak ownership.

Criminal Justice

The Criminal Justice sector, together with PFM, was one of the first recipients of budget support and the concomitant TA and capacity building. We can reconstruct a sense of sequencing from the dissatisfaction that was expressed with TACIS, which was considered to be an inflexible instrument that did not allow for local ownership of reforms. The TA and capacity building which was provided through TACIS was rather “owned” by the project implementing organizations. It was said during the field visit that TACIS programming, unlike the ensuing SPSPs, did not reflect on the capacity of government ministries. The change in

approach from TACIS can be seen in the design of the first sector specific program in Criminal Justice (which was greatly informed by the EUJUST THEMIS Mission) and the pre-condition imposed on the GoG on the EU to re-establish and formalise sector management. It was stipulated that this should be done by establishing participatory format mechanisms for monitoring progress, as well as a formal mechanism for policy dialogue, donor coordination, and stakeholder engagement. While initially it was considered that the BS and concomitant TA and CB would be enough to support CJ reforms, in the post 2008 war time period, the need for civic engagement and public monitoring was seen and more CSO projects have been supported to contribute to the impact of the existing aid modalities.

IDPs

As previously noted there were numerous IfS interventions in the IDP sector that could not be continued because there were no other funding modalities to link into them – particularly working with INGOs and NGOs. Some of these concerned with IDP livelihoods and connections to local governance which could have been usefully followed up and would have complemented the EU's budget support interventions with the central government

Sources of information used

- CSP 2007-2013.
- EAMR Reports 2008, 2009, 2010, 2011, 2012.
- ENP Progress Reports 2008, 2009, 2010, 2011, 2012, 2013.
- Project documentation.
- Interviews in the IDP and conflict sphere.

7.3.5 Indicator 735: Appropriateness of the instrument/modality choices made by the EU to adapt to a changing context

Presentation of the evidence gathered and detailed analysis

Evidence relevant to assessing this Indicator is presented under I-821: Strategies developed under previous governments provided a basis for continuing engagement and I-822: EU was able to respond flexibly to the political and policy exigencies raised by the hostilities of August 2008. Despite the difficulties experienced in policy dialogue in the context of budget support, the two main changes in conditions – the October 2012 change in government and the August 2008 war – were effectively accommodated by EU co-operation. To these should be added the accelerating change in the priorities of the previous government that began (i) after the violent suppression of demonstrations in November 2008, which led to greater concern for 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, which led government to adopt a more pro-active stance towards agricultural development and poverty reduction. Also contributing to the increased attention to Agriculture was the observed deterioration in food safety and veterinary health.

Another area of shifting priority was the growing attention given to Civil Society. There was a widespread feeling (see EQ 4 for sources) that Civil Society had insufficient voice under the ENP and that its potential for projecting European values was under-realised despite EIDHR and NSA/LA. With the coming into being of the EAP, the Civil Society Facility and the Civil Society Forum were instituted to strengthen the role of Civil Society. In Agriculture, justice, IDPs, and PFM, CSOs were increasingly involved with time. In the last three sectors, this took the form especially of CSO monitoring, of prison conditions, of construction and community conditions, and of budget transparency.

The 2008 conflict gave rise to a rich mix of instruments, modalities, and actions. In 2008 and early 2009 to rapidly deal with the problem of IDPs created by the war the IfS was used, this was then followed up by more systematic and significantly larger sums through budget support. The IfS was used for many sensitive activities in relation to confidence building and Conflict Resolution more generally that would have been very difficult or near impossible to fund out of the ENPI. When IfS-funded activities needed to be rapidly scaled up immediately after the war, resources were made available for it to be able to do so. The EU brokered a ceasefire and, in a Council meeting on 1 September, 2008 reaffirmed support for Georgia's

territorial integrity and initiated measures to ensure stability and address the humanitarian crisis. It appointed a Special Representative and fielded a European Union Monitoring Mission (EUMM) sanctioned by the Council. IfS was mobilised to support confidence building, socio-economic integration, democratic reforms, and Civil Society strengthening including within Abkhazia. A large budget support programme allowed the EU to provide housing and begin providing support for sustainable livelihoods in Georgia but it the EU had restricted access to Abkhazia and South Ossetia. The EU both influenced and adapted to government's changing priorities. In the wake of the conflict, programming was informed by information gained in political dialogue. With the immediate conflict being over the challenge is now how to find resources to undertake people-centred development in Abkhazia. Given that the most significant resources are via the ENPI and the involvement of the EUD and the GoG, this poses some challenges for activities in Abkhazia where the de facto authorities reject the authority of the GoG and are unhappy about the management of activities from Tbilisi.

Sources of information used

- EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- ENP Progress Reports 2008, 2009, 2010, 2011, 2012, 2013.
- Interviews key stakeholders in Georgia (incl. GoG, EUD and project staff).

8 EQ8 on Relevance and Flexibility

Evaluation Question 8: To what extent was EU support strategy and implementation aligned with Government priorities and responded flexibly to changing needs over the evaluation period?

8.1 JC81: Approximation provided an appropriate framework for strategy and alignment with Government priorities

The historically strong ties between Europe and the Eastern Neighbourhood, the political and security vacuum left by the collapse of the Soviet empire, and the potential spill over effects of failed or failing states just to the east called for close engagement with Georgia and other countries in what has been called the Eastern Neighbourhood. Yet, persistently following the introduction of the ENP in 2004, experts have debated whether the incentives for change in the countries of the Eastern Neighbourhood are sufficiently strong to enable the EU to project its values without the “carrot” of accession on the table. Perhaps in part because the ENP was not perceived to be working well and because the differences between the Neighbourhoods East and South were so pronounced, a stronger entity within the ENP was introduced – the Eastern Partnership or EAP, which held forth the possibility of association, which in turn requires approximation of legislation and regulations with European practice. 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 the Eastern region bordering Russia. Yet, while the economic benefits of deep and comprehensive free trade agreements under the EAP will be greater than the simple free trade agreements to offer under the previous Partnership and Co-operation Agreements, these benefits are not estimated to be very large for countries like Georgia, and the impact is very irregular as between sectors. In Georgia, Agriculture would probably be the winner. The relatively modest gains from association need to be viewed in conjunction with the growing realisation that Russia is determined to maintain its position as a regional force to be reckoned with, if not outright hegemon. Finally, 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. All of this means simply that the demands on co-operation as a means of achieving the goals of the ENP have never been greater. Yet, association remains, in a phrase that has become common “Enlargement-Lite.” The benefits are smaller and, in the particular case of Georgia, the greatest failure of relevance has been the inability of the EU to contribute much to meeting Georgia’s main concern – security.

The JC was assessed on the basis of two indicators, the first having to do with the identification of shared priorities through sector strategies and the second the identification and enactment of needed changes to laws, codes, and regulations. Throughout the evaluation period, there was agreement that, at least at the top level of the policy mix, the EU and Georgia 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 (I-811). In justice reform and PFM, reform needs were largely dictated by international standards and monitoring processes and, in the first, were not always shared. Government, for example, gave priority to strengthening law enforcement while the EU prioritised strengthening institutions such as the Public Defenders Office, the Legal Aid Service, and enacting reforms in juvenile justice (see also I-823 on government ownership in the Justice sector). 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. Budget support was sufficiently flexible to allow the EU to achieve progress in its areas of greatest interest while adapting to changing needs (see also I-821 on how, while there was evolution of government priorities between the periods covered by the 2007-10 and 2010-13 NIPs, there were no fundamental discontinuities). The Hammarberg advisory mission of 2012-13 significantly

influenced the Human Rights Strategy put in place. In PFM, no evidence has been found of differing government and EU priorities. Sector budget support allowed the EU to influence MoF priorities, but it is also to be noted that the reach of the MoF did not extend to cover all the areas included under PFM. Agriculture and Regional Development, which had been low-priority under the previous government due to its laissez faire approach, became key areas of concern as conditions deteriorated alarmingly. The EU was able to respond flexibly and support government in designing strategic approaches to both Agriculture and Rural development, eventually coalescing in sector strategies. In the area of IDPs, as stated at several places, the highly political nature of the issue indicated that the EU should stand behind government policies and action plans in a show of solidarity. At the same time, the EU actively used budget support policy dialogue to promote the priority it gave to durable housing solutions and sustainable livelihoods, areas that had been relatively neglected. There was some success in this, as for example in the adoption of a strategy on sustainable livelihoods and the reformed policy on privatisations, but both of these were in the face of government reluctance. However, EU efforts to solve the problem of inferior quality of housing have met with only limited success. In Justice sector reform, the following reforms, all supported in design and implementation by the EU, have been identified:

- The 2007 Law on Legal Aid;
- Changes in the Labour Code increasing the independence of LAS attorneys and development of a Code of Professional Standards;
- Changes in the Code of Imprisonment;
- Changes in the Ethics Code for penitentiary employees strengthening access of the new National Protective Mechanism to prisons;
- The 2011 Law on Arbitration which strengthened alternative dispute resolution;
- Changes in the Civil Code expanding the scope of ADR.

Under the second justice budget support programme the EU provided TA for re-drafting the Criminal Code.

In PFM, the following EU-supported reforms have been identified:

- The 2009 Budget Code which saw the introduction of programme-based budgeting;
- The new Tax Code adopted in 2010;
- Amendments to the Law on State Procurement and a number of laws and amendments related to State Audit.

All of these contributed to modernisation of PFM and can be credited with some of the improvements observed between the 2008 and 2012 PEFAs.

In Agriculture, the EU supported;

- The Law on Cooperatives;
- Necessary adjustments to the tax code, the law on grants and the entrepreneurs code;
- A new Food Safety Law.

In the area of migration and security, a Law on Refugee and Humanitarian Status, drafted within an EU funded project implemented by UNHCR, was adopted by the Parliament in December, 2011. In the area of migrations, the Georgia's State Migration Commission drafted the State Migration Strategy with the support of the EU funded project within Mobility Partnership.

Finally, in the context of the EU Delegation-Government-Civil Society "trialogue" preceding the October 2012 parliamentary elections, the EU supported Civil Society in preventing the passage of partisan amendments to the elections law and amending the media law to increase election coverage. In summary, there has been significant progress in legislative and regulatory reform.

Approximation has generally, although not always, been a good vehicle for democratic development, economic reform, and the promotion of European values and approaches in Georgia. There has been a great deal of legislative and regulatory progress, although

government has not always thought through the long-run strategic implication of legislative proposals made. Sometimes, as in justice, there has been more progress at the level of policy than at the level of actually implementing policy with concrete results. In other areas, such as food safety, the approximation agenda has been extremely successful. In Agriculture, despite the appeal of European integration, the emphasis has so far been on poverty reduction and work on approximation has hardly begun. In Regional Development (not discussed below) approximation has potential given well-defined European standards on local government and minority rights, but it has been questioned whether the European conception of a region is relevant to Georgia.

One of the main challenges with approximation has been one of public relations. Approximation has been largely considered in economic terms whereas, in fact, the economic benefits of approximation will be limited and very uneven across different sectors, sub-sectors, and groups in society. The broader social benefits of approximation – better consumer and environmental protection, more accountable and transparent governance, improved respect for human rights – are insufficiently understood outside of rural elites.

8.1.1 Indicator 811: EU was able to use sector strategies to identify shared priorities

Presentation of the evidence gathered and detailed analysis

Sector strategies were in place in Criminal Justice reform, PFM, IDPs, and Agriculture, Rural and Regional development (towards the end of the evaluation period). We also deal with shared priorities in Conflict Resolution and Confidence Building although the concept of sector strategy is not relevant. The detailed consultative process which led to the identification of shared priorities, especially in formulating the NIP 2010-13, are described under I-823. Here we concentrate on synthesising information from EQs 1-6.

Criminal Justice

Sector strategy in justice reform was largely set by the need to improve adherence to international standards and good practice. The basis for Justice sector reform was laid in the EUJUST THEMIS needs assessment immediately following the Rose Revolution. While priorities (e.g., strengthening of law enforcement agencies as opposed to strengthening of the PDO and LSA) may have differed as between the EU and the GoG, the overall goals were shared. EU budget support was able to react flexibly to the need to prioritise prevention of torture, improvement of conditions of detention, and development of alternatives to incarceration as these issues rose to the fore following revelations of prisoner mis-treatment. However, as evident from the persistence of mis-treatment, budget support was not as effective in some areas, such as penitentiaries, as in others. This we have ascribed largely to the political will factor: where this was weak, budget support conditionality tended to be formalistic. We identify such areas in looking at I- 823 (see also the closing paragraph of I-112), leading to low ownership. The Hammarberg advisory mission post-2012 elections, resulting in a human rights strategy, was a clear example of EU rapid reaction resulting in a human rights strategy.

PFM

Also in the case of PFM, there were no fundamental differences between the EU and GoG in the list of results desired, as these were dictated by technical needs. The critical PEFA assessment of 2008 was the basic driving force for actions over the evaluation period, and the PEFA 2011 assessment was used to update the PFM reform strategy 2009-13. However, a weak point of the sector support strategy was that this covered only areas falling under the purview of the MoF, whereas PFM reform needs were broader (see discussion under Indicator 222, especially the text table). The PFM reform strategy did not integrate all elements and guided only MoF work. Policy dialogue in PFM was effective early in the process to shape reform priorities; in later stages, however, it became increasingly concerned with technical, rather than strategic, issues. TA provided from SPSP-II on was more concerned with implementation and monitoring than with setting strategic directions.

Agriculture, Rural and Regional development

In Agriculture, Rural and Regional development, the EU was essentially a partner of the government in designing a strategy in response to the deterioration in conditions. The best example of shared priorities is the EU support to enhancing food safety and phyto-sanitary standards, which was linked to the DCFTA dialogue (see Indicator 331). Parallel with the 2010 implementation of inspection, approximation of Georgian with EU legislation was begun. Development of Georgia's food export potential in line with the DCFTA is a fundamental aspect of the agricultural development strategy, however, it must be realised that the actual impact of the EU's co-operation in Agriculture so far has essentially been in the form of projects seeking to improve rural livelihoods. Support to the provision of farmers' support services formed an important part of this (see Indicators I-311 and I-321). In the context of ENPARD, this also extended to support to agricultural cooperative development and rural SME development. The overall development of an Agriculture sector strategy was supported by EU TA in the context of developing the Agriculture sector strategy, which in turn was near the end of the evaluation period supported by the budget support programme ENPARD. In regional development, as well, EU TA in the context of budget support contributed to the development of a national strategy and action plan, as well as regional development plans, although there was little implementation during the evaluation period.

The issue of how budget support had only limited effect in aligning GoG and EU priorities in IDPs has been discussed in detail in answering EQ 5 (see particularly indicator I-531). The EU had partial success in promoting its priorities in durable housing solutions and sustainable livelihoods, and in moving the GoG towards a needs- rather than status-based approach to IDPs. Government was a difficult interlocutor at many points, for at least three reasons: (i) the Ministry receiving budget support and hence interlocutor for policy dialogue, was not the recipient of funds the MRA, (ii) low capacity in both the MRA and true implementing agency, the MDF, and (iii) high-level turnover in the MRA. The EU was able to convince GoG to put in place a sustainable livelihoods strategy, but this was only over initial reluctance. Despite these difficulties, it is hard to see any alternative to budget support (e.g., working through INGOs or UN agencies in project mode) given the political imperative to align behind the GoG, particularly after the August 2008 war.

IDPs, Conflict Resolution and Confidence Building

In the area of Conflict Resolution and Confidence Building, there was no budget support, but finding common ground with the GoG and the de facto authorities was difficult. Very little Civil Society support indeed was possible in South Ossetia. In Abkhazia, the EU was able to support significant Civil Society activities, mostly through COBERM but also using long-engaged NGOs with conflict expertise, but the de facto authorities remained deeply suspicious of any activities that were labelled as coming throughout the Georgia co-operation programme. On the Georgian side, any activity that could be construed as state-building was opposed. In answering EQ 6, it has been argued that more aggressive use of political dialogue with the GoG might have expanded the scope of people-centred development activities in Abkhazia, could have been

Sources of information used

- Interviews with EU Delegation and GoG.
- Project documents (e.g. COBERM).

8.1.2 Indicator 812: Clear programme of needed legislative and regulatory changes defined

Presentation of the evidence gathered and detailed analysis

The EU clearly pointed out the need to continue advance sectoral reforms and ensure a high standard of approximation to the EU acquis in ENP Action Plan Progress Reports, e.g.

ENP Progress Report 2011:

“Continue to advance sectoral reforms and regulatory approximation to the EU acquis in trade and trade-related areas, based on the ENP AP and all recommendations identified in this respect in the preparation for the DCFTA.”

Criminal Justice

The ENP Progress Reports agreeably indicate (2013 and 2012), that the GoG:

“continued to reform the justice system and advanced sectoral reforms and regulatory approximation to the EU acquis”

The major legislative and regulatory changes supported by the EU have been identified in answering EQ 1. These included: the 2007 Law on Legal Aid, which set up the state funded legal aid scheme and then the 2014 amendments to the same law, which made the LAS an entity accountable only to the Parliament of Georgia and strengthened the composition of its Board (I-113). Changes in the Labour Code strengthened the independence of LAS attorneys, in addition to which, the EU supported development of Codes of professional conduct for the employees of various Justice sector institutions. Changes in the Code of Imprisonment, adopted with EU support, and in the Ethics Code for penitentiary employees strengthened access of the new National Protective Mechanism to prisons (I-131). The EU also at the forefront of supporting ADR in criminal cases in Georgia, initially through supporting juvenile diversion and mediation and then its expansion to adult offenders. The Public Defender’s Office, an entity consistently supported by the EU even when government priorities lay elsewhere, obtained in 2009 changes in the law that strengthened its position (I-124) and contributed to its being recognised as the Georgian institution most trusted following the Church. Under the second Justice sector budget support programme, the EU provided TA to the re-drafting of the Georgian criminal code (I-131).

Through its brokering of the “trialogue” before (and after) the October 2012 elections, the EU helped Georgian CSOs to lobby against partisan election-motivated amendments to the Law on Elections and in favour of enacting an amendment to the Law on Broadcasting which increased coverage of the election. A new Election Code was adopted in December 2011 incorporating some, albeit not all, of the recommendations of the Venice Commission and OSCE ODIHR. At the same time, the Law on Political Unions of Citizens changed campaign finance laws in a way that improved transparency. A Law on Assembly and Demonstrations passed in July 2011 was praised by the Venice Commission.

PFM

In PFM, the 2009 Budget Code saw the introduction of programme-based budgeting. A new Tax Code was adopted in 2010, the Law on State Procurement was amended, and a number of laws and amendments related to State Audit were enacted (see I-213). All of these contributed to modernisation of PFM and can be credited with some of the improvements observed between the 2008 and 2011 PEFAs.

Agriculture, Rural and Regional development

Under ENPARD, legislation supporting cooperative development has been adopted and need amendments have been made to the tax code, the law on grants and the entrepreneurs code (I-322). A priority area in Agriculture is food safety and phyto-sanitary standards. Approximation of Georgian legislation with the relevant EU legislation is ongoing (I-331). A Food Safety Law was passed and EU TA supported its implementation, as mentioned in the ENP Progress Report 2013:

“Georgia’s implementation of its food safety and sanitary and phyto-sanitary strategy was well on track. The number of food inspections in food establishments doubled compared to the previous year. Work continued on amending the Food Safety Code in order to ensure its approximation with EU legislation”.

In addition, the Progress Report pointed out that Georgia “began to formulate EU support in this area support with regard to the secondary legislation in the SPS area:

IDPs, Conflict Resolution and Confidence Building

In the IDP area, progress has been in the area of policies, strategic plans, and action plans, not directly in the form of new legislation. In Conflict Resolution, the 2008 Law on Occupied

Territories criminalising border-crossing was seen by the EU and other international partners as a step in the wrong direction and criticised by the Council of Europe. There were some moves in 2013 to soften restrictions.

Sources of information used

- ENP Progress Reports Georgia, 2007, 2008, 2009, 2010, 2011, 2012, 2013.

8.2 JC82: EU was able to respond quickly to evolving Georgian government's policy priorities

There were two political earthquakes in Georgia over the evaluation period. The first was the August 2008 war and the second was the change of government in October 2012.

While the JC has to do with the comparison between pre- and post-October 2012 governments, policy directions had shifted significantly even during the previous (post-Rose Revolution) government. The 2009-12 strategy maintained a liberal policy orientation but placed increased emphasis on poverty issues as the combination of the August 2008 conflict and the global economic crisis produced a “double shock” that led to precipitous declines in living standards, especially in the agricultural countryside. IDP issues gained priority after the conflict and the government, for the first time, considered a more pro-active set of policies in Agriculture and Regional development. Goals related to Justice sector reform, human rights, and the rule of law displayed a fair degree of continuity. As evidenced by the nuanced differences between the 2007-10 and 2010-13 NIPs, EU co-operation was able to keep pace with shifting GoG priorities. Within sectors, this is not to say that there was necessarily agreement – in justice, the EU gave greater weight to support of the PDO and LSA than did the government; in IDPs, while sustainable livelihoods and privatisation were included in strategic plans, this was over initial GoG resistance. In PFM, the EU was able to tailor TA to shifting priorities emerging from the 2011 PEFA assessment. In the case of Agriculture and Regional development, EU support was crucial to the elaboration of sector strategies, which had been lacking before. The Agriculture strategy remained valid following the change of government in October 2012. (I-821)

The second Indicator (I-822) concerned EU flexibility following the new IDP wave after the August 2008 conflict. The IDPs' situation was rapidly deteriorating with winter on the horizon. At the same time, it imposed an economic shock on a government just beginning to feel the pinch of the international economic crisis. Assessment of I-822, based on the answers to EQs 5 and 6, demonstrates that the EU acted rapidly, flexibly, decisively, and in a manner that accomplished what no other donor would have been able to accomplish. Its political clout and financial flexibility in the form of Commission Decisions and IfS were key immediate responses to the crisis.

The ability to shift GoG priorities to agree more closely with those of the EU is also of interest here. At the same time, in answering EQ 5, the limited effectiveness of EU budget support policy dialogue was discussed and in answering EQ 6, the policy constraints, some self-imposed, on EU actions were discussed.

Ownership has been varied, both within sectors (e.g., improving law enforcement as opposed to strengthening the PDO and LSA) and sector-wide (e.g., IDPs, where the importance of sustainable livelihoods was only reluctantly adopted by GoG) (I-823).

8.2.1 Indicator 821: Strategies developed under previous government provided a basis for continuing engagement

Presentation of the evidence gathered and detailed analysis

While discussions of government orientations are often couched in terms of “the present government” and “the previous government,” the comparison being pre- and post- the parliamentary elections of October 2012, government policy directions had shifted significantly even during the previous (post-Rose Revolution) government. In November 2007 there were violent demonstrations in Tbilisi, suppressed by the security forces, protesting the authoritarian turn of the Saakashvili government. To judge from the government Basic Data and Directions document, the priorities were largely political and aimed to address some of the

problems that had led to popular demonstrations. These included transparency and accountability, improved access to justice, and narrowing regional disparities. The 2009-12 strategy maintained a liberal policy orientation but placed increased emphasis on poverty issues. In the wake of the August 2008 war with Russia, IDP issues gained priority and a rapidly deteriorating social situation outside Tbilisi led the government, for the first time, to consider a more pro-active and strategic development-oriented set of policies in Agriculture and Regional development. Goals related to Justice sector reform, human rights, and the rule of law displayed a fair degree of continuity. The policies of the post-October 2012 government have redoubled efforts in Agriculture in an effort to achieve inclusive economic growth.

EU co-operation was able to keep pace with these shifting priorities. Under ENPI, the 2007-10 NIP provided support for democratic development, rule of law, and good governance, specifically initiating sector budget support in the Justice sector and PFM. The concern of government with poverty and inequality in Georgia led to an increase, in the NIP 2011-13, in the share of resources devoted to poverty reduction, including regional development. Democratic development, human rights, and rule of law and the peaceful settlement of conflicts continued to be focal sectors. Another area of shifting priority was the attention given to Civil Society. There was a widespread feeling (see EQ 4 for sources) that Civil Society had insufficient voice under the ENPI and that its potential for projecting European values was under-realised despite EIDHR and NSA/LA. With the coming into being of the EAP, the Civil Society Facility and the Civil Society Forum were instituted to strengthen the role of Civil Society.

Moving on to consider the Indicator strictly as stated (i.e., pre- and post-October 2012), the answer appears to be a qualified “Yes.” There has been more continuity than discontinuity in strategy. This is indicated by, among other things, agreement between the EU and government that the priorities of the 2007-10 NIP remained valid, with some changes in emphasis, under the NIP 2010-13.

In Criminal Justice reform, the directions of reform had been long established, based in significant part, on international standards supported by Council of Europe and international NGO monitoring. The importance of improving conditions of detention and tackling the problem of torture in places of detention rose over the evaluation period. EU budget support programmes were able to cope flexibly with developing priorities, and also helped to correct imbalances and fill gaps rather than. EU support was crucial to supporting the Public Defenders Office and Legal Aid Services these institutions despite the government’s higher priority on strengthening law enforcement.

In PFM, government priorities and strategies evolved along the lines described under Indicator I-221. The PFM reform strategy 2009-13, and sub-strategies dealing with specific aspects of PFM, drew on the 2008 PEFA Report’s analysis of weaknesses. The follow-up PFM Reform Strategy 2014-17 took into account the 2012 PEFA findings. Beginning with the second phase of sector budget support, the EU was able to provide TA to needs identified. This is informed by regular dialogue at technical level between the EU Delegation and the MoF (see Indicator I-231). Difficulties in policy dialogue have, however, been noted including a need for better coordination between the largely technical / operational policy dialogue focused on the weaknesses of PFM systems and the broader political dialogue with a range of DGs, informed more by approximation to EU standards and practices.

In the case of Agriculture, EU support was crucial to the elaboration of a sector strategy, which had been lacking before because of the previous government’s laissez faire approach. The dire situation in the sector in 2009 and after combined with the issue of regional disparities and rural poverty, led to renewed government interest in, and eventually sector strategies for, Agriculture and Regional development. Through policy dialogue and TA, the EU supported the development of both. The Agriculture strategy remained valid following the change of government in October 2012 and is recognized by the GOG as a key element in moving forward the Georgian economy and in further approximation with wider EU guidelines. From a practical point of view, as stated in answering EQ 3, both the Agriculture and Regional development budget support programmes are in their early phase.

The main evolution of government policies regarding IDPs was the acceptance in the second half of the evaluation period of the need for a better approach to durable housing solutions, a

sustainable livelihoods policy, and a more accommodating attitude towards privatisations and a needs- rather than status-based approach. EU policy dialogue in the context of budget support promoted all of these EU priorities. At the same time, as described under Indicator I-531, the EU had only limited success due to limited influence over the partner Ministry, weak Ministry capacity and frequent changes of government senior staff, the weak position of the partner ministry with regard to other ministries, and the fact that policy dialogue issues were rarely brought up at the highest political level.

Sources of information used

- Basic Data and Directions 2007-20010.
- Basic Data and Directions 2009-2012.
- NIP 2007-2010.
- NIP 2010-2013.
- CSP 2007-2013.
- ENP Progress Reports 2007, 2008, 2009, 2010, 2011, 2012, 2013.

8.2.2 Indicator 822: EU was able to respond flexibly to the political and policy exigencies raised by the hostilities of August 2008

Presentation of the evidence gathered and detailed analysis

The 2008 conflict created a new, albeit smaller, wave of IDPs whose situation was rapidly deteriorating with winter on the horizon. In answering EQ 5 on IDPs, it was shown that the EU was able to respond rapidly, creatively, and on a large scale with interventions to address the humanitarian crisis and longer-term needs, particularly via the provision of housing (I-511). This included interventions financed by DCI, IfS, and ENPI and actions implemented by INGOs and UN agencies in addition to the implemented by the GoG via budget support.

Three Special Measures in favour of IDPs were approved by Commission Decision in the aftermath of the August 2008 conflict and IfS was mobilised to support confidence building, socio-economic integration.

The EU's rapid response to the need for Conflict Resolution and Confidence Building was described under Indicators I-631 and I-632. The EU brokered a ceasefire and, in a Council meeting on 1 September reaffirmed support for Georgia's territorial integrity and initiated measures to ensure stability and address the humanitarian crisis. Within weeks of the conflict, in October 2008, the EU organised a donor conference in Brussels at which it pledged and immediately starting delivering up to Euro 500 million for the period 2008-10. It dispatched a monitoring mission (EUMM) and appointed a Special Representative for the South Caucasus and the Crisis in Georgia. The EUMM politically was unable to fulfil its full mandate as it was not allowed by the Abkhazian de facto authorities' access to Abkhazia.

As mentioned in the Progress Report on Implementation of the ENP in 2009:

“Following the August 2008 war, the EU provided substantial political, financial and practical post-conflict support to Georgia, including a post-conflict assistance package of up to EUR 500 million from the EU budget for 2008-2010.”

Through the UNDP-implemented COBERM project, noted especially for its flexibility and other projects implemented by international NGOs specialising in conflict situations, the EU was able to provide support to Civil Society in Abkhazia (work in South Ossetia implemented by the OSCE was terminated after the conflict when that organisation was ejected from the breakaway region) The general answer to EQ 6 was that, while the EU provided valuable support and added value, the response could have been more effective (and flexible) if the EU had tested the boundaries of its engagement more. Symptomatic of the restrictions that the EU was unable to overcome, there was significant under-spending of support allocated for peaceful settlement of conflicts in the 2007-10 NIP.

The Commission provided a macro-financial assistance grant to the government in 2009 to avoid a “double shock” of the conflict and the global economic crisis. As described under EQ 2 on PFM, this allowed the GoG to continue on its path official consolidation despite the adverse circumstances.

Sources of information used

- ENP Progress Reports 2009 and 2010.
- Project documents.

8.2.3 Indicator 823: Degree of ownership of the various interventions by the Government as evidenced by active involvement in preparation and implementation of EU interventions

Presentation of the evidence gathered and detailed analysis

The CSP 2007-2013 programming process began with a mission to Tbilisi in June 2006 in which 11 Ministries and the head of the National Coordination Unit were consulted on the government side. The discussions in June 2006 agreed that the EU Georgia Action Plan was fully compatible with the government's own reform agenda. It was also agreed to extend the used of budget support, which had been initiated successfully under the Food Security Programme to areas where ownership would be increased and policy dialogue deepened. In October 2006 a draft CSP / NIP 2007-2010 was presented to national authorities and extensive comments were received back. Several iterations occurred between the Commission and authorities until closure was achieved. The 2000-13 NIP was preceded by deeper consultations (see NIP 2010-13 for a description). Following the programming mission of February 2009, a concept paper was distributed to government, other donors, EU MSs, and local NGOs in April. The lack of involvement of Civil Society in programming had been criticised by the Commission itself (see EQ 4 for discussion), and the tendency of EU MSs (particularly large ones) to "go it alone" in Neighbours (in the South as well as the East) had been strongly noted by political science commentators on the ENP. A workshop was held in Tbilisi in April 2009. The process of commenting and consultation continued, including a workshop with Brussels CSOs, until August.

Government ownership was variable. In the Justice sector, overall ownership was strong, but there was variation in the degree to which government had the political will to undertake real change, with the result that the budget support Policy Matrix was in some areas formalistic. (e.g., Indicator I-112 on conditions of detention). Government ownership of programmes to reform the police was consistently high, that of strengthening the LAS was weak under the first budget support programme but then increased under the second (I-113). Ownership of Justice sector initiatives was high on the Ministry of Justice level and not so much in the judiciary. Political will to implement the recommendations and findings of the PDO has been consistently weak, even though this is a widely respected organisation. Ownership of reform in juvenile justice, by contrast, was extremely strong.

In IDPs, national ownership of the 2012-14 Action Plan was arguably not strong enough to ensure effective implementation in all areas (I-541 and 542). Although the IDP issue predated the 2008 conflict and dealing with IDPs received a political boost post-war, IDP issues did not have political traction at the highest levels in the Georgian government throughout the period under evaluation. IDP issues were assigned to the MRA, a State Ministry not foreseen to outlast the problem. The GoG was reluctant to admit that the IDP situation was very unlikely to be resolved by speedy return, which led among other things to reluctance to adopt a sustainable livelihoods policy and a policy on privatisation. The ability of the MRA to engage other, stronger, ministries implicated in IDP issues, such as the Ministry of Rural Development and Infrastructure, was limited. The challenge of effective strategic dialogue with government on IDPs was brought out in the January 2011 EAMR:

"The first one is the lack of a proper long term strategy on the part of the Government in many areas and their work is sometimes too quick without a proper analysis of the sustainability of the proposals. This leads to continuous requests for changes in the long term strategy that we need to agree with the government for our budget support operations. Our demands for long term strategic documents are perceived as a hurdle that they have to overcome in order to get our financial support, and the conditions set in the policy matrix something that they will deal with at a later stage. We continue to remind them of the relevance of a sound strategy

Commitment of the Government to implement reforms remains strong though erratic in the direction. This situation requires continuous follow up of government actions and contact with Civil Society to have a clear view and advance information of the Government intentions in order to have the chance to at least discuss them before they will be presented to the parliament and approved. The Government is extremely swiftly putting forward and approving legislative proposals.”

A loose translation would be that government was impatient and impulsive in making legislative proposals that have not been sufficiently thought out in a process of long-term strategic planning and consultations with those expected to support implementation.

Sources of information used

- CSP 2007-2013.
- NIP 2007-2010.
- NP 2010-2013.
- EAMR Reports 2008, 2009, 2010, 2011, 2012.

9 EQ9 on Coordination and Complementarity

Evaluation Question 9: To what extent did EU support lead to strengthened national coordination of aid and contribute to donor complementarity and synergies?

9.1 JC91: EU capacity building and budget support strengthened national aid coordination mechanisms

Georgia's statistical and accounting systems for tracking aid are said to be rather good and have been supported by the EU (I-911). Through its support to the Programme Authorising Office of the Ministry of Euro-Atlantic and NATO Integration, the EU provided major human resources and technical expertise. The effectiveness of that support, the role of the PAO over the evaluation period, and the evolving institutional structure of aid coordination in Georgia are discussed in detail under JC 93, specifically Indicator I-932. The EU's coordination work at sector level is discussed under Indicator I-931.

To summarise the discussions in these later Indicators, there is no doubt that the EU's support to aid coordination contributed to strengthening aid coordination, but less clear how effectively it strengthened sustainable processes and mechanisms. The EU was instrumental in calling for the Inter-agency Coordinating Council on Criminal Justice reform, which it supported through TA and capacity building, but the effectiveness of the latter was somewhat limited by the beneficiaries' workload. Nonetheless, the sector coordination mechanism, and the EU's contribution to strengthening it, appears most assured in this sector. In PFM, analysis related to EQ 2 has consistently 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, while the EU's support to the inter-ministerial Working Group was important in getting a policy into place, it is still too early in ENPARD to judge how well coordination is working. Capacity in MoR, responsible for IDPs, has remained very weak despite EU support.

In the case of the PAO it is rather evident that EU support almost completely substituted for GoG resources. Until this year, 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 places were in place). An aid management accounting system was put in place, which counts as installing capacity. It is a hopeful sign that there are now 9 national staff members, but at the same time, these are all very new hires and very junior. There was no successful transfer of capacities from the EU TA project to the new team. The major new development in coordination, too recent to be analysed in detail, is the putting in place of an overall Development Coordination Unit under a political, strategic, and coordination Department reporting to the Prime Minister (I-932). While it is yet in early stages, it is clear that this new unit will serve as the main entry point for strategic coordination (the PAO will continue to be responsible for projects).

9.1.1 Indicator 911: EU contributed to improved statistical and accounting systems to monitor aid

Presentation of the evidence gathered and detailed analysis

The CSP 2007-2013 characterised Georgia's donor coordination mechanism as "traditionally weak." A specific challenge was the increase in donor aid in the wake of the 2008 conflict, often in the form of small pilot and TA projects. The 2010-13 NIP described the government's efforts to coordinate this aid as "not fully satisfactory." EU support for national coordination covered provision of both statistical systems and expertise, the latter of which in significant part substituted for lack of national resources. This support covered the entire evaluation period, with support to the Programme Authorising Office (PAO) at the Ministry of Euro-Atlantic and NATO integration having commenced in 2006 under Tacis. After years of support, this project ended in 2014. While GoG added staff to the unit, there was no successful transfer of competences from the TA project to the new staff. Support for statistical and accounting systems, by contrast, was targeted more at the Ministry of Finance.

Despite the overall weakness of coordination, statistical and accounting systems were characterized as reasonably good. The CSP 2007-2013 explains:

“Inclusion of investment portfolio, budget support operations, grants and loans from international donors and IFIs in Georgia’s annual budget is rather comprehensive. (...) MoF runs comprehensive professional databases (DMFAS and DM-NAT) that contain detailed information on a significant portion of donor-sponsored projects in Georgia. The databases also keep detailed record of the humanitarian aid and technical assistance inflows into Georgia, also of grants provided directly to Georgia’s public entities.”

The PEFA 2008 gave a “C” score to the performance indicator D-2 “Financial Information for budgeting and reporting provide by the donors about projects and program assistance”. The PEFA report explains:

“The majority of donors provide information on budget estimates well in advance of the coming fiscal year. Reports on disbursements are received on at least a quarterly basis by the large majority of donors. However, in neither of these cases is the Government’s own budget classification system used.”

Although the PEFA 2012 gives the same score to this indicator, the analysis is more nuanced and provides further details on the situation:

“(...) donors provide the MoF with the information about commitment estimates before the beginning of the budget year. Information is presented by donors in accordance with the classification that they use, not according to the one of the Georgian budget. However, format of the information provided does not create any practical difficulties in terms of the budget planning. Disbursement estimates by donors as well as actual disbursements are reflected in the annual budget law and budget execution reports in accordance with the provisions of the Budget Code (...) the majority of the donors, including international financial institutions, bilateral donors and multilateral banks report on disbursed amounts on a regular, mostly quarterly basis. The government has access to the electronic system of the largest donors where detailed information about each project is published and updated daily. (...) While the information about actual transfers as presented is not aligned with the budget classification of Georgia, such format is considered by the MoF as sufficient and no further harmonization is deemed necessary.”

In 2012, a project (C-283193) was implemented to support to the construction of a donor coordination database for use by the POA. This is now (see Indicator I-922) being transferred to the new strategic coordination unit in the Prime Minister’s Office.

Sources of information used

- EAMR Reports 2008, 2009, 2010, 2011, 2012.
- PEFA 2008 and 2012.
- CSP 2007-2013 and NIP 2010-2013.

9.1.2 Indicator 912: EU support contributed to human resources devoted to aid coordination

Presentation of the evidence gathered and detailed analysis

In field interviews it emerged that prior to 2014 the PAO had only two professional staff (now increased to 9 supported by government) and that, in effect, it would have been impossible for the office to function in the absence of the EU TA team. TA consisted of 3 permanent non-key national experts, short-term European experts, and a resident European Team leader:

Support was provided to the National Coordinating Unit (NCU) in Georgia in relation to the use of the ENP instrument. A specific project was launched in 2007 (CRIS nr. C-128417) to

“strengthen the capacities of the State Ministry of EU and Euro-Atlantic integration in general and the NCU in particular.”

Activities included: capacity building for dealing with EU issues and project cycle management follow up of ENP and participation in the development of new ENP aid instruments as well as establishing a more effective communication and co-operation with the EC Delegation.

In 2009, the EU contracted a consultancy firm to directly support EU donor coordination (C-170319). The support project, twice extended, will end this year.

The EU's role in strengthening the coordination function at the PAO is further discussed under JC 93. It is clear that, under the former TA project, the EU essentially performed most coordination activities. While GoG has now provided staff to take over these functions, there was no successful transfer of competences.

The EU also provided support for coordination at the sector level in the context of its budget support, as illustrated in the Justice sector. In this sector, the EU has actively contributed to the setting up of the Criminal Justice reform Interagency Coordination Council (ICC). In the last two SPSPs, a specific allocation was made to provide technical assistance to support the mission of the ICC. Project documentation highlights the crucial role played by the ICC for the harmonisation and coordination of TA support in the sector. The field visit confirmed that the EU projects have provided the requested capacity building assistance to several MOJ departments, including the Analytical and Public International Law Departments that, at various times, have been responsible for managing the ICC or other inter-governmental working groups (e.g. anti-corruption and anti-trafficking councils). It was noted that while the EU support is appreciated, the staff are unable to take advantage of it, because they are too busy with every day work and are unable to reflect on their own needs. As a result, it seems that the EU support directed to strengthening human resources devoted to aid coordination is not as effective as it could have been by sheer lack of time, which could be easily alleviated with reviewing the staffing structure and employee workloads at the beneficiary agencies or departments.

No similar inter-agency coordination body exists in Agriculture. EU support at least indirectly contributed to better understanding of aid coordination and modalities on the part of Ministry staff having first-hand experience in the implementing partners interface with donors and beneficiaries.

In PFM, the MoF chairs an inter-agency council comprised of the various agencies involved in the reform. Similarly in IDPs, the MRA chairs a coordination committee.

Sources of information used

- EAMR Reports 2008, 2009, 2010, 2012, 2012.
- Project documentation.
- Interview, NCU, inception field mission.

9.1.3 Other elements relevant for the JC

Presentation of the evidence gathered and detailed analysis

Much of the evidence relevant to this JC is given under Indicator I-931, which looks at the EU's support for coordination sector by sector, and I-932 which describes its support for the overall aid coordination architecture and in particular the evolving role of the PAO.

9.2 JC92: The priorities of the EU co-operation and complementarity with other donors' interventions highlight the specific capabilities and experience of the EU

This JC focuses on how much attention the EU paid to EU value added (I- 921), the extent to which it had special advantages in selected sectors (I-922) and the extent to which it exploited complementarities with other donors, especially MSs (I-923).

EU added value, which might be given a working definition of "What the EU was able to do better than other donors (including MSs) would have been able to do," is seldom referred to as such in either strategic or programming documents. The 2007-2013 ENPI Eastern regional programme highlights the strong regional position of the EU in general terms. During the field mission, however, 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. In the more political sphere of IDPs and Conflict Resolution / Confidence Building, the EU's unique standing as described below permitted it to add value but, especially in the latter, we have argued in answering EQ 6 that the EU did not realise its full potential.

The EU has identified areas in which it sees itself as strong as capacity- and institution building, policy development, legislative reform and approximation, and larger programmes to support wider sector reform. Given the key role of 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. TA was also the EU that identified and urged cooperative formation as the best way to achieve economies of scale in a sector suffering from fragmentation. 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. This is evident in the relatively successful on going EU-Government dialogue on Justice sector reforms, including the EU's ability to flexibly adapt support to priorities such as juvenile justice as they assumed increased importance. The EaP greatly increased the EU's engagement with Civil Society, it is unlikely that any other entity could have brokered the 2012 "trialogue" often referred to. In IDPs, the advantage of the EU was not only the amount of money and range of instruments that it could mobilise, but 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.

Exploiting complementarities requires consultation. The consultative processes which preceded adoption of the 2007-10 and 2010-13 NIPs was described under EQ8. The rather thin consultations for 2007-10 were greatly broadened (including more institutions) and deepened (offering more opportunities for interaction and comment, including with MSs and in Brussels) when planning the 2010-13 NIP. A sector-level survey identifies areas in which other donors' actions, including those of MSs, were and were not taken into account. PFM scores rather low on this, Justice sector reform rather high. An EU MSs coordination activity of special importance was the Delegation-led the work of human rights focal points at MSs Embassies, including the drafting of the three year Strategy on Human Rights adopted in 2011. 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 are the main sectors where this was most in evidence, where the EU took advantage of the expertise of FAO, UNHCR, and UNICEF, respectively.

9.2.1 Indicator 921: References to the added value of the EU in various strategic documents, monitoring documents, reports and internal coordination meetings

Presentation of the evidence gathered and detailed analysis

The strategic documents, monitoring documents and project documentation screened put a strong emphasis on EU values and the strategic relevance of the actions supported in relation to the partnership frameworks between Georgia and the EU and, more generally, to the global EU policy priorities. However, EU added value is seldom referred to, perhaps in part because it is a concept seldom explicitly defined. A working definition might be "*What the EU was able to do better than other donors (including MSs) would have been able to do.*" The 2007-2013 ENPI Eastern regional programme highlights the strong regional position of the EU in general terms having to do with the EU's position as a mediator, facilitator, and accelerator of mutually beneficial processes. Annex 5 of CSP 2007-2013 gives a very short presentation of international donors' activity in Georgia Both of these fall short, however, of explicit recognition of EU value added. This is surprising because, as confirmed in field mission interviews, the main source of European value added as defined here is clear – 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 closest we find to explicit reference to EU value added, in the 2007-2013 ENPI Eastern regional programme, frames it in very broad terms that focus on general role rather than specific contributions:

“The European Commission has a key role to play in terms of adding value through its assistance to the region. Through the ENP and Common Spaces, the EU has the ability to act as a mediator, facilitator, and accelerator of processes beneficial to both the EU and partner countries. No other donor has this key position in the region as a neighbour and a partner”.

The only strategic document reviewed which details the EU comparative advantages (compared to other donors) is the “Concept Note on potential priority areas” which was elaborated in 2010 to inform the NIP 2011-2013. The EU identified areas in which it sees itself as strong as capacity- and institution building, policy development, sector reform, and legislative reform and approximation (see also I-922). The Note also identified trade as an area where the EU could add value, but pointed out that relatively little had been done by way of co-operation related to trade.

There are also few references to the specific capabilities and experience of the EU in project-level documents. The documents often highlight the particular relevance of the supported areas in the context of the wider EU-Georgia strategic frameworks but without really highlighting any specific added value of the EU in these areas. As an example, the FA of the Criminal Justice Reform SPSP mentions:

“The overall objective of the sector programme to support Criminal Justice reforms is to strengthen the rule of law and human rights protection in Georgia in line with Georgia’s own international commitments. These values are at the centre of the EU-Georgia co-operation and make prominent part of the assistance programmes delivered by the EU. Strengthening rule of law, good governance and respect for human rights are declared as priorities of the Georgian Government duly reflected in the policy objectives defined in the Partnership and Co-operation Agreement (PCA) and the EU-Georgia European Neighbourhood Policy (ENP) Action Plan.”

While there are regular references to specific EU experience and tools (standards, blueprints, etc.) in the project documentation related the support to agricultural production, there is also no explicit reference to the actual added value of the EU in these sectors.

In the area of IDPs and Conflict Resolution / Confidence Building, the EU’s should have a sharp geopolitical edge as a supranational organisation with relatively deep pockets and ENP interests to defend. The EU is able to do things in the Neighbourhood that no other donor, and certainly no MS, would be able to do – *licet Jovi non licet bovi*. Only the EU is in a position to serve as a counterweight to the Russian attempt to maintain hegemony in the region. In line with this basic political fact, the wake of the August 2008 conflict. It was able to mobilise sums far beyond the capability of MS. It was able to engage in political and security-related steps that would have been both practically and politically impossible for an individual MS, such as the deployment of EUMM. In the contested geopolitical terrain spanned by the ENP, only the EU itself (and various INGOs specialised in conflict situations) could serve as a credible international interlocutor for the disputants. In answering EQ 8 by a synthesis of information gained at the Indicator level in EQs 5 and 6, examples were found where the EU was able to use its political leverage and “soft power” advantage in the context of ENP to a certain extent and mobilise resources quickly and flexibly and at a larger scale than other donors. The ability of the EU to stand in solidarity behind the GoG in addressing the IDPs challenge, despite difficulties encountered, was a clear example of EU value added. At the same time, in answering EQ 6 a lack of overarching “one EU” strategy that would have required better coordination between the EUD, EUMM, EUSR, and the MSs themselves was found. It was not clear that, by its meticulous adherence to non-engagement, it had fully exploited its potential.

In Georgia, these generalities were made specific by the context of association and approximation, as well as by the EU’s political and economic weight in the Neighbourhood. The latter is, in some ways, a polite way of stating that only the EU, and certainly no individual

MS, is in apposition to serve as a counterweight to the Russian attempt to maintain hegemony in the region.

Sources of information used

- RSP and CSP 2007-2013.
- ENP Progress Reports 2008, 2009, 2010, 2011, 2012, 2013.
- EAMR Reports 2008, 2009, 2010, 2011, 2012.
- Action plans of the various EU instruments used in Georgia.
- Project documentation in the various focal sectors.

9.2.2 Indicator 922: Evidence of EU's special position to deliver aid in specific sectors (vis-à-vis MS and other donors)

Presentation of the evidence gathered and detailed analysis

Drawing on the *Concept Note* for the 2011-13 NIP, there are two specific levels where the EU has unique depth:

- Know-how and established norms: The EU can draw on considerable know-how and set of tools/norms in a number of key sectors of co-operation such as agricultural production, the Justice sector or PFM. It has a special position in these areas especially when linked to the GoG's efforts to achieve approximation to the EU acquis.
- Aid delivery mechanisms and size of the support: The EU has also the adequate aid delivery mechanisms to support large policy reform processes (e.g. SPSP via budget support and twinning programmes) and wide reconstruction programmes (e.g. flexible support to conflict affected areas via the IfS or wider longer term programme via untargeted budget support).

It could be added that, especially in IDPs and Conflict Resolution / Confidence Building, the EU has unique political advantages. Sector by sector,

Criminal Justice

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. This is evident in the relatively successful ongoing EU-Government dialogue on Justice sector reforms, including the EU's ability to flexibly adapt support to priorities as they assumed increased importance. Because the standards driving reforms are European ones, the EU was in a unique position to deliver TA, which it has done across a broad front in consecutive SPSPs. The field mission indicated that the EU's TA team had achieved an enviable reputation for credibility and responsiveness to requests. The unique position of the EU was reinforced by its important role in developing the Human Rights Strategy and Action Plan through the advisor mission of Mr. Hammarberg.

PFM

The EU has played an important role in putting PFM reforms on the government agenda at the beginning of its SPSP operations and demanding government accountability for the implementation of PFM reforms. The EU has a special position in delivering aid in the area of PIFC, although this is done in co-operation with GIZ.

Agriculture, Rural and Regional development

The EU was in a strong position to supply expertise in areas such Agriculture sector strategy development and in sanitary and phyto-sanitary standards. Of particular note is the EU advantage in regard to food safety and trade issues in the Agriculture sector and how this has been leveraged in support of the national legislation and the development of the National Food Agency as an example. EU aid to Agriculture in Georgia was complementary to support provided by other major donors in the sector such as USAID and the World Bank (see discussion under Indicator I-923).

IDPs

While there were other donors engaged in the IDP sector (notably USAID, Swiss and Sweden) the scale of resources that the EU could mobilise and the availability of the budget support modality with the strong political message that it conveyed, added value over the other donors.

Conflict Resolution and Confidence Building

The EU was able to engage in political and security-related steps that would have been both practically and politically impossible for an individual MS, such as the deployment of EUMM. In the contested geopolitical terrain, only the EU itself could serve as a credible international interlocutor for the disputants. While a small number of other member-states were also supporting Conflict Resolution activities – notably the United Kingdom, Sweden, the Netherlands, and Switzerland - the length of engagement, amount and diversity of instruments and its regional reach added up to EU its added value. This led, for example, the Netherlands to contribute resources to COBERM II in recognition of that fact that the Netherlands could not administer this itself.

Sources of information used

- Concept Note on potential priority areas.
- RSP and CSP 2007-2013.
- ENP Progress Reports 2007, 2008, 2009, 2010, 2011, 2012, 2013.
- EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- Action plans of the various EU instruments used in Georgia.

9.2.3 Indicator 923: Programmes of MS and other donors taken into account during design stage of EU interventions

Presentation of the evidence gathered and detailed analysis

At all points during the field mission, the EU Delegation was praised for its transparency, openness and accessibility, and information sharing.

The consultative processes which preceded adoption of the 2007-10 and 2010-13 NIPs was described under EQ8. The important fact is that the rather thin consultations for 2007-10 were greatly broadened (including more institutions) and deepened (offering more opportunities for interaction and comment, including with MSs and in Brussels) when planning the 2010-13 NIP.

A sector-level survey gives areas in which other donors' actions, including those of MS, were and were not taken into account. In the PFM sector, the project documentation barely mentions the action of the other concerned donors (chiefly the World Bank, Dutch Embassy, SIDA, and GTZ according to the NIP 2010-13). The FA of the two widest interventions in this sector make some references to specific initiative of international financing institutions and the setting up of PFM steering committee for the management of the programme. But there is very little in terms of complementarity between the actions of the various donors.

In the Justice sector, the coordination with MS and other donors was deeper. The Identification fiche of the "Support to the reform of Criminal Justice system in Georgia" explains:

"The Delegation coordinated closely this mission with Georgian national and NSA partners and involved extensively EU Member States (EUMS) and relevant donors. (...) Main development partners of the EC (with more than EUR 37 million committed since 2001), USAID, USDOJ, UN agencies (namely UNICEF), Norway (permanent legal advisors team) and the Council of Europe (concerning standards.) Some EU MS are active in the sector [i.e. Germany, France, Poland, the Netherlands]."

An EU MS coordination activity of special importance was the Delegation-led the work of human rights focal points at MS Embassies, including the drafting of the three year Strategy on Human Rights adopted in 2011. In cases where a state institution was benefiting from both the EU- and MS-funded projects, the field visit noted extremely good co-operation and

complementarity (e.g. with NBE, NPA). If complementarity was achieved between the EU and US Government support, the credit should go to the EU, as it was the EU that kept assessing the situation in order to avoid duplication and achieve complementarity. A specific example of complementarity mentioned during the field mission was that the EU used the prospect of DCFTA to press for an improved labour code while the US Government advocated for a better labour inspection system. In Civil Society support, co-operation was also reported to be good, with USAID having participated in the development of the Roadmap, which is seen as a coordination instrument in itself. There was an informal division of labour, with the USAID G-PAC project focusing on middle-tier NGOs.

The level of integration between the actions of the various donors is the most evident in the Agriculture sector. The part of the ENPI 2012 AAP focusing on European Neighbourhood Programme for Agriculture and Rural development (ENPARD) details the links between the actions of the various donors:

“Of particular importance is the synergy of the proposed SPSP with the EBRD/KfW Loan facilities for a total of EUR 49 million. The EU funds a complementary grant (EUR 4.8 million, consisting of technical assistance to the financial institutions and a first loss recovery facility) via the Neighbourhood Investment Facility (NIF). The main focus of the loan facility is to facilitate access to the financial market for small farmers, mainly through existing farmer organizations (whereas this SPSP will focus mainly on establishing new ones). The SPSP will also build on on-going activities implemented by the FAO (e.g. on statistics and food safety) and UNDP (e.g. on extension services and higher education on Agriculture).”

The table below taken from the ENPI 2012 AAP summarizes which are the main donors tackling each of the five priorities of the government’s strategy on Agriculture.

Table 24 Division of labour between donors in the Agriculture sector

Strategy priority	Main donors
(1) Competiveness improvement through private sector development	EU, EBRD, KfW, FDC, USAID
(2) Better performance of the institutions engaged in Agriculture	EU, UNDP, FAO
(3) Food security	EU, FAO
(4) Support to food value chains	USAID, SOC, DANIDA
(5) Rural infrastructure	Funded by the Government

Source: ENPI 2012 AAP.

The EU has relied substantially on the specific expertise and experience of other donors to implement its co-operation strategy with Georgia. The inventory shows that no less than 28 interventions or components of interventions were implemented via UN organisations. In particular:

- FAO for agricultural activities, as described above.
- Almost EUR 10 million were channelled via UNHCR to implement a project focussing on the stabilisation of the IDP Living Conditions in conflict affected areas (IFS-RRM/2008/020-612)
- UNDP was also involved in the IfS financed programme “Support for Georgian efforts to overcome its political crises and to deepen its democratic reforms” (IFS-RRM/2010/022-374). Under this programme, it covered two components which amount to more than EUR 5.5 million in total:
 - Support to the confidence Building Early Response Mechanism (COBERM) / EUR 4.8 million;
 - Development of Media Monitoring Capacities in Georgia /EUR 0.7 million.
- UNICEF is actively involved in the implementation of the EU support in the Justice sector:

- o Support to diversion and probation services and increased focus on reforming pre-trial options for juvenile offenders in Georgia (Support to the Criminal Justice sector in Georgia - ENPI/2011/022-562) EUR 0.2 million;
- o Reform Options for the Penitentiary System and Probation System for Convicted Child Offenders in Georgia (TACIS 2006 Georgia Action Programme - TACIS/2006/017-996) / EUR 1.2 million.

Sources of information used

- RSP and CSP 2007-2013.
- EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- Action plans of the various EU instruments used in Georgia.
- Project documentation in the various focal sectors.
- Inventory of the EU-Georgia co-operation.

9.3 JC93: EU played an active role in various coordination mechanisms in Georgia, while promoting the role of government, including through policy dialogue

Both the desk and field phases have shown that the EU played an active and sometimes lead role in donor coordination, particularly of MSs (I-931). All stakeholders involved stated that the EU contributed to and fully participated in coordination at all levels. In Criminal Justice, it was through budget support conditionality that the Inter-agency Council on Criminal Justice Reform, one of the strongest sector reform dialogue platforms and coordination groups in Georgia, was formed. The EU provided TA to promote the functioning of the group. In PFM, the EU encouraged the formation of the PFM Donor Coordination Cluster Working Group chaired by the MoF and participates in its meetings, although it has been pointed out that the work of the group largely concerns planning and monitoring activities rather than overall strategy. The EU was instrumental in setting up the inter-ministerial working groups responsible for developing the Agriculture sector policy (supported by TAIEX), and regional development strategy. In IDPs, the EU participated in the sector coordination group chaired by the MoR and promoted the government's coordination efforts, working closely with other donors and Civil Society to affect the direction of policies. 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 COBEM projects. In Civil Society, as well, the EU provided a coordination platform in all but name through the Roadmap. All in all, it is estimated that the EU has been active in the 14 sector coordination working groups

Donor coordination is ultimately the responsibility of government (I-932). The participation of relevant government agencies in coordination mechanisms over the evaluation period is not in question, but the degree of leadership has been mixed. While in some areas such as Justice sector reform government leadership was reasonably strong, in other such as PFM, it was lacking. A number of EAMRs, ENP Progress Reports, official documents, and EAMRs also paint a picture in which government thinking is easily diverted by political developments, making consistent strategy setting harder. The overall weakness of government-led coordination, noted as early as the 2007-13 CSP, appears to have persisted. They contribute heavily to GoG's coordination work, starting in 2006 under TACIS with the putting in place of a national coordination unit in the form of the Programme Authorising Office in the Ministry of Euro-Atlantic and NATO Integration. A lengthy TA project built capacity, but at the same time, it effectively substituted for GoG resources as only two professional staff were on hand until 2014, when the number was raised to 9 – in effect, the EU did not so much support coordination as provide it. The PAO appears to have served a useful function, but this was more as a go-between linking the EUD and Ministries than as a true strategic coordination unit with functions running the entire length of the project cycle. Also limiting, greatly, its effectiveness was the fact that 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 layer in a rather fractured GoG

coordination landscape: MoF coordinated loan infrastructure while Ministry of Trade coordinated activities related to DCFTA.

In response the lack of a strategic orientation, a new Development Coordination Unit under the Prime Minister's Office came into being in 2014. This will be tasked with setting strategic directions for all international co-operation. It is reported that PAO's role will be more at project level, while at the same time serving the information-sharing and matchmaking function that it currently carries out between Ministries and the EUD.

This JC also covers the quality of policy dialogue (Indicator I-933), briefly summarising findings that are described in much more detail at the sector level. The quality of dialogue was influenced by factors very similar to those described in assessing I-931. Sometimes there was lack of a strategic vision at the level of interlocutors (MoF), or they had been diverted by political uncertainty, or priorities differed (MoJ) or the policy conditionality of budget support was not always appreciated (MRA). In the case of IDPs, we have reported an egregious anomaly in the incentive structure, because budget support funds did not actually go to the interlocutor ministry, but to the MDF (which had virtually no policy capacity at all). CSO involvement has not always been as great as desirable (PFM) but has generally increased in all sectors examined. Low GoG capacity was a constraint almost across the board. While the EUD lacked technical capacity, especially in matters related to economics, it benefited from the presence of specialised staff who remained log in post. Despite the problems cited, the overall picture that has emerged is one in which policy dialogue functioned with reasonable effectiveness to allow the EU to promote its policy views and priorities across. This applies, as well, to Agriculture where the EU was able to emphasise rural poverty, the need for a strategic sector development strategy and the crucial priority of food safety system strengthening.

In a closing section (9.3.4, "Other Issues"), we draw attention to the complicated dialogue structure in Georgia, stressing that co-operation dialogues are embedded in a higher-level set of political dialogues. It is not clear how well these are aligned and coordinated. We also mention that Georgia is a major beneficiary of regional and cross-border co-operation, although these do not figure importantly in the focal sectors for this evaluation, and there is little evidence of how these are coordinated with the bilateral programmes on which we have focused.

9.3.1 Indicator 931: EU chaired sector donor working groups in key areas of concern

Presentation of the evidence gathered and detailed analysis

The EU was involved in setting up, and participated in, government-led coordination groups in all the sectors covered here, as well as donor coordination groups. The field interviews indicated that all donors including MSs, government, and Civil Society groups were satisfied with the transparency, accessibility, and participatory approach of the EU. This suggests that the EU was open to and helped to promote coordination and complementarity. One major bilateral European donor stated that the EUD worked hard to coordinate member states. This resulted in, for example, GIZ support to local governance following the EU lead on regional development and, in turn aligning its work perfectly with the Approximation agenda in this area.

In 2012/13, the EU financed the upgrading of the ENP/AP matrix used for EU donor coordination (C-328220). The 2012 Semester 1 EAMR notes:

"The ENP-AP Matrix has been updated and shared with EU MS. The last semester of activities has been quite fruitful since the Delegation was able overcome the traditional reluctance of other donors in sharing information about their bilateral co-operation. The last version of the Matrix gathers a non-negligible amount of information from non-EU-donors."

Criminal Justice

As was noted under EQ1, at the time of designing the first SPSP, the EU noted that due to political instabilities during 2007 and 2008, intergovernmental consultation regarding Criminal Justice reform decreased and coordination with donors nearly ceased. Thus, a pre-condition

to the sector programme was to re-establish and formalise sector management by the GoG, through establishing participatory format mechanisms for monitoring progress, as well as a formal mechanism for policy dialogue, donor coordination, and stakeholder engagement. To fulfil this pre-condition, the Criminal Justice Reform Inter-Agency Coordination Council (ICC) was formed. The ICC is comprised of nine working groups on juvenile justice, penitentiary reform, probation, legal aid, criminal law, police, judiciary, prosecution, and statistics, which meet regularly to coordinate, to identify priorities, and to monitor progress. The MoJ took a lead role in the inter-agency coordination efforts and housed the ICC Secretariat. Apart from pushing for the creation of ICC, the EU ensured its functionality with conditions set for budget support. The EU financed TA in the form of an expert advisor to improve implementation monitoring. In the event, the effort was complicated by the limited capacity of the responsible agencies, but the effort illustrated how much needs to be done in strategic planning. There have, however, been several workshops on the subject and the situation is improving. Analysis is a weak point as, “monitoring” is tending to consist merely of activity reports establishing compliance with the Action Plan.

PFM

The EUD participated actively in the meetings of the PFM Reform Coordination Council chaired by the MoF. This Coordination Council was described under Indicator I-222 and especially I-223 as well established and functioning, but weakened by the fact that monitoring focuses on the implementation of individual actions rather than results and the overall impact on the PFM system. After a weak start, sector reform coordination improved in 2009-10 with the emergence of formal structures. The EU played a significant role in encouraging MoF to establish the Coordination Council in March 2010. While meetings were intermittent until late 2012, thereafter the Council has met regularly on a quarterly basis. As a result of the activities / implementation focus, the Council has not been effective in prioritising needs and ensuring that lessons learned are reflected in the evolving reform strategy. Moreover, as described under Indicator I-223, there is no real government-led mechanism for coordinating various donors’ activities. The major donors – World Bank, EU, SIDA, UNDP and USAID – participate in a voluntary PFM Donor Coordination Cluster Working Group which functions fairly well even though donor coordination is not formalised.

Agriculture, Rural and Regional development

The EU was instrumental in setting up the inter-ministerial working groups responsible for developing both Agriculture sector and regional development plans.

IDPs

The EU, although not the chair, played a key role in an IDP Steering Committee established with donors, the government and other key stakeholders including technical experts and Civil Society. This Committee played an important role in both advising the government, monitoring progress and ensuring compliance. The EU as one of the largest donors in the IDP sector engaged and coordinated with other donors in promoting progress in areas designed to improve the welfare of IDPs along with other donors. The EU promoted the role of the government in coordinating policy towards IDPs in all its policy dialogue. At the same time, it coordinated its position with other members of the international community and supported Civil Society in its attempts to hold the government to account. Acquiring “all of government” ownership on IDP issues was difficult. The EU was most successful with the MRA but had limited success in promoting wider ownership through policy dialogue beyond the MRA.

Conflict Resolution and Confidence Building

The EU was the largest donor operating in Abkhazia but also liaised with Sweden, Germany, Netherlands, the US (which was not operational throughout the entire period of the evaluation) and Switzerland. In analysing Indicator I-613 it was found that COBERM I and II served as useful platforms for coordination among donors, exploring opportunities for complementarity, and avoiding overlap. The EU is an active member of the Abkhazia Strategic Partners Forum involving the major international players including donors and operational agencies such as the UN and INGOs. The EU also engaged regularly with the Government of Georgia to keep it informed about its programming. Concerns have been expressed in answering EQ 6 that

direct coordination with GoG on all aspects of work inside Abkhazia and South Ossetia may not be fully in the spirit of the engagement principle. It may prevent the EU from using the full range of tools at its disposal to pursue its Conflict Resolution, humanitarian, human rights and people-centred development goals.

Coordination of EU in Georgia (EUMM, EUSR, EUD and EU MSs) has been a challenge despite some mechanisms. The interviews showed that often EU stakeholders themselves are the most critical of the lack of progress on this-progress or problems are often personality as well as mandate based, and a lack of consolidated and coherent direction from HQ.

EAMRs leave no doubt that the EU Delegation played a leading role in donor coordination, particularly of MSs but also of other donors, in Georgia. The background to this is that World Bank, the IMF, the EU delegation, DFID, USAID and the Dutch Embassy in Georgia, who were the main actors involved in supporting the Georgian government in the reform process, created a Donor Framework Group (DFG) to coordinate their efforts (in 2003). As coordination needs increased, the EU not only participated in, but contributed to designing and implementing an overall architecture of consultation between the EU Delegation and the EU Member States, among all donors including non-MSs and UN agencies, and among donors and line ministries. The Delegation actively supported the organisation of donor coordination conferences (e.g. following the August 2008 conflict and in December 2010). At the latter occasion the MoF announced that it would sign the Paris declaration on Aid Effectiveness.

As evidenced by EAMRs, during the evaluation period the Head of Delegation regularly participated in coordination meetings organised in the frame of the DFG, and afterwards in EU Heads of Missions meetings. Since the Lisbon treaty, the Head of Delegation chairs the EU Heads of Missions meetings (monthly or more often if required). He also holds meetings on a regular basis with national authorities and with the diplomatic corps and calls on Ministers regularly. The Head of Operations organised regularly coordination meetings between co-operation counsellors of the Member States (usually every 6 weeks) and participated in coordination meetings organised in the context of the Donor Coordination Group.

Fourteen sector-level working groups were in place as of 2012: environment, energy, health, justice-liberty-security, education, conflicts, Agriculture, trade, Public Finance Management, Regional development, Criminal Justice, Civil Society, and human rights. The EU participated in the meetings of all these working groups and was involved in the technical work of sub-groups in Justice and Agriculture. Good coordination with MSs and other donors was maintained through different sector coordination mechanisms.

The EU Delegation coordinated its programmes through working groups in primary health care, rule of law, governance, regional development, border control issues (from 2006), and later through the following working groups: Agriculture, food safety, transport, post-conflict and Civil Society. The EU was one of the lead donors in Criminal Justice reform and the Head of Delegation participated in the governmental Interagency Council on Criminal Justice Reforms in 2009. Through its lead role in responding to the post-August 2008 situation the EU also assumed a major effective coordination role in the donor response.

Among all donors represented in Georgia, main donors are US Government, the European Union and EU Member States, Japan, Turkey, China, UN agencies. At present 13 working groups are disseminating and sharing information, and are engaged in discussing strategies where needed. They are meeting regularly and quite successfully. Working groups for Criminal Justice, JLS and Agriculture have proven effective in terms of information sharing, setting up of sub-groups and formulation of strategies by sector.

The MoF and the State Chancellery of European and Euro-Atlantic Integration are the principal interlocutors committed with donors in enhancing the donor coordination process. Within the community of donors, the EU (intended as EU plus EU MS) is playing a leading role in coordinating activities and exchange information with other donors and major implementers. The EU Delegation is leading the process of coordination, and information sharing.

EAMR 2010, 2011 and 2012 on EU Heads of Missions meetings:

“The Head of Delegation chairs since the entry of force of the Lisbon Treaty the EU Heads of Missions meetings (monthly or additionally as required), has on a regular

basis meetings with national authorities and with the diplomatic corps and calls on Ministers very regularly.” (2010)

“The Delegation actively supported the organisation of a donor coordination conference that took place in December 2010 and allowed to promote the improvement of donor coordination. At that occasion the MoF announced to sign the Paris declaration on Aid Effectiveness.”(2011)

“Coordination with donors has proved fruitful. In specific sectors like Agriculture, Regional development, Justice and Human Rights coordination is ensured on the monthly basis with EU and non EU donors. Line ministries participate in many among the 14 working groups established under the initiative of the EU Delegation, although there much room for improvement.(...) In 2012, the donor coordination system in Georgia further strengthened through the fruitful dialogue ongoing in key sectors, such as: justice, Agriculture, environment, energy, regional development and trade. The overall donor coordination architecture counts 14 working groups at national level, in the framework of which key strategies were drawn up jointly with the government. The working group on Agriculture has played a key role in the preparation of national strategy on Agriculture. The Civil Society working group has proved to be instrumental in the delicate period of the electoral campaign and the democratic elections held in October 2012.”(2012)

EAMR 2008 and 2011 on good coordination with MSs and other donors through different sector coordination tables:

“The Delegation has intensified co-operation with Civil Society; The Head of operations regularly participates in coordination meetings organised in the context of the Donor Coordination Group. UNDP is acting as secretariat of this coordination group; The Head of Operations organises regularly (every 6 weeks) coordination meetings among co-operation counsellors of the Member States; The Delegation coordinates its programmes through sectoral working groups (primary health care; rule of law, governance, regional development, border management issues etc.

The delegation started discussion with other EU MS on how to increase systematic donor coordination within EU and there is an agreement that further work on how to share information and better coordinate should be facilitated by a short term expert that would be funded through DFID”.(2008)

“Co-operation with EU MS is fruitful and based on a quick reaction rationale. Technical missions from HQs, and experts’ ad hoc missions have always foreseen a coordination meeting with Member States. EU MS constantly feed the EU Delegation in keeping the EU ENP Action Plan Matrix updated. (2011)

Furthermore, the EAMR 2008 and 2009 underlines the EU’s leading donor role in addressing the post-August 2008 situation in Georgia, through IfS, Budget Support and other instruments. Likewise, AMP 2009 confirms that the EU is one of the lead donors in the area of Criminal Justice reforms in Georgia, working on sector wide scope with governmental agencies as well as Civil Society and international organisations.

EAMR 2007:

“The Head of Delegation regularly participates in coordination meetings organised in the frame of the Donors Framework Group. UNDP is acting as secretariat of this coordination group; The Head of Operations organises regularly (every 6 weeks) coordination meetings among co-operation counsellors of the Member States; The Delegation coordinates its programmes through sectoral working groups (primary health care; rule of law, governance, regional development, border control issues etc.”

Sources of information used

- EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- Interviews with the EU Delegation, World Bank, SIDA, UNDP and USAID.

9.3.2 Indicator 932: Degree of participation and leadership of the Government in coordination mechanisms

Presentation of the evidence gathered and detailed analysis

The State Ministry of European and Euro-Atlantic Integration is the EUD's principal interlocutor in aid coordination, but the support of line ministries, particularly in setting the strategic course and deciding on priorities, is important. The Programme Authorising Office in the latter Ministry is responsible for coordinating European assistance. According to its website, its functions are:

- Drafting of the International Agreements other respective documents, as well as project proposals related to the EU Assistance.
- Overall coordination of preparing and implementation process of EU Assistance programmes/projects:
 - To support the Georgian Public Services, Local Self-Governments, Non-Governmental Organizations, Educational Institutions and Trade Unions during the preparation process of the respective documents related to programmes and projects (SPSP, Twinning, TA, TAIEX, SIGMA, CIB, CBC) accessible for Georgia within the framework of the Geographical Instruments;
- Informational and Consultation Activities, including organisation of events.

To some extent, the PAO can be regarded as an information conduit between ministers and the EUD; and match-maker fielding requests from Ministries for projects, TA and twinning and informing Ministries of possibilities for support gleaned from its discussions with EUD programme officers. The PAO itself takes a broad view of its functions. It provides assesses proposals for relevance, checks compliance with the EU-Georgia co-operation framework, assesses ministry capacity, advises what instrument would be most appropriate, and drafts an initial budget. When there is a meeting of the minds between the EUD and ministry, the PAO may assist in drafting the formal proposal, or bring in a short-term European expert for the job. It provides ministry training on how to negotiate with the EU, how to draft terms of reference and framework contracts.

If a TA is finalised, it will be posted on the EUD website; if a twinning, it will be disseminated to the relevant institutions in EU MSs.

Most POA staff are both junior and very new and that, apart from participating in project steering committee meetings, there is no real monitoring and evaluation function covering the entire project cycle. Ministries receiving budget support will report directly to the EUD through progress reports and evaluations. One Ministry of Justice official commented that the coordination input of the PAO was really very loose and consisted largely of attending ICC meetings and advising on project development.

Also playing a role is the Ministry of Finance, which coordinates projects financed by loans as well as infrastructure projects under sector budget support. The Ministry of Trade is responsible for DCFTA. Line ministries' programme budgets, of course, go through the MoF. In a new move dating from 2014, a central strategic coordination unit (the Policy Coordination and Planning Unit) has been created in the Prime Minister's Office with the goal of setting strategic priorities in aid across all donors. The function of the current PAO will be making sure that the Association Agreement is properly reflected in the overall strategy. A Ministry of Justice official commented that the new coordination unit in the Prime Minister's Office has been very active. It was still not entirely clear, however, at the time of the field mission how the various coordination bodies will interact in practice and one bilateral MS official interviewed characterised the risk of overlap and confusion as high. The new group has already started helping ministries to sources onto needs, but this is a function that the PAO may feel it owns. The new group might also be misunderstood as being in competition with sector coordination groups (e.g., in Criminal Justice). The issue of how to coordinate policy making across ministries has not really been addressed, although the Georgia 2020 document drafted by the Ministry of Finance and Ministry of Economy is a good start. A Ministry official confirmed that in the past, a bird's eye view of all sector priorities was lacking and looked to the new coordination unit in the Prime Minister's Office to provide this.

Co-operation staff interviewed during the field mission felt that the new government placed more emphasis on structural coordination than the previous one, in which decision making was more informal. This was confirmed by a bilateral MS co-operation officer who stated that until two years ago, there was little donor coordination because government was disinterested. From an early stage, as evidenced by the objectives of the Donor Framework Group, the donor approach has been insisting on government ownership. While participation in aid coordination mechanisms does not appear to have been problematic (e.g., line ministries participated in all of the 13 sector-level working groups alluded to above), EU documents and field interviews reveal frequent frustration with the inability of the government to lead, due in equal parts to low capacity in line ministries, political diversions, and difficulties in articulating clear sector strategies. It has already been noted that, according to the CSP 2010-13, government donor coordination in Georgia was traditionally weak. The June 2011 ENPI Progress Report on Georgia called on government to take on a stronger role in donor coordination. An EAMR 2011 stated that the EU Delegation expected government to play a more active role, and show increased ownership. The head of the EU delegation made similar remarks in a speech in early December 2011. The widely respected European think tank FRIDE has called on both government and donors for better coordination of aid (FRIDE, *Implementation of the European Neighborhood Policy Action Plan*, June 2011).

The EU was the first major donor to create national coordinating unit in the form of the PAO. While other donors such as the World Bank and USAID maintained Programme Management Units. Staff responsible for coordination at the AO expressed the view that the EU was a leader in promoting government ownership.

Some concerns were expressed that EUD programme officers contact ministries directly and that the EUD could do better in promoting government ownership of coordination structures and processes.

Here follow some excerpts from EAMRs that give the flavour of the difficulties encountered in getting clear signals from government:

EAMR 07/2009 on Justice sector reform:

“Co-operation with Georgia in the first half of 2009 has been better than in 2008. After the 2008 war, there seems to be a stronger desire from the Georgian side to get closer to Europe and engage in respective reforms.

By June 30, Government has developed, partly in working groups and partly by sector institutions in less participatory process, some draft strategies for sub-sectors. The remaining sections of the strategy were being finalized pending approval at the upcoming council meeting on 2 July 2009. The Governmental Interagency Council has met on 18 May to endorse 3 sub-sector strategies as well as action plan. The process has been successful in terms of policy revision to bring penal policy and juvenile justice system in line with international standards, for some sectors concern remain as of quality and transparency of the policy process (MoIA). In general sector management will need to be developed and become more sophisticated but process has achieved important results and can be a foundation for regular inclusive professional process.

In highly politicized atmosphere it was difficulty for the Government to engage in a constructive dialogue on technical issues related to Criminal Justice reform with Civil Society.”

EAMR 01/2011-06/2011 on IDPs:

“The design of the AAPs is still not need-based in all the sectors of assistance (i.e. IDPs). A more pro-active participation of the GoG could be sought in those areas where the Georgian Authorities are more reluctant to get involved.”

“With respect to the Memorandum of Understanding for the implementation of IDP assistance, recurrent risks may occur as a result of the reluctant, and therefore imperfect, following of the agreed requirements for eviction of IDPs”

“Political uncertainty leading to a change of priorities by the Georgian government could cause the revision of already made decisions. In such event, delays in

programming process and in project implementation can be expected. This risk is a recurrent one difficult to tackle”.

EAMR 01-12/2012 on political diversions:

“Implementation of co-operation continues at a good pace however during the first six months of the year the influence of the upcoming parliament elections in October can be perceived by a number of facts, starting from institutions like the Chamber of Control being assigned to perform tasks basically for political purposes or staff usually assigned to the implementation of programmes being temporarily deployed to finalise the construction of the new Parliament building in Kutaisi. The main achievement (...) is the approval of the (...) Agriculture Strategy that will allow for the implementation of the ENPARD programme as predominant action under the AAP 2012. (...) The areas of concern that were mentioned in the 2011 EAMR report still remain and even aggravated although this situation might change once the elections are held. Now, many of the Government’s actions and plans are directly linked to the elections and very few people in the Government have any other thinking in their minds at the moment. (...) The preparation of the AAP 2013 has suffered for this reason. The proposal coming from the Government lacks of clear development or AA oriented vision and the wish to have the largest part of the budget as a sector budget support related to the construction of infrastructure for IDP could not be accepted. The new proposal has been discussed many times with relevant representatives of the Government but the Prime Minister (and therefore the whole Government to the level of Deputy Minister) was removed on June 30th. At the moment the AAP 2013 is drafted but not approved from their side. (...) Implementation of co-operation continues at a good pace however during the reporting period with significant impact of the parliament elections in October as well as the subsequent transition of power. These developments had a significant bearing on the contracting of decisions such as in the case of the SPSP IDP IV, the support to conflict settlement programme and ENPARD.”

The reporting period 2012 yielded notably the adoption of the GoG strategy for the agricultural sector being in itself a pre-condition for the ENPARD - SBS on Agriculture under the AAP 2012. Further to the adoption of the strategy the Delegation is actively promoting the adoption of a related action plan comprising timed and costed actions in compliance with the strategy. As to the PFM sector, there is no overarching sectorial strategy for the entirety of the concerned stakeholders, as the Parliament of Georgia represents a distinct constitutional institution. However, the present strategy covers the issues being tackled under the present PFM II SBS. As to the preparation of the upcoming PFPR SBS under AAP 2013 the Delegation has launched a dialogue with the MoF on the need to update the PFM sector strategy and the latter is on the work plan of the MoF.

PFM was an example of a sector where, despite the existence of a Steering committee as a venue for coordination, government (in this case, MoF) leadership was difficult to find. Identification fiche of PFM support phase II (dated August 2009):

“Sector and donor coordination is critically needed for driving the reform programme of the PFM system. However, no institutionalised mechanism yet is operating under the leadership of the GoG. Donors are systematically meeting with the GoG, using the respective Steering Committee for the implementation of the provided assistance to move forward the PFM reforms. Discussions and consultations are ongoing with the GoG and other donors (WB, Dutch Embassy, SIDA and GTZ) on the possibility of creating a joint mechanism to improve the policy dialogue between the GoG and at least the donors closely supporting these reforms.”

However, there were examples of reasonably good display of government leadership. Government was deeply involved in the Criminal Justice reforms, working with the EU, as well as Civil Society and international organisations. A good example of leadership is the Interagency Coordination Council chaired by the Minister of Justice (established by the Presidential Decree in June 2007) and comprised of representatives of relevant Governmental institutions, Civil Society organisations and donors. Staff of the Secretariat of the Council was recruited and became fully operational, with the first meeting being held at the end of 2008. The EU Head of Delegation has attended some meetings. However, e.g. the PAO was,

until 2014, drastically short of capacity and, in truth, functioned exclusively on the basis of EU TA support. Government leadership of coordination was limited by the low capacity of the PAO. Despite this, aid coordination has not been a major problem in Georgia in the period covered by this evaluation.

From an early stage, as evidenced by the objectives of the Donor Framework Group, the donor approach has been insisting on government ownership. The participation of relevant government agencies in coordination mechanisms over the evaluation period is not in question, but the degree of leadership, as called for in the objectives of the Donors Framework Group, has been mixed. A number of EAMRs, ENP Progress Reports, official documents, and independent reports by CSOs with expertise have called on government to take a more decisive role. While the temptation of donors, especially the larger EU MSs to “go it alone” has also been noted, both by expert commentators (see EQ 8) and in EAMRs, it appears to be the difficulty in obtaining clear signals from government that is to blame for weaknesses in aid coordination. Some of the problem will be localised in the MoF and the State Chancellery of European and Euro-Atlantic Integration, which are principally responsible for aid coordination. EAMRs But much of the problem is also likely to lie in line ministries with weak capacity. Difficulties in arriving at firm strategies have been noted at a number of points. EAMRs also paint a picture in which government thinking is easily diverted by political developments, making consistent strategy-setting even harder. The overall weakness of government-led coordination, noted as early as the 2007-13 CSP, appears to have persisted. There is evidence of some areas in which government leadership was relatively strong, however, and justice reform appears to be one of them. These are countered by others, such as PFM, where leadership was difficult to find even though formal mechanisms for coordination existed.

Sources of information used

- EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- AAP 2007, 2011, 2012, 2013.
- FRIDE, Implementation of the ENP Action Plan, June 2011.

9.3.3 Indicator 933: Existence of a framework developed jointly by the EU and the Government to engage in policy dialogue, and the quality of its functioning

Presentation of the evidence gathered and detailed analysis

The EU supported the PAO at the Ministry of European and NATO Integration to coordinate (almost entirely) EU assistance (see especially Indicator I-932). It participated in all relevant donor coordination groups, which functioned well (see JC 92). However, no evidence has been found that the EU has been involved or consulted in the emerging coordination architecture. An exception is in Criminal Justice, where the ICC was instituted at the EU’s assistance when budget support commenced.

Frameworks developed jointly by the EU and the Government to engage in policy dialogue are customarily referred to in the action fiches of individual interventions and EAMRs and a wealth of information has been gained in the field mission and is presented in answering sector EQs. Summarising dialogue across such a wide front is not easy. The co-operation between the EU and the GoG during the evaluation period depended on the political situation in the country. Political uncertainty leading to a change of priorities by the Georgian government sometimes caused the revision of already made decisions. In 2008 co-operation with Georgia was relatively difficult and the instruments that the EU was offering were not always accepted and welcomed. Sector budget support linked to clear conditionalities did not always suit the Georgian reality, since the government did not want to engage in any kind of medium-term policy dialogue. This was partly due to low capacity for long-term strategic planning in some ministries and partly due to political factors. As previously discussed, institutional structures for dialogue concerning co-operation, for example, the 13 sector working groups, were well established, government participation was not a problem, but government ownership and leadership of the co-operation process sometimes was. Major non-co-operation dialogues – political dialogue, human rights dialogue, dialogue related to the DCTFA negotiations begun in 2010 - functioned adequately.

A sector-by-sector review results in mixed conclusions:

Criminal Justice

Policy dialogue in justice, human rights, and rule of law has been relatively satisfactory in Georgia. The EU Delegation continued its policy dialogue and projects linked to priorities listed in the EU Human Rights Strategy for Georgia 2011-2013, particularly on elections, Criminal Justice and impunity. The 5th round of the human rights dialogue with Georgia took place in June 2012 and covered issues related to elections, media freedom, accountability of law enforcers and labour issues connected to trade. The dialogue was preceded by an EU-Georgia Civil Society seminar organised by the EUD centred on justice and labour reforms.

PFM

Dialogue processes, and results, were sometimes lacklustre. Despite continuous dialogue between the EU Delegation and the MoF on PFM, the latter was sometimes apparently disinterested and displayed little sense of ownership. EAMR 2009 on PFM:

“Lack of constructive dialogue with the Ministry of Finance on the PFM reform has seriously compromised the smooth implementation of the EC SPSP PFM reform programme in Georgia. Both the EC and the WB- SIDA- DFID – Dutch Government programmes have suffered from a swift of focus in the MoF policy directions, from PFM reform to Financial and Management.

Although the PFM conditions are linked to the ENP AP, it seems that the PFM reforms are not anymore high in the Government political agenda. Changes in the Cabinet of Ministries make hope that more attention will be paid both to dialogue with the donors and to the PFM reform programme.”

Agriculture, Rural and regional development

Agriculture was a stand-out success because persistent EU pressure in policy dialogue to place greater emphasis on rural poverty and regional disparities resulted in the Agriculture and Regional development strategies and in the initiation of ENPARD budget support in 2012. ITA from the EU played a major role. The ENPARD in Georgia aims to support the implementation of the above mentioned sector strategy. The following extracts provide some examples from the EAMRs on frameworks developed jointly by the EU and the GoG:

“In February 2012 the Government of Georgia finalized its Agriculture Sector Strategy (2012/2020), which was produced by the Ministry of Agriculture (MoA) in consultation with line agencies, donors and other stakeholders and reviewed by the Prime Minister Office.”(2012)

“In February 2012 the Government of Georgia finalized its Agriculture Sector Strategy, in close policy dialogue with the EUD. This policy dialogue was instrumental for the inclusion, in the strategy, of the small farmers' co-operation concept (i.e. cooperatives) and the notion of State-led capacity building and extension services for small farmers. The approval of the strategy was one of the requirements for the EU to sign a SPSP on Agriculture with Georgia (EUR 40 M). Currently the Government is preparing the strategy's action plan, which shall be finished by Oct 2012.”(2012)

“During 2011, and largely thanks to the advocacy efforts conducted by the EUD, Agriculture has become a top priority in the governmental policies (e.g. substantial budget increases and preparation of a sector wide-strategy). Additionally in the context of the sector policy dialogue promoted by the EUD, the Parliament has started drafting legislation on small farmers' co-operatives. Following the EU's recommendations, Georgia has substantially enhanced its food safety standards in 2011, and inspections have started across all food sectors.”(2011)

IDPs

As described in detail in answering EQ 5, policy dialogue with the MRA regarding IDPs was often frustrating due to problems that ran the gamut: the low capacity of this Ministry, frequent changing of Ministers, lack of comprehension of budget support conditionality among senior staff, the fact that budget support funds passed directly to the MDF, the Ministry's relatively limited influence across the GoG system, or lack real interest in changing focus away from

housing. The EU raised the profile of durable housing solutions and sustainable livelihoods, and although on livelihoods recently there has been some progress results have been less than hoped for. IDPs strategy sometimes displayed no alignment with longer-term strategies for economic development and association, an issue raised also under EQ 8. In June 2012, the government adopted the IDP Action Plan 2012-2014 for the implementation of the strategy on IDPs, a step forward and one in which the EU and other donors were able to exercise some degree of influence. Yet progress on issues such as moving from the Livelihood Strategy to the Action Plan and resultant Actions proved frustrating.

Conflict Resolution and Confidence Building

Despite the lack of progress in the Geneva talks, the new government in Georgia has made some positive steps to enable a more effective engagement with the breakaway territories, such as the expressed readiness to engage in direct dialogue with the de facto authorities, the already initiated bilateral discussions with the Russian Federation, and the potential change of name of the currently denominated State Ministry for Reintegration (to avoid mentioning the controversial term of "reintegration"). The EU remained committed to strengthening sustainable and stabilising solutions by engaging in constructive dialogue across the conflict divide in Georgia. The challenge for the EU was to adhere to its strict interpretation of non-recognition of the breakaway regions while remaining engaged with them and at the same time keeping on board a number of EU member-states who also had different opinions on what the EU's engagement should be. It was relatively successful in doing this in Abkhazia while at the same time not souring or significantly antagonising its relationship with the GoG, a not inconsiderable feat given the sensitivities of engaging with Georgia.

Yet representatives of both the national international communities interviewed during the field phase questioned whether the EU had been robust enough in its dialogue. As discussed under EQ 6, opportunities to push forward with people-centred development actions in Abkhazia may have been missed. This would have required engagement at a GoG level higher than the State Ministry of Reintegration.

The involvement of CSOs in policy dialogue with the EU and government has increased markedly over the evaluation period (see EQ 4); with the new government generally felt to be more willing to engage with Civil Society (although many interviewed during the field mission questioned how long this will last). As the increased involvement of CSOs in programming the 2010-13 NIP, has been described under EQ 8. The structured "trialogue" between EU, CSOs, and government organised in the months previous to and after the landmark October 2012 elections served an arguably unique role in legitimating the election and subsequent transition. As documented in answering sector EQs, Civil Society had growing influence in policy areas such as justice, PFM, Agriculture, and IDPs.

Sources of information used

- EAMR Reports 2007, 2008, 2009, 2010, 2011, 2012.
- AAP 2007, 2011, 2012, 2013.

9.3.4 Other issues

Regional programmes and cross-border programmes

The focal sectors covered by this evaluation do not benefit much from regional and cross border co-operation – with the possible exception of Civil Society, where quite a few NGOs and municipalities have benefitted from Black Sea cross-border co-operation in culture, tourism, and management. Major regional programmes include Traceca in transport and Inogate in energy. Nothing found in the desk and field phase would indicate that there is close coordination of these programmes with the bilateral co-operation programme.

Dialogue structure

Most of the above deals with dialogue within the context of the co-operation programme. This consists of bilateral dialogue on policy reforms supported by EU financed interventions (NIP) and wider exchanges on development co-operation between GoG, development partners and relevant national sector stakeholders. It includes, as well, dialogue on specific thematic issues.

Other thematic dialogues exist, e.g. the Rule of Law Roundtable established by the EU Delegation in 2008 and the Election Technical Working Group co-chaired by the EU Delegation and UNDP since 2008, and the dialogue on Integrated Water Resources Management in the view of implementing EU Water Framework Directive principles. Dialogue with the Civil Society in the wider context of the EaP has been made possible, in part, by institution of the National Platform of the EaP Civil Society Form. Closely related is the human rights dialogue, initiated in 2008 and carried out through fora and round tables. The 5th round of the human rights dialogue with Georgia took place in June 2012 and covered issues related to elections, media freedom, accountability of law enforcers and labour issues connected to trade. The dialogue was preceded by an EU-Georgia Civil Society seminar organised by the Delegation focusing on justice and labour reforms.

It is important to place these co-operation dialogues in the larger context of higher-level dialogue, which mainly takes place in two specific contexts, with, in each case, a strong underlying regional dimension:

- Dialogue around the Approximation agenda via the Partnership and Co-operation Agreement (PCA) since 1999 which evolved into an Association Agreement (AA) in 2014. The Partnership and Co-operation Agreement (PCA) devotes a special chapter to political dialogue. The joint institutional mechanisms set up under the PCA monitor proper implementation of commitments undertaken by the governments and discuss country's progress achieved in reform related issues. The major political institutions consist of the Co-operation Council which meets either once or twice per year and consists of the following Sub-Committees: 1) Trade, Economic and related legal issues; 2) Justice, Freedom and Security (JLS); 3) Transport, Environment and Energy; 4) Social Affairs, Public Health, Training, Education and Youth, Culture, Information Society, Audiovisual, Science and Technology. In addition, the Parliamentary Co-operation Committee (as provided in the PCAs), acts as an open forum for debate on issues of common interest. The same Committees are set up with Armenia and Azerbaijan. Until 2009, the EU Troika was held regular meetings with the Georgian side, at senior official and expert level, to discuss developments of the EU-Georgia co-operation.
- Dialogue on security and stability within the wider framework of the EU Common Security and Defence Policy, especially since the 2008 crisis. Following the crisis 2008, the EU participated in policy dialogue aimed at stabilising the situation in the region e.g. through the establishment of a mediation forum aimed at security and stability in the South Caucasus. Thus in October 2008, an international mediation process - the Geneva talks - started over the Abkhaz and South Ossetian conflicts and involved the EU, the OSCE, the UN, the US, conflict parties (Georgia and Russia) and officials from Abkhazia and South Ossetia. As a consequence of the crisis, the European Union Monitoring Mission in Georgia (EUMM) conducted under the EU Common Security and Defence Policy (CSDP) was established with a main objective to foster confidence between parties, faced with a changing environment. The EUMM was one of the key actors to gather all parties around a table for Abkhazia and South Ossetia respectively. Finally, the appointed EU Special Representative (EUSR) played a crucial role in enhancing the EU's political dialogue, contributing to the partnership and encouraging regional co-operation, as well as, contributing to a peaceful settlement of conflicts in the region, including the crisis in Georgia (and the Nagorno-Karabakh conflict).

This dialogue structure, and the relationship between the large number of actors involved, is clearly complicated and it is not apparent that the various dialogues are strongly aligned, sequenced, and coordinated. In the area of Conflict Resolution and Confidence Building, one of the findings of EQ 6 was that the functions and activities of the EUD, EUMM, and EUSR were not clearly defined and that communication was ad hoc rather than institutionalised. In the area of PFM, weaknesses of coordination were found at the Brussels level, as various DGs with government dialogues in the area do not necessarily share information effectively. The dialogue structure is also described in Annex 7 (Volume III).