



Association agreement between the EU and Georgia

European
Implementation
Assessment
(update)

STUDY

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In November 2021, the European Parliament's Committee on Foreign Affairs (AFET) requested an own-initiative annual report on the implementation of the association agreement between the EU and Georgia ([2021/2236\(INI\)](#)).

[Sven Mikser](#) (S&D, Estonia) is the appointed rapporteur.

The Ex-Post Evaluation Unit (EVAL) within the European Parliamentary Research Service (EPRS) has prepared this European implementation assessment (EIA) to accompany the scrutiny work of AFET.

This EIA is an update of the [European implementation assessment on the association agreement between the EU and Georgia](#) prepared by the EPRS in April 2020.

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Executive summary

Part I of this study serves as an introduction, providing background on the Association Agreement (AA) between the European Union (EU) and Georgia – and presenting the main findings and recommendations deriving from the high-level EU meetings and reports on the implementation of the agreement – and on the situation in Georgia. It also provides an overview of past and future EU programmes benefiting Georgia, which aim to support progress on the AA and are conditional on the fulfilment of the provisions stated in the agreement.

It finds that structures for political dialogue in the AA and the EU's Eastern Partnership (EaP) have shown their resilience during the Covid-19 pandemic. This dialogue has provided an opportunity for the EU to express its general support for the reform process, and also to raise specific concerns about issues such as justice reform and the protection of minorities. Part I further shows that most reports by international organisations, covering 2020, remain broadly positive – something that could change in future updates covering 2021. Finally, this introduction provides an estimate of the financial support provided by the EU to support reform and investment in Georgia. Future support is earmarked for economic and infrastructure investments, but the EU – through the negotiations on macro-financial support and the cooperation and development funds – has also shown its attachment to progress on fundamentals such as the rule of law and the independence of the judiciary.

Part II evaluates the implementation of the EU-Georgia AA, from the time of the previous report in April 2020 to this publication. The paper focuses particularly on: i) the fight against corruption, ii) the reform of the judiciary, iii) decentralisation, and iv) human rights and fundamental freedoms. The final section provides recommendations to the EU on possible future steps to improve the implementation of the agreement.

The paper finds that, in a context of sharp political polarisation, the situation in the country has deteriorated when it comes to democratic reforms, with the detention of high-profile opposition leaders, the lack of an effective investigation into the violent incidents in June 2019 and July 2021, and the abolition of the State Inspector's Service. Other reforms, such as decentralisation or the fight against corruption, have continued to slow down in their execution. While previous reforms have allowed the emergence of a relatively pluralistic media landscape, the paper finds that it has recently fallen victim to the current polarisation, and that journalists are now faced with more difficult working conditions. Positive developments are noted on gender issues, with measures aiming to prevent violence against women and improve gender equality at work; equally, the Code on the Rights of the Child is a major step forward. The report also notes good progress on security and foreign policy and on the legal approximation work needed to reap the benefits of the DCFTA.

In comparison to previous editions of this EIA, this study presents a more nuanced picture of the state of EU-Georgia relations. Georgia has kept working on the implementation of the ambitious AA, which is estimated to cover around 70 % of the EU acquis, and the EU has welcomed the country's progress on its 'European path', including in the challenging Covid-19 context. Nevertheless, there has been a series of concerning developments in areas such as reform of the judiciary, democracy and pluralism, and protection of minorities. This study suggests that these developments have brought the EU and Georgia to a critical moment in their relationship.

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Table of frequently used abbreviations and acronyms

AA	Association agreement
AFET	Committee on Foreign Affairs of the European Parliament
CBC	Cross-border cooperation
Commission	European Commission
Council	Council of the European Union
CSDP	EU common security and defence policy
CSP	Civil society platform
DCFTA	Deep and comprehensive free trade area
DG	Directorate-general
EaP	Eastern Partnership
EEA	European Economic Area
EEAS	European External Action Service
EIA	European implementation assessment
EFSD+	European Fund for Sustainable Development Plus
ENI	European Neighbourhood Instrument
ENP	European neighbourhood policy
EP	European Parliament
EPRS	European Parliamentary Research Service
EU	European Union
GDP	Gross domestic product
HR/VP	High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the European Commission (HR/VP)
IMF	International Monetary Fund
MFA	Macro-financial assistance
Moldova	Republic of Moldova
NATO	North Atlantic Treaty Organization
NDICI	Neighbourhood, Development and International Cooperation Instrument
OSCE	Organization for Security and Co-operation in Europe
PAC	Parliamentary Association Committee
Parliament	European Parliament
SMEs	Small and medium-sized enterprises

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PART I. IN-HOUSE OPENING ANALYSIS

1. Introduction

1.1. EU-Georgia association agreement

In June 2014, as was the case with Ukraine and Moldova, the EU and Georgia signed an [association agreement \(AA\)](#); this included a [deep and comprehensive free trade area \(DCFTA\) agreement](#) and entered into force in July 2016. These agreements set the foundation for Georgia's political association and economic integration with the EU, and aim to foster positive developments in the fields of democracy and the rule of law, human rights, good governance and economic development. Some [key aims of the AA](#) are to:

- promote political association and economic integration, including by increasing Georgia's participation in EU policies, programmes and agencies;
- provide a stronger base for political dialogue, allowing the development of close political relations between the EU and Georgia;
- contribute to the strengthening of democracy and to political, economic and institutional stability in Georgia, as well as regionally and internationally;
- enhance cooperation between the EU and Georgia on freedom, security and justice, with the aim of reinforcing the rule of law and respect for human rights and fundamental freedoms;
- support Georgia's efforts to develop its economic potential through international cooperation, including aligning its laws more closely with those of the EU;
- achieve Georgia's gradual economic integration into the EU's internal market, in particular through establishing a deep and comprehensive free trade area.

The AA is an outcome of the EU's [European neighbourhood policy \(ENP\)](#), an important part of the EU's foreign policy, of which Georgia is one of 16 partner countries. The ENP seeks to enhance the prosperity, stability and security of an enlarged EU and its neighbours. The subsequent launch of the EU's [Eastern Partnership \(EaP\)](#) in 2009, which includes Georgia, further extended cooperation and highlighted the importance of the region (see Section 1.2).

Figure 1 – Georgia's geographical position



Source: EPRS, [Normandy Index](#).

The AA introduced a preferential trade regime – [the DCFTA](#) – that increased market access between the EU and Georgia, particularly by focusing on having better-matched regulations. The DCFTA has provisionally applied since 2014 and entered into full effect in July 2016. It eliminates the majority of tariffs on trade in goods and reduces non-tariff barriers to trade in goods, services and investment.

As per [its constitution](#), Georgia has the goal of 'full integration' into the EU and NATO. In December 2020, the Georgian parliament unanimously [adopted a resolution](#) that set applying for EU membership in 2024 as a foreign policy priority. However, on 3 March 2022, amid the Russian invasion of Ukraine, Georgia [submitted](#) its application to become a member of the EU. The EU has [not declared](#) its position on EU membership prospects for Georgia and other EaP countries, among which Georgia [is widely considered a frontrunner](#) when it comes to democratic reforms.

In a [poll conducted in 2021](#), 85 % of the population surveyed in Georgia considered that the current state of relations between the EU and the country was 'good' (the best possible answer in the survey), 67 % fully supported Georgia joining the EU, and 78 % expressed support for Georgia joining NATO – percentages which had grown since 2019. Also, according to the same poll, in 2021 70 % of respondents felt that there was still ongoing aggression by Russia towards Georgia.

The 2021 EU [Association Implementation Report](#) stated that Georgia 'remained committed to the implementation, obligations and undertakings of the AA, despite COVID-19 related challenges'. Alignment with the EU acquis and with European standards on human rights had broadly continued. Nevertheless, it found that a proven commitment to reform, in terms of consolidating democracy and reforming the judiciary, would be fundamental to further advances on Georgia's 'European path'.

The report also noted that, throughout the course of 2021, it would be important to implement the fourth wave of judicial reforms and continue to uphold the highest standards of ethics and integrity in the judiciary. In this respect, the 2021 report noted that it would be important to bring the selection procedure for Supreme Court judges into line with European standards as soon as possible, and that no further Supreme Court judges should be appointed based on the legal framework present at the time the 2021 Association Implementation Report was published.

The report called on Georgia to proactively address the high number of unfounded asylum applications, in close cooperation with the Commission and EU Member States, to ensure effective implementation of the Law on the Rules and Procedures for Georgian Citizens exiting and entering Georgia. Finally, the report stated it would be crucial to ensure an inclusive, green and sustainable recovery from the Covid-19 crisis and to make further progress on digitalisation and digital literacy. The EU 2022 Association Implementation Report, evaluating the extent to which these points have been addressed, is expected early this year.

In 2021, the EU remained Georgia's largest trading partner, representing around 23 % of Georgia's foreign trade. The key EU imports from Georgia include mineral products, agricultural products, base metals and chemical products. The EU [imported goods](#) to the value of €763 million from Georgia in 2020, an increase from €655 million in 2019.

The [EU has remained supportive](#) of Georgia's sovereignty and territorial integrity within its internationally recognised borders. This support includes continuing the efforts of the EU Special Representative, Mr Toivo Klaar, its engagement as co-chair in the Geneva International Discussions, and the continued presence on the ground of the EU Monitoring Mission for over 12 years.

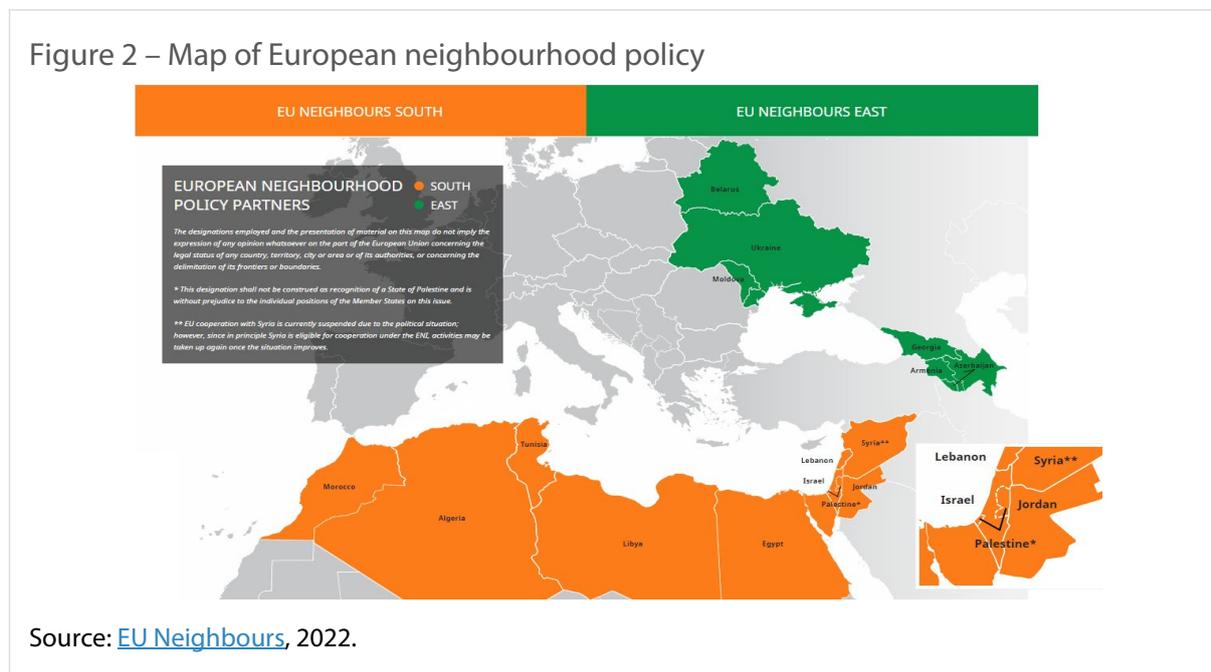
1.2. Georgia in EU neighbourhood relations

As mentioned, EU relations with Georgia are framed within the [European neighbourhood policy](#) (ENP), which also forms the basis for EU financial support instruments. The ENP's political priorities are being further detailed and shared through sub-regional political forums such as the Eastern Partnership (EaP).

1.2.1. The EU neighbourhood policy

The ENP is an EU policy that establishes a special status for 16 of the EU's closest neighbouring countries. These are countries which currently do not have EU candidate status and are not part of the European Economic Area (EEA). The ENP was launched in 2004 in the context of the EU enlargement that redefined the EU's eastern borders.

Figure 2 – Map of European neighbourhood policy



The ENP aims to create a belt of stability, peace and prosperity around the EU by deepening political and economic ties with the countries concerned and to support reforms that are in line with the EU's values of democracy, the rule of law and human rights.

To take into account the many geopolitical changes – such as the Arab Spring, the Russian military incursion in eastern Ukraine and Crimea, the civil wars in Libya and Syria and the resulting refugee crisis – the Commission and the EEAS issued a [joint communication](#) defining a revised ENP in 2015.

The revised ENP introduced more flexibility in the approach to partner countries, with the possibility to differentiate and intensify cooperation with certain partners, recognising that not all countries have the same aspirations towards the EU. It also seeks to reinforce ownership by the partner countries, with increased focus on policy dialogue.

The Commission and the EEAS are jointly responsible for the management of the ENP and its related funding instruments, in support of which they promote both regional and bilateral political and policy dialogues. The Commission and the EEAS also prepare action plans or association agendas that contain jointly agreed cooperation priorities. Most ENP countries have concluded an AA with the EU, which is the closest form of cooperation beyond the enlargement policy framework; Georgia signed an AA, including a DCFTA, with the EU in 2014.

1.2.2. The Eastern Partnership

Regional and sub-regional cooperation are core principles supported by the ENP. During the Prague Summit of May 2009 – in parallel to the creation of the Union for the Mediterranean – the EU and its Member States, as well as Armenia, Azerbaijan, Belarus¹, Georgia, Moldova and Ukraine, jointly launched the [Eastern Partnership](#) (EaP). The EaP is a joint initiative that defines joint priorities, aligned with international commitments, the ENP, and national priorities. Ongoing sectoral policy dialogues feed into the organisation of regular partnership summits.

In this context, the fifth EaP Summit, in November 2017, was an important milestone. It featured the adoption of a common reform agenda, '[20 Deliverables for 2020](#)', the progress of which has been monitored on an annual basis. The Commission's [2020 monitoring report](#) found substantial progress in all key areas, and notably when it comes to economic cooperation, connectivity and society.²

In 2019, in preparation for the tenth anniversary of the partnership, the Commission published a [factsheet](#) outlining the top 10 achievements of the EaP over the past 10 years. For Georgia, one of the main points outlined was a 35 % increase in the number of companies exporting to the EU.

In 2019, consultations began on the EaP's priorities for the post-2020 era. In this context, a joint communication, '[Eastern Partnership policy beyond 2020: Reinforcing Resilience – an Eastern Partnership that delivers for all](#)', was issued on 18 March 2020. This communication is at the same level as the 2015 joint communication on the renewed ENP, thereby updating (albeit not replacing) the ENP in the region.

The communication received the support of the Council of the EU ([Council Conclusions on the Eastern Partnership policy beyond 2020](#)) on 11 May 2020.

Figure 3 – The Eastern Partnership



Source: [The Eastern Partnership](#), Council of the EU, 2021.

¹ On 28 June 2021, Belarus suspended its participation in the EaP.

² See A. Zygierewicz, [Association agreements between the EU and Georgia: European Implementation Assessment \(update\)](#), EPRS, April 2020, pp.14-15.

The joint communication was also welcomed by the European Parliament in its [resolution](#) on the future of the EaP on 19 June 2020. The resolution insisted on reinforcing the EaP dialogue and continuing the agreed reform processes in partner countries. It recognised that partner countries have different levels of EU aspirations, and that ties should be deepened with countries that are already engaged in AAs and DCFTAs. At the same time, it emphasised the importance of maintaining regional cohesion and the momentum of the EaP. In the resolution, Parliament also recalled that 'maintaining a long-term European perspective for the interested countries in the EaP is a catalyst for democratisation and further reforms in the EaP countries'.

On 2 July 2021, the Commission and EEAS issued a joint staff working document (SWD), entitled '[Recovery, resilience and reform - post 2020 Eastern Partnership priorities](#)', that built upon their 2020 joint communication by defining an EaP economic and investment plan with national flagship initiatives. This latest document also includes the top targets envisioned for 2025, as well as a proposal to adapt the architecture of the EaP.

The economic and investment plan outlined in this SWD promised to mobilise up to €2.3 billion from the EU budget in grants, blending and guarantees, with the idea of leveraging up to €17 billion in total investments to support post-pandemic recovery and foster resilience and sustainability in the EaP economies. It is not specified what portion of the €2.3 billion plan is earmarked for Georgia, but €1.5 billion was allocated to Ukraine, [according to the Commission](#).

This economic and investment plan repackages funds committed through the existing and future neighbourhood funds, notably the Global Europe instrument (see Section 6.2). It hopes to achieve even more leverage by reinforcing the so-called 'Team Europe' approaches, where efforts are made to coordinate investments with those of EU Member States, their development agencies, private investors and any other relevant party.

Compared to previous initiatives, in thematic terms this new plan reinforces the focus on infrastructure investment and digital transition. In terms of tools, when compared to more traditional blending instruments, it increases the use of guarantees.

The economic and investment plan identified [five flagship initiatives](#) for each EaP partner country. For Georgia, these are:

- Flagship 1: Black Sea Connectivity – Deploying a submarine electricity cable and fibre optic cable. With the leverage effect, it is estimated that this will raise a total of €25 million of investment.
- Flagship 2: Transport across the Black Sea – Improving physical connections between Georgia and the EU. Total investment estimated at up to €100 million.
- Flagship 3: Economic Recovery – Supporting 80 000 SMEs to reap the full benefits of the DCFTA. Total investment estimated at up to €600 million.

Post-2020 priorities

As defined in the annex to the Joint Declaration of the EaP Summit:

- together for accountable institutions, the rule of law and security;
- together for resilient, gender-equal, fair and inclusive societies;
- strategic communication;
- together for resilient, sustainable and integrated economies;
- together for environmental and climate resilience;
- together for a resilient digital transformation;

Source: [Joint Declaration of the Eastern Partnership Summit](#), 15 December 2021.

- Flagship 4: Digital Connectivity for Citizens – Developing high-speed broadband infrastructure for 1 000 rural settlements. Total investment estimated at up to €350 million.
- Flagship 5: Improved Air Quality – Helping over 1 million people in Tbilisi breathe cleaner air. Total investment estimated at up to €100 million.

The economic investment plan was discussed and supported by EaP partners at the sixth EaP Summit, held in Brussels on 15 December 2021. The summit [declaration](#) welcomed the EU assistance part of Team Europe's Covid-19 global response. It also welcomed the agreements with Armenia, Georgia, the Republic of Moldova and Ukraine on their association with the Horizon Europe research and innovation fund for 2021-2027 (see Section 6.4).

2. Georgia in selected comparative regional statistics

Table 1 – Selected data on Georgia, Moldova and Ukraine

		Georgia	Moldova	Ukraine*
Flag				
Capital		Tbilisi	Chisinau	Kyiv
Area (sq. km, rounded)		69 700	33 800	603 000
Population (million)	2020	3.7	3.5	41.7
	2008	4.4	3.6	46.2
GDP growth (%)	2020	-6.6	-6.9	-3.3
	2018	4.8	3.4	3.9
Households with internet access (%)	2019	79	61	66
	2017	71	51	60
Unemployment rate, ages 15-24 (%)	2019	30.4	10.4	15.4
	2017	28.9	11.8	18.9
Unemployment rate, ages 15-74 (%)	2020	12.1	4.7	9.5
	2017	13.9	4.1	9.5
Democracy Index (rank out of 167)	2018	89	79	84
	2019	89	83	78
Corruption Perceptions Index (rank out of 180)	2021	55	105	122
	2019	44	120	126
Global Gender Gap Index (rank out of 144)	2020	74	23	59
	2017	94	30	61
World Press Freedom Index (rank out of 180)	2021	60	89	97
	2019	60	91	102
Young people with tertiary education degree, ages 30-34 2019 (%)	Female	46.1	38.5	70.8
	Male	36.3	23.7	54.4
Normandy Index 2021 (rank out of 137)		34	47	117
Freedom House democracy scores 2021 (1 – most democratic, 7 – least democratic)		3.18	3.11	3.36

Source: A. Zygierewicz, [Association agreement between the EU and Georgia – European Implementation Assessment \(update\)](#), EPRS, April 2020; other sources (links to the sources provided in the table).

* Excluding the territories that are outside the effective control of the Ukrainian government and the illegally annexed Autonomous Republic of Crimea and city of Sevastopol.

3. Monitoring and evaluating the implementation of the EU-Georgia AA

3.1. Bodies established for monitoring and evaluation

The EU monitors and evaluates the application and implementation of the EU-Georgia AA in accordance with [its provisions](#). The institutional framework chapters of the AA specify the establishment and functioning of four bodies: an association council, an association committee, a parliamentary association committee, and a civil society platform (Articles 403-431 of the EU-Georgia AA). Their roles [are as follows](#):

- The association council's main role is to supervise and monitor the application and implementation of the AA, and review the functioning of the AA in light of its objectives.
 - The association council meets at ministerial level at least once a year.
 - The association council examines any major issues arising within the framework of the AA and any other bilateral or international issues of mutual interest.
- The association committee assists the association council in performing its duties. In principle, it should be composed of senior civil servants from the EU and Georgia.
- The parliamentary association committee (PAC) consists of representatives of the European Parliament and the Georgian parliament. It is a forum for the members of the two parliaments to meet and to exchange views.
 - The PAC establishes its own rules of procedure, according to which it convenes twice a year – alternately, at the premises of the European Parliament and the Georgian parliament.
- The civil society platform's (CSP) purpose is to promote regular meetings of civil society representatives from both sides of the AA. The CSP includes civil society representatives from the EU, including members of the European Economic and Social Committee, and representatives of Georgian civil society.
 - The CSP establishes its own rules of procedure and must be informed of the decisions and recommendations of the association council, as it may make recommendations to the council.
 - The association committee and the PAC are in regular contact with CSP representatives to obtain their views on whether the AA's objectives are being achieved.

The findings of the EU, resulting from its monitoring and evaluation of how the AA is being applied and implemented, are summarised in the following section.³

3.2. Monitoring, evaluation, reports and meetings – latest developments

EU annual report on human rights and democracy in the world, June 2021

In June 2021, the European Commission [published](#) the EU annual report on human rights and democracy in the world for 2020, together with country updates. The report found that, in 2020, Georgia continued to implement the AA, including its extensive commitments in the areas of democracy, human rights and the rule of law.

³ Based on A. Zygierewicz, [Association agreements between the EU and Georgia: European Implementation Assessment \(update\)](#), EPRS, April 2020.

Parliamentary elections took place on 31 October and 21 November 2020. Opposition parties contested the election results and boycotted the new parliament, and the political crisis was still not resolved by the end of 2020. According to the report, human rights and fundamental freedoms were generally respected and limitations due to the pandemic were assessed as proportionate. Challenges remain with regard to the consolidation of democracy, independence and impartiality of the judiciary, the rights of persons belonging to ethnic and religious minorities, and the rights of persons with disabilities.

The report also noted that, at its 43rd session in March 2020, the United Nations (UN) Human Rights Council voted to adopt a recurrent resolution presented by Georgia under item 10 on 'Technical assistance and cooperation'. The resolutions requested the UN High Commissioner for Human Rights to provide technical assistance to Georgia and report to the Human Rights Council on its implementation. On 3 September 2020, the UN General Assembly voted to adopt the Georgian resolution on 'Status of internally displaced persons and refugees from Abkhazia, Georgia and Tskhinvali region/South Ossetia, Georgia'.

South Ossetia and Abkhazia

The EU and Georgian separatist territories

South Ossetia and Abkhazia have resisted Georgian government control ever since the country became independent. In 2008, conflicts between Georgian and South Ossetian forces escalated to a war in which Russia intervened on the side of the separatists. The EU does not recognise Abkhazia and South Ossetia as independent states, and it has repeatedly declared its support for the territorial integrity of Georgia within its internationally recognised borders.

Source: M. Russell, [Georgia's bumpy road to democracy](#), EPRS, 2021.

Association council meeting, March 2021

The sixth meeting of the [association council](#) to review the state of EU-Georgia bilateral relations was held on 16 March 2021. The council took note of the [2021 Association Implementation Report](#) on Georgia and assessed the state of EU-Georgia relations since the last association council [in March 2019](#). Among the subjects mentioned, it was noted that the elections of 31 October and 21 November 2020 were competitive and that fundamental freedoms had been respected. There was agreement on the importance of addressing all recommendations related to the shortcomings identified by international observers.

The council [welcomed Georgia's progress](#) on its European path, including in the challenging Covid-19 context. However, it drew attention to the worsening of political polarisation in Georgia, and the EU called for a resolution to the ongoing situation. It was agreed that it would be vital for all actors to continue working, through the EU-supported mediation process, to find a resolution to Georgia's political crisis. The further work needed to strengthen democratic institutions, consolidate pluralistic democracy and advance reforms was also highlighted.

On the rule of law, the progress made in implementing reforms [was welcomed](#), despite it being recognised that work must be continued, particularly on strengthening the independence and accountability of the judiciary and bringing the appointment process for Supreme Court judges into line with European standards. Equally, the council welcomed progress in implementing Georgia's human rights strategy and action plan, as well as the important work of the Human Rights Protection Department of the Ministry of Internal Affairs. The EU expressed its continued commitment to assisting Georgia with these aspects.

The council recalled some of the subjects that had been addressed at the previous meeting in 2019, such as the advantages brought by short-term visa-free travel to Schengen countries. The EU encouraged Georgia to enhance cooperation with EU Member States to counter irregular migration and organised crime. [Both sides welcomed](#) a renewed working arrangement signed between

Georgia and the European Border and Coast Guard Agency (Frontex), as well as Georgia's acquisition of observer status in the European Migration Network.

On the international front, [the council reiterated](#) Georgia's strategic role in the field of energy, transport and connectivity, and increasingly as a transportation and logistics hub in the region. It also reiterated Georgia's key role as a partner for European energy security, and stressed the country's transit role for Caspian hydrocarbon resources to reach European markets, notably via the Southern Gas Corridor and through the Black Sea.

The EU reiterated its firm support for the sovereignty and territorial integrity of Georgia within its internationally recognised borders, and stressed the critical importance of the Geneva International Discussions for addressing and resolving the challenges stemming from the conflict between Russia and Georgia in 2008. Concerns were expressed about the signing of a so-called programme on the creation of a common socio-economic space between Russia and the Georgian region of Abkhazia, as well as other steps that further undermine Georgia's sovereignty and territorial integrity.

Figure 4 – Georgia's separatist territories and borders



Source: [EPRS](#), 2021.

Meeting of the civil society platform, June 2021

On 30 June 2021, the [seventh meeting of the CSP](#) took place in Tbilisi and via videoconference, in which the members discussed the state of play regarding the implementation of the AA. A debate was held with government officials and parliament representatives on the results and state of implementation of the agreement of 19 April between political forces in Georgia and on the impact of Covid-19 on progress in implementing the AA. The CSP also discussed the state of the judicial reform process, as well as health matters in connection with the Covid-19 pandemic, including mental health and health services for the most vulnerable.

EU-Georgia annual human rights dialogue, July 2021

The EU and Georgia held the [fourteenth round](#) of their annual human rights dialogue by videoconference on 6 July 2021. The parties recalled their commitment to the universality and indivisibility of human rights for all, without distinction of any kind, including on grounds of sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, property, birth, disability, age, sexual orientation and gender identity. They jointly condemned the violent attacks against civil activists, community members and journalists on 5 July 2021 in Tbilisi, which forced the cancellation of the LGBTIQ Pride March. The EU and Georgia took note of Georgia's confirmation that it had launched investigations into the violent attacks and that these investigations were ongoing. They also discussed the importance of making further efforts to address hate speech, incitement to hatred, and intolerance.

The sovereignty and territorial integrity of Georgia was also discussed, with both the EU and Georgia expressing concerns about the dire human rights situation in the Georgian regions of Abkhazia and Tskhinvali region/South Ossetia, especially with regard to arbitrary detentions, restrictions to the

right to freedom of movement, violation of property rights, education in one's mother tongue, and ethnic discrimination towards Georgians. The discussions also focused on the impact of the Covid-19 pandemic on the humanitarian situation and measures taken by the government of Georgia to assist the local population. The participants acknowledged the importance of mitigating measures taken on the dividing line with Abkhazia.

The EU and Georgia discussed the situation of the rights of persons belonging to minorities and civic integration processes in Georgia. The EU welcomed the elaboration of the state strategy for civic equality and integration for 2021-2030 and encouraged its effective implementation to improve the participation of persons belonging to ethnic minorities in all areas of public life and their access to services.

The EU encouraged swift adoption of the national human rights strategy and action plan for 2021-2030. The parties also agreed to continue further strengthening their good cooperation on human rights-related matters in multilateral fora, including the UN, the OSCE and the Council of Europe, and agreed on the importance of strengthening multilateralism.

High-level EU-Georgia strategic security dialogue, November 2021

The [fourth high-level EU-Georgia strategic security dialogue](#) took place on 25 November 2021 in Brussels. The meeting addressed the conflict dynamics in the Georgian regions of Abkhazia and Tskhinvali region/South Ossetia, including recent developments on the ground in relation to Russia. Both sides emphasised the important role of the EU Monitoring Mission for peace and security in Georgia, and underlined the need to implement its mandate fully. The EU expressed appreciation for Georgia's valuable contribution to the EU common security and defence policy, particularly through Georgia's participation in EU-led crisis management operations and missions in the Central African Republic and the Republic of Mali, and Georgia's role as a transit hub during the withdrawal from Afghanistan.

Eastern Partnership summit, December 2021

The leaders of the EU, the EU Member States and the EaP countries met for the [sixth Eastern Partnership summit](#) in Brussels on 15 December 2021. On this occasion, the leaders welcomed the full entry into force of the AA and DCFTA with Georgia and the two other AA countries.

Parliamentary association committee (PAC) meeting, February 2022

The European Parliament and the Parliament of Georgia held the [tenth meeting](#) of their PAC on 10 February in Brussels. Following the meeting, the chair of the delegation for relations with the South Caucasus, Marina Kaljurand, [issued a statement](#). The statement noted that support for EU integration remains 'very high' in Georgia, among the population and across party lines. The EU welcomed Georgia's commitment to harmonise legislation with the EU acquis, in line with the AA, noting a number of areas which could be subject to improvement, such as the accountability of law enforcement agencies, the independence of the judiciary, and the fight against the discrimination of vulnerable groups and minorities.

During this meeting, the EU raised concerns over the shortcomings of the 2020 legislative elections and 2021 municipal elections, as listed in the OSCE/ODIHR reports; the continued appointments of Supreme Court judges; the reform of the Common Courts; the abolition of the State Inspector's Service; and the slow progress on constitutional reform. The polarisation of the political and media landscapes was identified as a major challenge to Georgia's democratic development.

4. Texts adopted by the European Parliament

Since the publication of the [previous edition](#) of this study, the European Parliament has adopted two recommendations and three resolutions concerning Georgia:

- in June 2020, [the European Parliament issued a recommendation](#) to the Council, the Commission and the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy (HR/VP) on the EaP, in the run-up to the June 2020 Summit;
- in September 2020, [the European Parliament adopted a resolution](#) on the implementation of the EU AA with Georgia;
- in July 2021, [the European Parliament adopted a resolution on EU-NATO cooperation](#) in the context of transatlantic relations;
- in September 2021, [the European Parliament issued a recommendation](#) to the Council, the Commission and the HR/VP on the direction of EU-Russia political relations;
- in October 2021, the [European Parliament adopted a resolution](#) on the Council position on the draft general budget of the European Union for the financial year 2022.

In these adopted texts, the Parliament maintained its stance regarding the occupation of parts of the territory of Georgia and to 'borderisation' activities by Russia. The Parliament called on the Commission and the HR/VP to take action by ensuring the execution of a full mandate for the existing EU missions, including the EU Monitoring Mission in Georgia, and the mission of the EU Special Representative for the South Caucasus and the crisis in Georgia. The Parliament reiterated its firm support for Georgia's chosen path of European and Euro-Atlantic integration, and acknowledged the progress in implementing comprehensive reforms which have made Georgia a key partner of the EU in the region. In these texts, it was also recalled that enhanced cooperation and EU assistance are conditional on continued progress with reforms, particularly on democracy and the rule of law, including institutional checks and balances, the independence of the judiciary and electoral reform.

The Parliament also emphasised the important role that the EU can play in supporting NATO's open door policy by maintaining close political and operational synergies with its aspirant countries, including Georgia. The Parliament called on the EU and NATO to leverage and expand current engagements to counter Russia's direct and indirect aggressions and activities against the AA countries – Ukraine, Georgia and Moldova.

The importance of acknowledging cybersecurity as one of the areas where the EU and the EaP countries – including Georgia – can work together more effectively was also underlined. The Parliament recommended establishing a formal cyber dialogue with interested EaP countries, to address hybrid threats more effectively and strengthen the resilience of those countries, especially following the large-scale cyberattack by the Russian Federation against Georgia in October 2019. It was the view of the Parliament, expressed in these texts, that the EU had failed to respond adequately to the various Russian aggressions since the one against Georgia in 2008.

Finally, on the draft general budget of the European Union for the financial year 2022, the Parliament underlined the key role of EU macro-financial assistance (MFA) to several countries, including Georgia (see Section 6.3).

5. Situation in Georgia according to selected reports

This section provides an update of the previous version of this report on the implementation of the AA between the EU and Georgia. It features an overview of assessments of the situation in Georgia in some of the most recent reports by international organisations. It also covers the latest relevant publications by the EPRS.

The EPRS study entitled '[Mapping threats to peace and democracy worldwide – Normandy Index 2021](#)', published in July 2021, found that Georgia performs better than the Eurasian regional average indicators, including those on crime, terrorism, violent conflict and democratic processes. According to the study, although Georgia lives with a Russian military presence in two regions (South Ossetia and Abkhazia), it ranks as the most resilient EaP country. Georgia faces a threat to its democracy, which is subject to a prolonged political crisis, resulting in allegations of vote-rigging and a boycott of parliament; nevertheless, the country still scores well on the democratic processes indicator when compared to its region.

The study also found that Georgia's economy, although hard-hit by the pandemic, remains relatively resilient. Reform in the country over the past 15 years has focused on globalising the business sector and boosting economic growth. While nearby countries – Russia, Bulgaria, Azerbaijan and Turkey – remain the main export destinations, Georgia has expanded its ties with China and has continued to develop its links with the EU through the AA and DCFTA, as well as committing itself to the NATO response force. Georgia also leads in other areas, with the highest score for cybersecurity in the Eurasian region.

In May 2021, the EPRS published a [briefing](#) on EU-Georgia relations, which noted that Georgia is often considered a frontrunner among Eastern Partnership countries. Even without any clear indication of whether or not Georgia might eventually become an EU Member State, its relations with the EU have become increasingly close. However, despite the overall positive picture and Georgia's close partnership with the EU, there are many concerns about the country's progress towards democracy and the rule of law.

An [in-depth analysis](#) published in December 2021 by the EPRS, on the EaP post-2020 agenda, analyses, among other countries, the situation in Georgia. The analysis notes that Georgian politics has become increasingly polarised, and that although international observers did not find evidence of widespread fraud, opposition parties boycotted the second round of parliamentary elections in November 2020, alleging vote-rigging in favour of the ruling party, and refused to sit in the new parliament. The parliamentary boycott ended in April 2021 following an EU-brokered deal, but the deal collapsed in July 2021. Overall, and despite current issues, the analysis finds that, from being formerly one of the most corrupt countries in the world, Georgia has made good progress.

In a report [published in December 2021](#) on the Georgian government's anti-corruption policy, Transparency International noted that the current institutional model of combating corruption in Georgia does not include all functions necessary to curb corruption. Some roles are either completely absent from the scope of responsibility of any of the institutions, or they are scattered between several agencies which are unable to properly fulfil them. There is no independent anti-corruption service that would effectively investigate corruption cases, improve the enforcement of legislative norms on preventing corruption and conflict of interest in public service, and create an effective system of prevention, detection and response to the violation of these norms. It was found that, in order to implement a result-oriented anti-corruption policy, effectively combat high-level corruption and ensure the introduction of the principles of integrity to the public sector, the current anti-corruption model needs to be updated.

In January 2022, Transparency International published its [Corruption Perceptions Index \(CPI\) 2021](#). As an overall comment, the report notes that corruption levels have stagnated worldwide. The CPI ranks 180 countries and territories by their perceived levels of public sector corruption on a scale of zero ('highly corrupt') to 100 ('very clean'). Georgia, Armenia and Montenegro are the only three countries from their region that score above the global average of 43 (Georgia scores 55). The key concern expressed by the CPI regarding Georgia is 'concentration of power'. According to the report, the influence of the ruling party's founder, formally retired Bidzina Ivanishvili, over key institutions causes concern. Ivanishvili's party, Georgian Dream, has in recent years solidified its [grasp on the judiciary](#) and law enforcement bodies, 'effectively killing the political momentum needed to fight corruption'.

Georgia continues to rank 60th out of 180 in the 2021 [World Press Freedom Index](#), compiled by [Reporters Without Borders](#); this index evaluates press freedom in 180 countries and territories annually. According to Reporters Without Borders, the reforms of recent years have improved media ownership transparency and satellite television pluralism, but 'owners and bosses still often call the shots on editorial content'. As such, [Georgia's](#) media was found to be 'pluralist but still very polarised'.

The [2021 Freedom House report](#) for Georgia notes that the 'electoral process rating' of the country declined from 3.25 to 3.00 (on a scale of 1 to 7). The analysis finds that this change in rating reflects the fact that, despite some compromise over and positive changes to the electoral code, the 2020 parliamentary elections were marred by instances of vote-buying and a boycott of the second round by the opposition, leading to a political impasse at year's end. Freedom House's report also accounts for a decline in its 'independent media rating', from 3.75 to 3.50, to reflect recent developments as well as new legislation enabling the National Communications Commission to interfere in broadcasters' operations.

Similarly, the [2021 Human Rights Watch Report for Georgia](#) found that, in 2020, a lack of accountability for law enforcement abuses persisted. Other areas of concern included threats to media freedom, 'disproportionately harsh drug policy', and discrimination against LGBT people. Nevertheless, Georgia's parliament adopted 'much-needed labour reform', restoring some protections to labour rights.

6. Georgia as a beneficiary of EU financial assistance

6.1. Georgia in the European Neighbourhood Instrument

For the 2014-2020 period, the main source of EU financing for Georgia was the European Neighbourhood Instrument (ENI).⁴ The ENI replaced the European Neighbourhood and Partnership Instrument (ENPI), which had covered the period of 2007-2013. The ENI envelope for 2014-2020 was €15 433 billion, [accounting for 24 % of the EU's external funding](#).

The ENI funds are distributed through four main channels:

- 1 Bilateral programmes based on bilateral action plans, which absorb around 85 % of the ENI. For Georgia, the Commission programmed €724 million of ENI funds (see Table 1 below). This is in line with its [indicative allocation](#) for the country of €610 million to €746 million for 2014-2020.
- 2 Georgia also benefited from multi-country programmes supporting the priorities of regional dialogue platforms like the EaP or the Union for the Mediterranean. Up to €906 million [was foreseen](#) for the eastern neighbourhood, Georgia being among the six beneficiaries. By comparison, the ENI regional south programming was €824 million.
- 3 Cross-border cooperation (CBC) programmes between Member States and partner countries that share a border or sea crossing (including Russia). €656 million was [earmarked](#) for CBC projects, including €25 million for the Black Sea region.
- 4 Georgia has also benefited from €3.45 billion [programmed](#) at neighbourhood-wide level; this fed into the Neighbourhood Investment Platform (NIP) (60 %), the Erasmus+ programme (35 %), and institutional capacity-building programmes like TAIEX (5 %). A [factsheet](#) issued by EU-financed project EU4Georgia estimates that Georgia benefited between 2008 and 2020 from €158 million of NIP grants blended into total investments of €2.5 billion. Regarding Erasmus+, the factsheet estimates that 6 511 Georgians travelled to EU countries and 3 858 EU participants travelled to Georgia between 2015 and 2020.

Table 2 – ENI bilateral funds attributed to Georgia from 2014 to 2020

Year	ENI attributions in € million
2020	87.7
2019	120
2018	79.14
2017	96.5
2016	109.5
2015	100
2014	131
Total	723.87 (+ 153 from umbrella funds)

Source: Compiled by the authors, based on European Commission implementing decisions for annual action programmes in favour of Georgia and on the EU4Georgia [factsheet](#).

⁴ [Regulation \(EU\) 232/2014](#) of 11 March 2014 establishing a European Neighbourhood Instrument.

6.2. Georgia in the Global Europe – Neighbourhood, Development and International Cooperation Instrument

For 2021-2027, several funds managed by the Commission's external services were merged into a single instrument, the Global Europe – Neighbourhood, Development and International Cooperation Instrument (NDICI), which was adopted by the Council and Parliament on 9 June 2021⁵.

NDICI has an overall envelope of €79.5 billion, with €19.32 billion earmarked for the neighbourhood, compared to the €15.4 billion programmed under the ENI.⁶ The NDICI introduces a streamlined blending and guarantee mechanism, the European Fund for Sustainable Development Plus (EFSD+), with an External Action Guarantee that merges all previous external guarantee funds including macro-financial assistance loans to governments. This will also cover the pre-accession countries.⁷

Georgia will continue to be one of the six countries benefiting from regional east programmes that support the EaP. According to the EEAS and the Commission's [multi-annual indicative programme for the eastern neighbourhood 2021-2027](#), these programmes will amount to €632.24 million for 2021-2024. Assuming appropriations would remain the same for the three remaining years, it would mean a total regional envelope of €1 106 million for 2021-2027, an increase when compared with the €906 million under the ENI for 2014-2020.

It should be noted that the eastern neighbourhood multi-annual indicative programme now also foresees an extra allocation of €929.88 million to support the deployment of budgetary guarantees in the eastern neighbourhood, through the EFSD+ or through MFA (previously, the NIP blending tool was programmed at neighbourhood-wide level and did not include provisions for the MFA). It is not specified how much is earmarked for MFA, but the document says that it 'will remain exceptional in nature and will be mobilised on a case-by-case basis to help countries dealing with serious balance-of-payments difficulties'.

At the time of writing, there is no information available on the 2021-2027 NDICI funds that will be earmarked for bilateral support to Georgia, as there have been delays in adopting the post-2020 association agenda.⁸ The Commission published the [proposal](#) for a Council Decision on the association agenda 2021-2027 between the EU and Georgia on 9 March 2022.

6.3. Georgia and macro-financial assistance

Macro-financial assistance is a financial support tool that has so far been separate from the ENI; with the arrival of NDICI, both instruments are more harmonised. MFA falls under the responsibility of the Commission's Directorate-General for Economic and Financial Affairs (DG ECFIN). Financing decisions are taken for this instrument through the ordinary legislative procedure, requiring approval by both the Council and the Parliament.

MFA is available for EU neighbourhood and enlargement countries in the form of loans or grants to central banks, and can be used at governments' discretion – for example, as reserves, direct budget support or foreign exchange market intervention. MFA only intervenes to complement disbursements by the International Monetary Fund (IMF) and functions as an emergency mechanism to restore partner country balance sheets on an exceptional basis.

⁵ Regulation (EU) 2021/947 of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe.

⁶ B. Immenkamp, [A new neighbourhood, development and international cooperation instrument – Global Europe](#), EPRS, European Parliament, July 2021.

⁷ V. Lilyanova, [Understanding EU financing for external action](#), EPRS, European Parliament, February 2021.

⁸ [Council answer](#) to an MEP question, 6 December 2021.

The first MFA operations for Georgia were agreed in 2008, in the context of military tensions with Russia; they covered a total of €92 million in two phases, three quarters in grants and the rest in loans, with disbursements spread from 2009 to 2017. A new MFA package was agreed in 2017 (referred to as MFA III) for an amount of €45 million, with a grant content limited to €10 million. Finally, in May 2020 the European Parliament and the Council [approved](#) a €3 billion MFA package for enlargement and neighbourhood countries to alleviate the economic impact of the coronavirus pandemic (referred to as MFA-COVID-19). It envisaged an envelope of €150 million for Georgia.

On 22 September 2020, Georgia signed a [Memorandum of Understanding](#) (MoU) with the EU on the use and conditions of this MFA. In this MoU, Georgia agreed to additional policy conditions in the field of public procurement, the pension system, company law, the governance of state-owned enterprises, the judicial system, energy efficiency and the labour market for the payment of the second instalment of €75 million. The first instalment of €75 million was disbursed in November 2020, along with €25 million that comprised the last instalment of the MFA III.

At the end of August 2021, Georgia's Prime Minister Irakli Garibashvili announced the government's decision not to request the second tranche of the MFA-COVID-19. The official reason [he gave](#) for this decision was that: 'we [Georgia] started reducing our foreign debt this year; it is highly likely that we will no longer need to receive this amount'. This led to the cancelling of this instalment by the Commission; a spokesperson at the EU Delegation in Tbilisi [stated](#) on 1 September 2021:

'The European Union takes note of the reasoning provided by the Georgian Government on their decision not to ask the rest of the EU macro-financial assistance. While we respect the decision of Georgian authorities, at the same time, we note that Georgia failed to sufficiently address the condition for this macro-financial assistance, and notably, to increase the independence, accountability and quality of the judicial system.'

6.4. Georgia in other EU support tools and EU programmes

Like certain other neighbourhood countries, Georgia has benefited from the status of associated member to the EU innovation and research funds since 2016. On 7 December 2021, Georgia [signed](#) a new agreement with the EU, giving its scientific community access to the €95.5 billion Horizon Europe support programme – under the same conditions as their counterparts in EU Member States. The funds are usually distributed based on calls where consortia compete by presenting research projects; the Commission press release states that Georgia was part of at least two projects financed under Horizon 2020.

Other EU funds, like humanitarian aid, can and have been used in Georgia; the last time this mechanism was activated was in 2008 because of the conflict with Russia. This report does not seek to give a comprehensive picture of all support instruments – many of those funds are less significant in size than the ones detailed in the sections above, but most importantly they are not linked to or conditional upon progress on the AA and the association agenda. In the current context, it is still worth mentioning the 2 December 2021 Council [decision](#) to provide the Georgian Defence Forces with €12.75 million in support through the recently created [European Peace Facility](#).⁹ This off-EU budget instrument should strengthen capacities in military and defence matters, as well as promoting domestic resilience and peace.

⁹ B. Bilquin, [The European Peace Facility: A new tool in action](#), EPRS, European Parliament, February 2022.

7. Outlook

In line with its constitution and commitments taken under the AA, Georgia has continued to make progress on its European path and democratic progress over the last couple of years, and according to the [2021 report by the Commission and the EEAS](#) 'remained committed to the implementation, obligations and undertakings of the Association Agreement, despite Covid-19 related challenges'.

However, some concerning developments have taken place in key areas, such as the rule of law and democracy. In this context, and with regard to the objectives outlined in the AA, the pace of reforms to bring Georgia's legislation closer to the EU acquis has slowed down. Further updates on the implementation of the AA are expected soon, as the EU 2022 Association Implementation Report is planned to be published in the first half of 2022.

Despite concerns over the state of Georgia's rule of law and democracy, most 2021 reports by international organisations, covering the year of 2020, maintain a broadly positive overview. They often find that Georgia performs better than the Eurasian regional average on indicators including crime, terrorism, violent conflict and democratic processes.

In 2021, the EU remained Georgia's largest trading partner. The key EU imports from Georgia include mineral products, agricultural products, base metals and chemical products. The EU [imported goods](#) to the value of €763 million from Georgia in 2020, an increase from €655 million in 2019. Georgia also continues to have a strategic role in energy, transport and connectivity, and increasingly as a transportation and logistics hub in the region.

On the international scene, the Georgian regions of Abkhazia and Tskhinvali region/South Ossetia have continued to require close monitoring. The EU reiterated its firm support for the sovereignty and territorial integrity of Georgia within its recognised borders. It also continues to stress the critical importance of the Geneva International Discussions for addressing and resolving the challenges stemming from the conflict between Russia and Georgia in 2008.

As a neighbourhood country, Georgia is a beneficiary of EU financial assistance. This assistance aims to support progress on the AA, and is conditional on such progress and respect for fundamental principles. Georgia has been able to absorb significant ENI and MFA funds in the past, as detailed in Section 6 above. Once the updated association agenda for the post-2020 period is agreed, Georgia will be able to benefit from bilateral funds under the NDICI. However, the participation of Georgia in MFA programmes seems unlikely in the near future, given the country's failure to observe its commitments under the Covid-19 MFA MoU.

The Parliament, in its upcoming scrutiny work, will have a chance to position itself on the execution on the EU's neighbourhood policy. While the Commission and EEAS are focusing EU support tools – such as the economic and investment plan for the EaP – on infrastructure and economic growth, they have remained strong and vocal on EU fundamentals. In the last two years, they have openly and systematically condemned all negative developments regarding democracy and the rule of law, and have shown their readiness to use the conditionality clauses linked to EU financial support.

As the Parliament will continue to play a key role in the political dialogue with Georgia, it can also support cross-party dialogue within the increasingly polarised country. Parliamentary relations can be mobilised to ensure the country's 'European path' is not portrayed as an external constraint and to remind all parties that the steps involved in economic integration and political association with the EU are a self-chosen historic opportunity.

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Annex

Association agreement between the EU and Georgia

The following report takes stock of the progress in the implementation of the EU-Georgia Association Agreement (AA) in the period between April 2020 and February 2022, with a focus on practical outcomes. It assesses the current state of play in AA implementation, identifies the successes and challenges, and presents a series of recommendations regarding possible improvements in the effectiveness of AA implementation in the future.

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Executive summary

This report offers an assessment of the progress in the implementation of EU-Georgia Association Agreement in the period between April 2020 and February 2022, with a focus on effectiveness and outcomes. In 2020-21, the broader context in which the EU-Georgia AA is implemented has deteriorated as a result of international developments, primarily the COVID-19 pandemic (which has hit Georgia severely) and the conflict over Nagorno-Karabakh (the consequences of which are still unfolding).

Since April 2020, Georgia has seriously backslided with respect to the basic democratic principles and key political commitments it made as part of the AA. In a context of sharp political polarisation, democratic institutions have gradually been hollowed out of their substance and the ruling coalition increasingly concentrates power in its hands, while also restricting space for dissent. The rule of law has significantly deteriorated, as evidenced by the detention of high-profile opposition leaders, the lack of effective investigation into the June 2019/July 2021 violent incidents and the decision to abolish the State Inspector Service. Developments in the judiciary since 2020 (in particular the hasty and non-transparent appointments of judges, the failure to reform the Prosecutor General appointment, the changes brought to the law on Common Courts) have highlighted major setbacks in the implementation of the AA. Changes introduced in 2020-21 are not based on either a consensus between the ruling coalition and the opposition, or broad civil society participation. While Georgia remains a regional leader in terms of fighting corruption, anti-corruption reforms have slowed down in recent years and effective investigation and prosecution of high-level corruption is a major challenge. In recent years, Georgia has embarked on important decentralisation reforms with major political, administrative, financial and territorial implications. However, decentralisation reform has primarily been driven by the need to promote more efficient management and investment rather than the will to foster effective governance at the local level.

The picture concerning human rights and freedoms is mixed. The situation of the Georgian media has significantly deteriorated. While the media environment is pluralistic, media polarisation has increased in parallel with the political crisis. The working environment in which journalists operate in Georgia has become more challenging due to political interference with media work as well as verbal and physical attacks against journalists. Georgian civil society is robust, however it is affected by the growing political antagonism in the country. In addition, the effectiveness of existing channels for consulting civil society is seriously questioned. By contrast, in 2020-21 Georgia has taken significant measures to fight violence against women and improve gender equality at work. The entry into force of the Code on the Rights of the Child is also a major step forward for the protection of children, despite persisting challenges regarding crimes of sexual abuse and exploitation of children. In spite of challenges raised by the COVID-19 pandemic, workers' rights are expected to improve substantially as a result of the amendments introduced to the Labour Code and the extension of the Labour Inspectorate's mandate. Discrimination of, and offences against sexual minorities remain a major problem.

Since 2020, Georgia has continuously fulfilled key EU requirements set forth in the visa-free regime and effectively cooperated with EU agencies and Member States in fighting criminality. Cooperation on foreign and security policy is also assessed positively; however, Georgia refused to join the sanctions introduced against Russia after the invasion of Ukraine in late February 2022. In 2020-21, the Georgian economy was severely hit by the COVID-19 pandemic. However, Georgia has continued performing well in approximating its legal framework with EU standards and implementing the Deep and Comprehensive Trade Agreement (DCFTA) related approximation requirements. This is despite high adjustment costs to be borne by business actors in enforcing EU-approximated legislation, especially in the sanitary and phyto-sanitary measures area. Whereas Georgia is well on track in terms of legislative processes, it still faces important challenges in complying with its energy- and environment-related, especially with respect to energy efficiency. However, progress has been achieved on climate change.

Abbreviations

AA	Association Agreement
ABL	Administrative Boundary Line
ACAA	Agreement on Conformity Assessment and Acceptance of Industrial Products
ACN	Anti-Corruption Network (OECD)
ACTC	Association Committee in Trade Configuration
CCC	Community Customs Code
CEC	Central Election Commission
CFSP	Common Foreign and Security Policy
CSO	Civil society organisation
DCFTA	Deep and Comprehensive Free-Trade Agreement
EAP	Eastern Partnership
ECHR	European Court for Human Rights
EEAS	European External Action Service
EU	European Union
EUMM	EU Monitoring Mission
EUTM	EU Training Mission
FSJ	Freedom, Security and Justice
GD	Georgian Dream
GDPR	General Data Protection Regulation
GI	Geographical Indication
GID	Geneva International Discussions
GNCC	Georgian National Communications Commission
GYLA	Georgian Young Lawyers Association
GRECO	Group of States Against Corruption
HCJ	High Council of Justice
IDP	Internally Displaced Persons
ILO	International Labour Organisation
IPRM	Incident Prevention and Response Mechanism
LGBTIQ	Lesbian, gay, bisexual, transgender, and queer
NDC	Nationally Determined Contribution
NFA	National Food Agency
ODIHR	Office for Democratic Institutions and Human Rights

OSCE	Organisation for Security and Cooperation in Europe
PESCO	Permanent Structured Cooperation
SIS	State Inspection Service
SPS	Sanitary and Phyto-Sanitary Measures
TAIEX	Technical Assistance and Information Exchange
TBT	Technical Barriers to Trade
TSA	Targeted Social Assistance
UCC	Union Customs Code
UN	United Nations
UNCCC	United Nations Climate Change Conference
UNICEF	United Nations Children's Fund
UNM	United National Movement
US	United States

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1. Methodology

This briefing paper offers an assessment of the progress in the implementation of EU-Georgia Association Agreement in the period between April 2020¹ and February 2022, with a focus on effectiveness and outcomes. It combines a qualitative and a quantitative analysis of both primary and secondary data. Primary data include official legislative and political documents (i.e., laws, governmental strategies and action plans), statistical data and data collected through a series of online and e-mail interviews with 17 representatives of local and international organisations, Georgian officials and EU diplomats. Secondary data include implementation reports from the EEAS and the European Commission, Georgian and EU think-tanks and CSOs, as well as Georgian media articles and expert analyses.

The briefing paper starts by analysing the broader regional and international context in which the AA is implemented. Five chapters follow, dedicated respectively to political developments; justice, freedom and security; economic developments; foreign and security policy; and institutional and strategic developments. Each chapter assesses the general situation in the field concerned and highlights major successes and shortcomings. The concluding chapter offers recommendations as to how to improve the effectiveness of AA implementation in the future.

¹ For previous developments, see Michael Emerson, Tinatin Akhvlediani, 'Association Agreement between the EU and Georgia. Europe Implementation Assessment', European Parliament Research Service, 2020

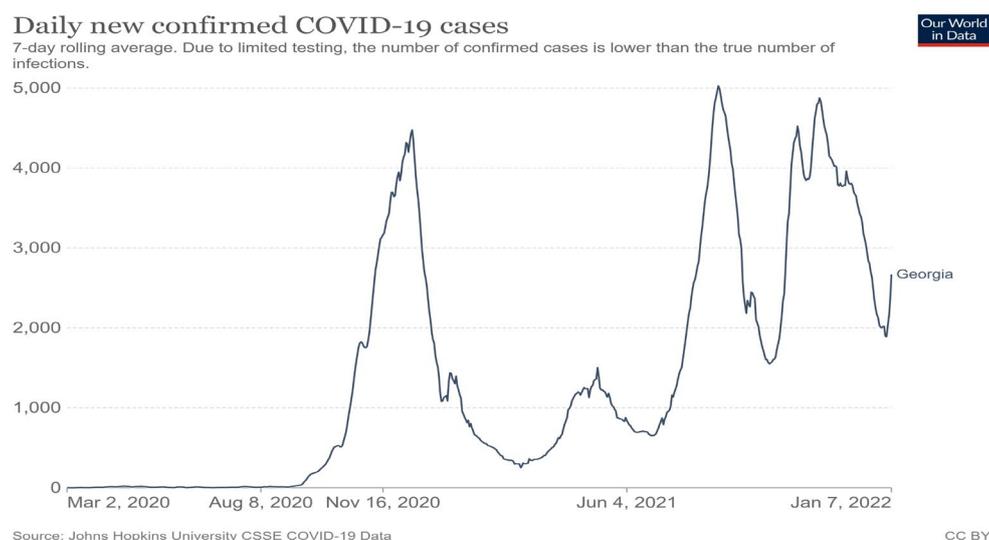
2. Broader international context of implementation

Since the AA/DCFTA entered into force, Georgia has had to cope with a complex regional environment, characterised first and foremost by Russia's increasingly aggressive behaviour vis-à-vis those Eastern Partnership (EaP) countries seeking closer ties with the EU, especially Ukraine. Georgia has been challenged by Russia's military build-up in Abkhazia and South Ossetia, as well as the signature of bilateral treaties² with the two breakaway regions. The implementation of the AA has also taken place against the background of intensifying autocratisation in Georgia's neighbourhood, as blatantly illustrated by the examples of Russia and Turkey. Despite neighbouring Armenia's move towards democratisation after the 2018 Velvet Revolution, Georgia has been faced with 'increasing democratic isolation'³ as a result of regional political developments since the mid-2010s.

In 2020-21, the broader context in which the EU-Georgia AA is implemented has further deteriorated as a result of three developments, which affect the implementation process to different degrees.

The COVID-19 pandemic has hit Georgia severely. Whereas the country was initially praised for containing infections to a low level,⁴ it experienced an explosive growth of both infections and deaths after September 2020.⁵ The vaccination process has proved challenging in light of both the poor condition of the health sector and widespread vaccine scepticism.⁶

Figure 1: Daily new confirmed COVID-19 cases



Source : [Our World in Data](#).

² Respectively 'Alliance and Strategic Partnership' with Abkhazia (signed 24 November 2014) and 'Alliance and Integration' with South Ossetia (signed 18 March 2015).

³ Michael Cecire, '[Georgian Democracy: An Island, not a Beacon](#)', *New America*, 13.10.2016.

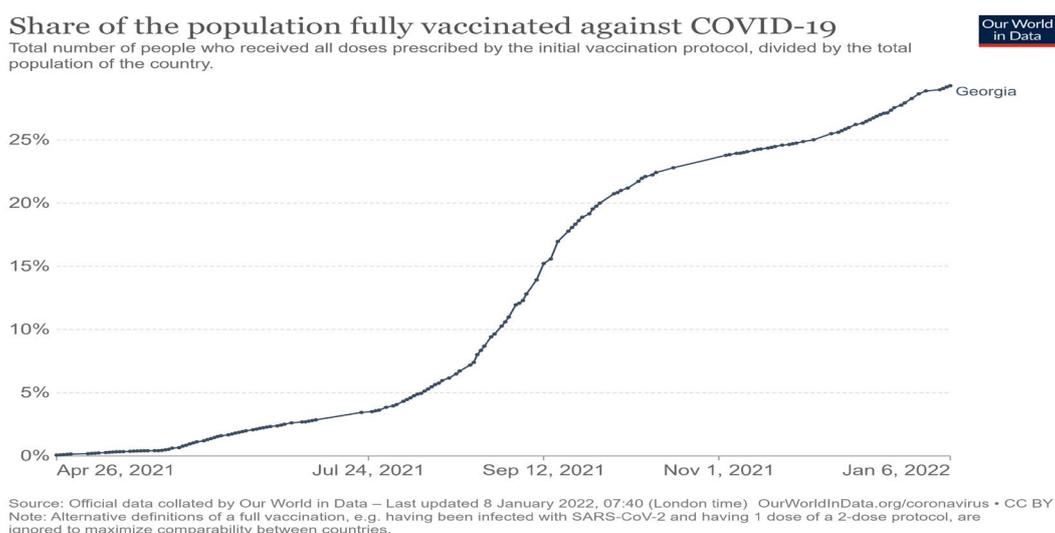
⁴ Michael Emerson et al. '[Eastern Partnership - COVID-19 Bulletin No 7](#)', 20 June 2020.

⁵ Michael Emerson et al. '[Eastern Partnership - COVID-19 Bulletin No 13](#)', 17 December 2020.

⁶ Salome Kandelaki, Bidzina Lebanidze. '[From Top to Flop: Why Georgia failed at pandemic resilience](#)', *GIP Policy Paper No.28*, Georgian Institute of Politics, December 2021.

As of early 2022, less than 30% of the Georgian population is fully vaccinated. Georgia has incurred a severe economic and social cost as a result of the pandemic, which has especially affected vulnerable groups. The impact of COVID-19 on the implementation of the AA is difficult to assess. The government has focused on mitigating the socio-economic consequences of the pandemic through an Anti-Crisis Economic Plan and specific measures for the health sector and the most vulnerable population. The implementation of specific reforms (e.g., decentralisation) was delayed as a result of the sanitary situation.⁷ However, according to interviews conducted the COVID-19 pandemic has also been instrumentalised to postpone some costly economic reforms.

Figure 2: Share of the population fully vaccinated against COVID-19



Source : [Our World in Data](#)

Geopolitical developments in and around the South Caucasus (the Nagorny-Karabakh conflict in 2020 and Russia's military build-up at the border with Ukraine in 2021) have thus far only indirectly affected the implementation of the AA. However, the impact of these developments on Georgia is still unfolding.

The conflict between Armenia and Azerbaijan over Nagorny-Karabakh is likely to have important security and economic implications for Georgia, even though these have not yet fully materialised. During the war, the country sought to maintain a balanced position between the two sides and refused being used as a military corridor. While the Georgian authorities maintained all transportation routes open for civilian trade, they suspended the issuance of permits for transiting military cargo to Armenia and Azerbaijan through the Georgian territory and offered to contribute to defusing tensions by hosting meetings gathering representatives of the two conflicting

⁷ [Joint Staff Implementation Report on Georgia](#), SWD (2021) 18 final, 5.2.2021

countries.⁸ Importantly, despite a few incidents⁹ involving its sizeable Armenian and Azeri minorities¹⁰ Georgia avoided a spill-over of hostilities into its territory.

However, the conflict has raised long-term challenges for Georgia. While stopping hostilities the ceasefire that was signed on 9 November 2020 is fraught with tensions¹¹ and does not offer any sustainable political settlement prospect for the Karabakh conflict. Clashes at the Armenian-Azeri border in November 2021 only demonstrated the risk of a new flare-up of hostilities, which would again bear destabilising potential for Georgia in light of the country's ethnic minorities. Moreover, the ceasefire agreement has only strengthened the position of autocratic regional powers (most prominently, Russia) at the expense of the OSCE Minsk Group, the EU and the US.¹² This new balance of power is reflected in the attempts to launch new formats of regional cooperation, which are especially challenging for Georgia.

Notably, the Georgian authorities officially refused to participate in the 3+3 format that brings together Russia, Turkey, Iran and the three South Caucasus countries¹³ as this initiative consecrates the role of illiberal powers in the South Caucasus while excluding Georgia's major international partners, the EU and the US. Crucially, for Georgia this format would entail restoring ties with Russia, while the latter is regarded as the occupying power in Abkhazia and South Ossetia and therefore a major threat to Georgia's security. Last but not least, the ceasefire agreed between Armenia and Azerbaijan under Russia's auspices can affect Georgia's potential as a transit route.¹⁴ It may drastically change connectivity across the

The 2020 Nagorny-Karabakh conflict

On 27 September 2020, Azerbaijan's military offensive along the Nagorny-Karabakh line of contact reignited the longest and most deadly conflict in the post-Soviet space. Azerbaijan – with Turkey's military support- regained control over the territories it had lost as a result of the 1991-1994 war, including the historical city of Susha/i (Karabakh's second largest city). The ceasefire deal agreed under Russia's auspices on 9-10 November put an end to hostilities and reflected Azerbaijan's gains and Armenia's losses. It also provided for the deployment of Russian peacekeepers and the creation of a land corridor between Western Azerbaijan and the Nakhichevan exclave through Armenian territory. However, it falls short of resolving the most contentious issue, namely the status of Nagorny-Karabakh, which triggered the dispute between Armenia and Azerbaijan in early 1988. In addition, tensions persist over the continued detention of Armenian soldiers in Azerbaijan and the demarcation of the Armenia-Azerbaijan border.

Sources: Thomas De Waal, [The Nagorny-Karabakh Conflict in its Fourth Decade](#), CEPS Working Document No.2021-02. András Rácz, ['In Russia's Hands. Nagorno-Karabakh after the Ceasefire Agreement'](#), *Conflict Series* no.8, 8.04.2021.

⁸ National Security Council of Georgia, ['Meeting of the National Security Council of Georgia was held to discuss the renewed armed conflict between the Republics of Azerbaijan and Armenia'](#), 3.10.2020.

⁹ For instance, in late September 2020 representatives of the Armenian minority in Samtskhe-Javakheti blocked the road connecting Georgia to Turkey following false allegations on the social media according to which arms transited from Turkey to Azerbaijan through Georgia. Meanwhile, Azerbaijani media spread disinformation on Georgia's alleged backing of Baku's position, whereas in a show of support to Azerbaijan's military actions representatives of the Azeri minority marched to the embassy of Azerbaijan in Tbilisi. IDFI, ['Disinformation related to Georgia's Position on Karabakh Conflict in Armenian and Azerbaijani Media'](#), 6.10.2020; Luke Coffey, ['Georgia's Balancing Act in the South Caucasus'](#), 12.10.2020.

¹⁰ According to a 2014 census, the Azeri and Armenian minorities account for 6.3% and 4.5% of the total Georgian population, respectively. Geostat.ge, [2014 General Population Census Results](#) (accessed 4.01.2022).

¹¹ András Rácz, ['In Russia's Hands. Nagorno-Karabakh after the Ceasefire Agreement'](#), EUISS, *Conflict Series* no.8, 8.04.2021.

¹² Interviews with Tom De Waal and Tracey German, ['Geopolitical Implications of Nagorno Karabakh War for Georgia: Expectations from Great and Small Powers'](#), Georgian Institute of Politics, July 2021.

¹³ Georgian Journal, ['Georgia Officially Rejects 3+3 Format'](#), 10.12.2021.

¹⁴ Giorgi Lomsadze, ['Not all roads lead to Georgia'](#), Eurasia.net, 8.03.2021.

South Caucasus by unlocking new transport corridors and restoring transport routes that were abandoned because of the Karabakh conflict (e.g., Kars–Gyumri–Nakhchivan–Baku). However, the extent to which Georgia will lose its centrality as a transit country remains to be ascertained and hinges crucially on the completion of strategic transit projects in and around Georgia, such as a the Anaklia deep-sea port.¹⁵

In late 2021, Russia's military build-up at Ukraine's borders has also emerged a major source of concern for Georgia. This is not only because Russia's troop movements target the Eastern Partnership's largest partner country and may thus have destabilising effects over the whole region. In recent years, a close partnership between Georgia and Ukraine has developed. Despite tensions over the case of former Georgian President Saakashvili, the two countries are tied by common threat perceptions and Euro-Atlantic aspirations. In light of this close proximity, any Russian military step against Ukraine is interpreted in Tbilisi as a bad omen for Georgia. Russia's aggression against Ukraine raised a strong sense of solidarity in Georgia and triggered massive rallies of support to Ukraine in Tbilisi.

However, whereas they expressed deep concern about Russia's violation of Ukraine's territorial integrity,¹⁶ the Georgian authorities refused to both join international sanctions against Russia and hold a special Parliament session addressing the situation in Ukraine, as requested by President Zurabichvili. Prime Minister Garibashvili explained that sanctions would only damage Georgia's interests and instead expressed support for a pragmatic policy vis-à-vis Russia.¹⁷ This stance triggered tensions with the Georgian population and Ukrainian authorities, as President Zelensky recalled the Ukrainian ambassador from Tbilisi 'for the creation [by Georgian officials] of obstacles for those volunteers who want to help us, and for holding an immoral position regarding sanctions [against Russia]'.¹⁸

¹⁵ Zaal Anjaparidze, '[The Second Karabakh War and Georgia's Threatened Transit Role](#)', *Eurasia Daily Monitor* 18(26), 16.02.2021.

¹⁶ Ministry of Foreign Affairs, '[Statement of the Ministry of Foreign Affairs of Georgia](#)'

¹⁷ Civil.ge, '[Georgia won't join sanctions against Russia, PM says](#)', 25.02.2022

¹⁸ RFE/RL, 'Ukraine Recalls Ambassadors From Kyrgyzstan, Georgia For Consultations', 1.3.2022

3. Political developments

3.1. Democratic processes

Whereas in the early 2010s Georgia was hailed for experiencing a smooth transition of power following the parliamentary elections that brought to power the Georgian Dream (GD) coalition, in recent years the country's democratic reputation has been damaged.¹⁹ Political developments since April 2020 and especially since July 2021 point to a sharp deterioration of democratic governance. In a context of sharp political polarisation, democratic institutions have gradually been hollowed out of their substance and the ruling Georgian Dream (GD) coalition increasingly concentrates power in its hands, while also restricting space for dissent.²⁰

A deep political crisis erupted in the wake of the parliamentary elections held on 31 October and 21 November 2020, which sharply increased political polarisation between the ruling coalition and the opposition. The Georgian Dream gained 48% of votes in the first round, while the key opposition party, the United National Movement (UNM) came second with 27%. Overall, international organisations regarded these elections as competitive and free, yet they also pointed out pervasive allegations of pressure on voters, the use of administrative resources by the ruling party, persisting ambiguities in the legislation, as well as unequal distribution of voters amongst the constituencies.²¹ The opposition rejected the results on the ground that the 31 October poll had been rigged and did not take part in the second round. Street protests also demanded the organisation of new elections. While the ruling coalition started (for the first time since the country's independence) a consecutive third term in office, the opposition decided to boycott the Parliament, which de facto turned into a dysfunctional assembly representing the views of a single party.

In February 2021, the highly controversial arrest of Nika Melia – the leader of Georgia's major opposition party, the United National Movement (UNM) – during a special operation at UNM headquarters only worsened the political crisis in the country. Nika Melia had been charged with 'incitement of violent takeover of the parliament premises' in June 2019, following a speech during a mass demonstration protesting after a Russian parliamentarian took the Georgian Speaker's seat during a meeting at the Georgian Parliament.²² However, the prosecution ordered Melia's detention only after he refused to pay bail. The court order on Melia's pre-detention trial triggered a governmental crisis as then Prime Minister Gakharia refused to enforce it and, in light of the lack of 'a common understanding on this matter with [his] team',²³ decided to resign. In the wake of this resignation, the re-appointment of Irakli Garibashvili, Bidzina Ivanishvili's closest ally, only exacerbated tensions between the ruling coalition and the UNM.

The EU-mediated agreement reached on 19 April 2021 under the auspices of the President of the European Council and his envoy Christian Danielsson formally ended the crisis. The agreement paved the way for the Tbilisi Court's decision to release Niki Melia on bail after the EU posted bail worth approximately \$11,700.²⁴ The deal also laid the foundations for wide-ranging electoral, judicial and rule of law reforms, including by correcting shortcomings in the electoral system through:

- moving to a fully proportional system for future parliamentary elections,

¹⁹ 'Association Agreement between the EU and Georgia. Europe Implementation Assessment', p. 39.

²⁰ Natalie Sabanadze, 'Drugs, Lies and Secret Tapes : Georgia's Faltering Democracy', CEPA, 20.01.2022

²¹ OSCE ODIHR Limited Election Observation Mission, [Final Report](#), Warsaw, 5.3.2021

²² Davit Zedelashvili, 'The Rule of Law in Georgia. What Can the EU Leverage', [Verfassungsblog](#), 5.03.2021

²³ Civil.ge, 'PM Giorgi Gakharia Resigns over Melia's Detention', 18.02.2021

²⁴ Civil.ge, 'Court Releases UNM's Melia from Custody', 10.05.2021

- and reforming the appointment process of the chairperson and members of the Central Election Commission (CEC), now elected by two-thirds majority of members of the Parliament;

Strengthening the independence of the judiciary by:

- enhancing the selection procedures for judges and the prosecutor general,
- conducting a substantive reform of the High Council of Justice (HCJ).²⁵

The EU mediation helped defuse the crisis by urging all sides to make concessions. The 19 April agreement appeared promising for reinvigorating the democratic process in Georgia, as it includes concrete measures (with a corresponding timeline) to address key political stumbling stones.²⁶ Crucially, the deal offered promising avenues to reduce polarisation by fostering an inclusive, cross-party reform process. However, the UNM initially refused to sign the agreement because it offered amnesty to individuals convicted for violence during the June 2019 demonstrations.

In late July 2021, the decision of the ruling party to quit the EU-brokered deal (on the ground that key opposition groups had not joined it)²⁷ marked a major turning point. It broke the cross-party consensus reached with the help of EU mediation and further undermined trust in the country's political institutions. This is despite the fact that the UNM finally signed the agreement in early September.

In October 2021, local elections took place in a sharply polarised context, as they also followed the return of former President Saakashvili to Georgia and his arrest. The campaign reflected an increasingly aggressive rhetoric and a sharp deterioration of the media environment. Whereas the elections were regarded as competitive and well-organised, they were also marred by widespread and consistent allegations of intimidation, vote-buying, pressure on candidates and voters, and an uneven playing field.²⁸ The Georgian Dream came first in the nationwide proportional vote²⁹ and won the overwhelming majority of municipal assemblies. However, despite some improvements to the electoral code as a result of changes adopted in late June 2021,³⁰ key flaws such as the use of administrative resources and the blurred line between the ruling coalition and the state remain unaddressed. Importantly, a few weeks after the elections the ruling majority changed the rules for appointing CEC members. The removal of the time period between two votes at the Parliament limits the possibility for the opposition to have a say over the appointments of new candidates.³¹ Thus, it also prevents consensus-building, in clear breach of the spirit of the 19 April agreement.

In the aftermath of the elections, tensions over the case of former President Saakashvili (see section 3.1.1 below) and pieces of legislation introduced by the ruling majority to reinforce its influence over the political process and the judiciary (see section 3.2.2) exacerbated polarisation. President Salome Zurbishvili's call for 'national reconciliation'³² and engagement with all major political parties stand

²⁵ EEAS, [A Way Ahead for Georgia](#), 19.04.2021

²⁶ Elene Panchulidze, Richard Youngs ['Defusing Georgia's Political Crisis: An EU Foreign Policy Success?'](#) Carnegie Europe, 10.05.2021

²⁷ Civil.ge, ['Georgia Dream Quits EU-Brokered Deal'](#), 28.07.2021

²⁸ OSCE/ODIHR International Election Observation Mission – Georgia Local Elections, ['Statement of Preliminary Findings and Conclusions'](#), 2 October 2021.

²⁹ GD received 46.74% in the nationwide proportional vote, followed by UNM with 30,68%. Civil.ge [2021 Municipal Elections: Outcomes, Winners, Trends](#), 6.10.2021

³⁰ The Venice Commission welcomed the fact that these changes had been prepared in close cooperation between the ruling party and several opposition parties, however it also regretted the timing of the changes brought to the CEC, shortly before the local elections. Council of Europe Venice Commission, Georgia. [Urgent Joint Opinion on Revised Draft Amendments to the Election Code](#), Opinion 1043/2021, Strasbourg, 18.06.2021

³¹ Interview with CSO representatives, 11.01.2022.

³² OC Media, ['Georgia Greets 2022 with prospects of a Murky National Accord'](#), 30.12.2021

out in a context marked by deep rift and lingering political crisis. However, her quest for a national accord has yet to be underpinned by a concrete plan for action. Crucially, the fact that the President signed two controversial laws in early 2022 (the law abolishing the State Inspector's Office and amendments to the law on Common Courts) undermines her credibility in building a cross-party consensus.

Overall, in 2020-21 Georgia has seriously backslided with respect to the basic democratic principles and key political commitments made as part of the AA. This is reflected in Georgia's ranking in international indexes. In 2021, Freedom House's electoral process ranking declined from 3.25 to 3.00 to reflect flaws (e.g., instances of vote-buying) in the 2020 parliamentary elections, despite some positive changes to the electoral code.³³ Whereas the 19 April deal raised hopes that Georgia would revert back to its democratic path, according to Georgian CSOs just 10% of the agreement has been implemented.³⁴

3.2. The rule of law and judiciary reform

3.2.1. The rule of law

Whereas Georgia ranks first in the region and 49th across 139 countries in the World Justice Project's Rule of Law Index,³⁵ developments since April 2020 highlight further deterioration with respect to the rule of law.

This is first evidenced by the detention of high-profile opposition leaders. A few months after the arrest of Nika Melia, the fate of former president Saakashvili has reignited concern about political interference in the judiciary. Mikheil Saakashvili, who was convicted in 2018 of abusing his office and concealing evidence during his rule, was arrested upon his return to Georgia in October 2021. His arrest was criticised by a group of Georgian civil society organisations (CSOs) as an example of 'politically motivated justice'.³⁶ While the Georgian Public Defender and the EU called on the Georgian authorities to guarantee his safety, dignity and right to a free trial,³⁷ the former president's health condition deteriorated in late 2021 as a result of ill treatment in prison.³⁸ For international watchdogs such as Amnesty International, these developments reflect 'not just selective justice, but apparent political revenge'.³⁹ Such judgments were fuelled by the statements of prominent Georgian Dream leaders, including Prime Minister Garibashvili who threatened to 'bring more articles [charges] against Saakashvili',⁴⁰ thereby unequivocally confirming political interference in the justice system.

The lack of an effective investigation into the violent incidents that erupted in June 2019 and July 2021 is another major indicator of the deteriorating situation with respect to the rule of law. The excessive use of force against journalists injured during the dispersal of the June 20-21, 2019 protest rally has not been thoroughly looked into. Importantly, the investigation focused on individual law

³³ Freedom House, [Nations in Transit](#), 2021

³⁴ Open Society Georgia Foundation, [Monitoring of A Way Ahead for Georgia Agreement Implementation](#), September 2021.

³⁵ World Justice Project Rule of Law Index, [Georgia](#).

³⁶ Open Society Georgia Foundation, [There are signs of politically motivated justice against Mikheil Saakashvili](#), 12.10.2021.

³⁷ Civil.ge, [EU Ambassadors, MEPs React to Saakahvili's Detention Developments](#), 9.11.2021

³⁸ Euractiv, [Georgia jailed ex-leader Saakashvili 'tortured' in custody: doctors](#), 20.12.2021

³⁹ Agenda.ge, [Amnesty International on Saakashvili's transfer: not just selective justice but apparent political revenge](#), 9.01.2022.

⁴⁰ '[Saakashvili'd better] behave, otherwise, we will bring more articles [charges] against him'. Civil.ge, [Behave, or Face Additional Charges, PM Warns Jailed Saakashvili](#), 04.10.2021

enforcers and did not target those responsible for their actions, thereby failing to determine the scope of responsibility of high-level officials. In addition, the investigation did not seek to identify alleged offences resulting from the inaction of responsible officials during the dispersal of the rally.⁴¹ For instance, the former head of the Special Tasks Department was not held accountable for abuse of authority during the June 19 rally dispersal, despite the Public Defender's request to do so 'as he did not react to disproportional use of force (rubber bullets) by his employees.'⁴² Moreover, a number of investigative actions (for example, the seizure of records of handheld transceivers, examination of certain records, etc.) have not been carried out.⁴³ In early 2021, GYLA, a prominent Georgian CSO, filed two applications with the European Court of Human Rights (ECHR) concerning the excessive use of force by the state and the failure to conduct an effective investigation.⁴⁴ A similar failure is being observed with respect to the violent incidents that took place on July 5th, 2021. Despite calls by the Georgian Public Defender⁴⁵ and the EU⁴⁶ to both identify the persons responsible for the death of Lesko Lashkarava (a Piverli TV camera operator who died after being beaten up) and launch criminal proceedings against them, as of early 2022 less than 30 perpetrators of violence and none of the organisers have been arrested.⁴⁷

The decision to abolish the State Inspector Service (SIS) is perhaps the most blatant example of the backsliding of the rule of law in Georgia. The hasty and non-transparent manner in which the law was reviewed raises major concerns, which are only exacerbated by the timing of the process.⁴⁸ Indeed, the review took place only a few weeks after the SIS imposed administrative sanctions on the Ministry of Justice and the Special Penitentiary Service for obtaining and disclosing the personal data of former President Saakashvili.⁴⁹ In addition, the SIS had responded harshly to the disclosure of materials reflecting alleged covert surveillance and tracking facts by the state security services, which were revealed in September 2021 and targeted journalists, members of the Church and ambassadors (including the EU ambassador).⁵⁰ Taken together, these elements raise suspicion about the actual purpose of the reform and suggest an attempt by the ruling majority to 'gain influence over an independent

The abolition of the State Inspector Service

In late December 2021, the Parliament approved a bill abolishing the SIS, which was created in 2019 as a successor to the Office of the Personal Data Protection Inspector and whose competences were later expanded to investigate a crime committed by law enforcement representatives or civil servants. The Georgian Dream ruling majority presented this move as a reform of the SIS, which will be replaced by two agencies – the Special Investigation Service, which will investigate official crimes, and the Personal Data Protection Service, which will oversee the processing of personal data, all covert investigative activities and activities carried out at the Central Bank.

Source: Jam News, '[Georgia Abolishes State Inspector Service](#)', 31.12.2021

⁴¹ Public Defender of Georgia, [Interim Report on the Investigation of the June 20-21 Events](#), 31.03.2020

⁴² Agenda.ge, '[Ombudsperson releases annual report, a special report on June protests](#)', 03.04.2020

⁴³ Public Defender of Georgia, '[Public Defender's Annual Parliamentary Report on Situation of Human Rights and Freedoms - 2019](#)', 2.4.2020.

⁴⁴ GYLA, '[GYLA applies to European Court on behalf of demonstrators and journalists affected by June 20 events](#)', 07.04.2021

⁴⁵ Public Defender of Georgia, 'Statement on Investigation of Actions of Organizers of July 5-6 events', 12.07.2021

⁴⁶ Delegation of the EU to Georgia, '[Letter addressed to the Government of Georgia by EU Heads of Mission on the Pride related events of 5 July and their follow-up](#)', 15.07.2021

⁴⁷ OC Media, '[Georgian authorities fail to produce autopsy 5 months after journalist's death](#)', 13.12.2021

⁴⁸ Transparency International Georgia, '[Statement of the NGOs on the possible abolition of the State Inspector's Service](#)', 29.12.2021

⁴⁹ State Inspector Service of Georgia, '[The State Inspector's Decision on the Lawfulness of Obtaining and Disclosing Personal Data of the third President of Georgia Mikheil Saakashvili](#)', 7.12.2021

⁵⁰ Civil.ge, '[Security Service Accused of Spying on President, MPs, CSOs, Businessmen, Clergy](#)', 02.08.2021

institution'.⁵¹ This suspicion is reinforced by the fact that SIS' staff will be fired and will not be employed in the newly created agencies⁵². The expedited procedure to abolish the SIS, one of Georgia's last remaining independent institutions (with the Public Defender), was strongly criticised by the EU⁵³ and the Council of Europe.⁵⁴

3.2.2. Judiciary reform

Judiciary reform has emerged as a key priority for Georgia, in line with the country's commitments as part of the AA. However, the reforms have mainly addressed institutional issues and procedural norms, while leaving untouched the 'system of influence'⁵⁵ that permeates the judicial system from within and maintains the existence of an influential group of judges (called 'clan' by prominent Georgian watchdogs) backed by the ruling coalition.⁵⁶ The appointment of judges, which is made through opaque procedures, enables influential judges to both rotate between key positions (such as chairpersons of the courts) and retain leverage through controlling two thirds of the seats in the High Council of Justice.⁵⁷ Despite increased transparency as a result of changes brought to appointment procedures, there is evidence that the High Council of Justice (HCJ) still selects candidates on the basis of their loyalty to the 'clan'.⁵⁸

As part of the political agreement reached on April 19, 2021 under the auspices of the President of the European Council, the Georgian authorities committed themselves to adopting an ambitious judicial reform during the current parliamentary term, with a view to increasing the independence, accountability and quality of the judiciary system. This reform was to be carried out through an inclusive, cross-party reform process.

However, in clear breach of the agreement three parallel competitions for 11 seats to the Supreme Court were opened a few months later. Both interviews by the Parliament's Legal Committee and vote in the plenary took place in a fast and non-transparent manner, which left little scope (if any) for CSOs and opposition parties to have a say in the process. The vote in the Parliament resulted in the appointment of six Supreme Court judges.⁵⁹ This decision was sharply criticised by OSCE/ODIHR, the EU⁶⁰ and the US.⁶¹ According to OSCE/ODIHR:

⁵¹ [Statement of the NGOs on the possible abolition of the State Inspector's Service](#), op.cit.

⁵² Jam News, '[Georgia Abolishes State Inspector Service](#)', op.cit.

⁵³ EU Delegation to Georgia, [EU Delegation responds to expedited procedures in the Georgian Parliament relating to the State Inspector's Service and the Judiciary](#), 28.12.2021

⁵⁴ Council of Europe, Statement of the Commissioner for Human Rights, [The Georgian Parliament should reject draft legislation undermining the independent functioning of the State Inspector's Service](#), 28.12.2021

⁵⁵ Sopho Verdzeuli, '[Judicial System Reform in Georgia \(2013-2021\)](#)', GYLA, 2021, p.5

⁵⁶ Coalition for an Independent and Transparent Judiciary, '[The Coalition is Starting Make Courts Trustworthy Campaign website](#)', 2018.

⁵⁷ Nino Nozadze, '[Monitoring Report of the High Council of Justice](#)' No.9, GYLA, 2021.

⁵⁸ Ibid.

⁵⁹ Civil.ge '[Parliament appoints six new Supreme Court Judges despite international condemnation](#)', 12.07.2021

⁶⁰ EEAS, '[Georgia: Statement by the Spokesperson on the appointment of Supreme Court judges](#)', 14.07.2021

⁶¹ US Secretary Antony Blinken [statement](#), 16.07.2021.

The overlapping rounds of recruitment, with three different processes for filling vacancies underway simultaneously, raised efficiency and conflict of interest concerns. ODIHR noted the application process resulted in limited diversity of the candidate pool, potentially caused by the HCJ's omission to widely circulate the vacancy notice and proactively encourage a wide range of candidates to apply; in addition, the application form raised concerns with respect to the right to private and family life in accordance with international standards. The procedures assessed by ODIHR pertaining to applications, background checks, and interviews established by the HCJ for these nominations fell short of international standards.

Crucially, Georgia's breach of the commitments made to reform the judiciary did not stop despite the threat of EU financial conditionality. As was made clear by the EU:

Revising the selection process of Supreme Court judges in line with Venice Commission recommendations before proceeding with appointments, is also a mutually agreed condition for the disbursement of the second tranche of EU macro-financial assistance to Georgia under its current programme, which could be negatively affected by this step.⁶²

Judicial Reform

Provisions of April 19 agreement related to the appointment of judges

- a) further enhance transparency and merit-based selections in the appointment of judges to first instance and appeal courts, notably by publishing written justifications for appointments of judges with reference to integrity and competence criteria;
- b) submit to the Parliament draft legislation on the appointments to the Supreme Court in line with the related Venice Commission opinion No. 949/2019 of 24 June 2019, notably as concerns the staggered approach to appointments, open voting in the High Council of Justice, and the need for the latter to justify the nominations;
- c) refrain from making appointments to the Supreme Court under existing rules; d) adopt the legislation implementing the ruling of the Constitutional Court of Georgia from June 2019 by setting rules for the publication of judicial decisions.

In the meantime, as regards the Supreme Court, all ongoing appointments shall be paused and the application process shall be reopened, including to new candidates, once the new legislation have entered into force.

Source: [A Way Ahead for Georgia](#).

⁶² EEAS, 'Georgia: Statement', op.cit.

However, in late August the Georgian Prime Minister officially refused the EU's €75 million loan conditioned on the court reform.⁶³ While he justified his decision by the authorities' attempt 'to reduce foreign debt',⁶⁴ the EU noted that 'Georgia failed to sufficiently address the condition for this macro-financial assistance'.⁶⁵ In another move criticised by the EU,⁶⁶ four other judges were appointed to the Supreme Court on December 1, 2021.

In late October 2021, the election of judges to the High Council of Justice (the body overseeing the judiciary in Georgia)⁶⁷ marked another breach of the commitments made by the authorities as part of the 19 April agreement. Importantly, the election by the Conference of Judges happened at a moment when public attention was focusing on local elections, which took place just one day before. According to the EU Ambassador Carl Hartzell:

*The appointments were hasty, non-transparent and non-competitive. They were therefore at odds with Georgia's commitments aimed at increasing the independence, accountability, quality and trust in the Judiciary, in line with the EU-Georgia Association Agreement.*⁶⁸

Amendments to the Law on Common Courts

In late December 2021, the Georgian Parliament introduced amendments to the law on Common Courts with a view to simplifying disciplinary sanctions on judges. These amendments introduce new types of disciplinary misconduct and penalties, lower the quorum required for the HCJ to apply sanctions and lift the ban according to which the same person cannot be elected as a member of the HCJ in a row. The process shall be reopened, including to new candidates, once the new legislation has entered into force. Despite the sensitivity of issues at stake, the consideration of amendments took place in an expedite and non-transparent manner, as draft amendments were not made publicly available before the meeting of the Parliament's Legal Committee. Civil society criticised the amendments as an attempt to both eliminate any dissent in the judiciary system and maintain clan-based governance in the HCJ by reinforcing the concentration of power. CSOs also called the President of Georgia to veto the amendments.

Sources: Transparency International Georgia, ['The Coalition responds to the ad hoc hearing of the amendments to the Organic Law on Common Courts'](#), 28.12.2021; ['Appeal to the President to Veto the Amendment to the Organic Law on Common Courts'](#), 13.01.2022

⁶³ Charles Michel announced that the EU may cut € 75 million loan should the Georgian authorities fail to complete judicial reform and refuse to commit to the April 19 EU-brokered deal. The European Parliament and the Council adopted a loan package for Georgia (€ 150 million) in the context of COVID-19 pandemic in May 2020. The [first disbursement](#) of €75 million was made in November 2020.

⁶⁴ Agenda.ge, 'PM Garibashvili: 'We have decided not to take the second part of the EU loan, as we have started reducing foreign debt'', 31.08.2021

⁶⁵ Eurasia.net, ['Georgia turns down 75 millions euro from the EU'](#), 1.09.2021

⁶⁶ Civil.ge, ['EU Embassy Abstains from Observing Top Court Candidate Hearing'](#), 25.11.2021

⁶⁷ This election took place after previous holders of the seats resigned before the completion of their term. Civil.ge, ['Two Judge-Members Elected to High Council of Justice amid Criticism'](#) 02.11.2021

⁶⁸ EU Delegation to Georgia, ['Remarks by Ambassador Carl Hartzell following the appointment of two members of the High Council of Justice'](#), 02.11.2021

In addition, in early September 2021 Georgia failed to introduce a constitutional amendment on the election modalities of the Prosecutor General, another step requested by the 19 April agreement.⁶⁹ In line with the recommendations of the Venice Commission, this amendment was meant to increase the majority threshold to a qualified majority in order to avoid the appointment of a Prosecutor General by a single party or coalition. Yet this amendment was withdrawn from the constitutional amendments adopted on 7 September.

Overall, developments in the judiciary since 2020 have highlighted major setbacks in the implementation of the AA. The repeated moves in breach of Georgia's obligations only testify to the Georgian authorities' lack of commitment to an in-depth reform of the judiciary system that would enhance its independence, accountability and impartiality. Crucially, the changes introduced in 2020-21 are not based on either a consensus between the ruling coalition and the opposition, or broad civil society participation.

Judicial Reform

Provisions of April 19 agreement related to the appointment of the Prosecutor General

As regards future Prosecutors General, following necessary procedures for constitutional revision, including a public debate, the parties commit to pursuing a shared political position that a vote of a qualified majority of the Members of Parliament, ensuring the broadest, cross-party political support, shall be required for the appointment of the next Prosecutors General and to align these appointments with international best practices to ensure appointments are made in a transparent, non-partisan manner, based on merits. Furthermore, the parties commit to pursuing a shared political position on establishing an 'anti-deadlock' mechanism for the election of future Prosecutors General, as follows: 1. The first two attempts shall require a qualified majority. Subsequent attempts shall require a simple majority. 2. Votes shall take place no earlier than 4 weeks after the previous vote. 3. Any appointment pursuant to this anti-deadlock procedure (lower than the qualified majority) shall be temporary, with a term limited to one year, during which the standard appointment procedure shall be re-launched.

Source: [A Way Ahead for Georgia](#).

3.3. Human rights and fundamental freedoms

3.3.1. Media freedom

As reflected in international indexes,⁷⁰ the situation of the Georgian media has significantly deteriorated since April 2020. While the media environment is pluralistic, media polarisation has increased in parallel with the political crisis, as was particularly visible in the run-up to parliamentary and local elections. The working environment in which journalists operate in Georgia has become more challenging. Media ownership and connections to political parties remain a problem. In addition, even though the legal framework provides a solid foundation for ensuring freedom of expression, interference with media work as well as verbal and physical attacks against journalists have multiplied.

Overall, the media legislation is liberal and progressive in Georgia.⁷¹ However, recent legislative changes have caused concern among international and local watchdogs. In July 2020, the Georgian National Communications Commissions (GNCC) made contentious amendments to the Law on Electronic Communications, whereby it gave itself the power to appoint 'special managers' at

⁶⁹ EU Delegation to Georgia, '[Remarks by EU Ambassador Carl Hartzell following today's parliamentary vote in first reading on the post-19 April Agreement constitutional amendments](#)', 07.09.2021

⁷⁰ Reporters sans frontières, '[Classement mondial de la liberté de la presse](#)', 2021.

⁷¹ Maia Mikashvidze '[Media landscape. Georgia](#)'.

telecommunications companies who will enforce its decisions.⁷² Such special managers enjoy a large scope of powers, such as to appoint/dismiss the company's director, members of the supervisory boards, and regular employees, to suspend or restrict the company's rights to distribute profits, dividends, bonuses or make changes to salaries, to file a lawsuit in court against the contracts or deals made a year before her appointment and demand their annulment. Therefore, as noted by the Venice Commission the Law on Electronic Communications leads to far reaching consequences for the right of property and media freedom, as well as for the right to a fair trial.⁷³ In October 2021, the Georgian Dream ruling coalition introduced contested amendments to the Law on Broadcasting that would prohibit political advertisements creating 'negative attitudes' towards election contenders. Georgian CSOs criticised an 'alarming' move, as the vaguely-defined concept of 'negative attitudes' could lead to unconstitutional interference with the right to freedom of expression.⁷⁴

The ruling coalition has kept interfering in the media environment using both formal and informal levers. The major changes in media ownership and top management that took place in 2019 (in particular at Rustavi 2 TV channel and Adjara TV and Radio Public Broadcaster)⁷⁵ had important implications in terms of interference in the editorial policy.⁷⁶ Repeated harassment and dismissal of critical Adjara TV journalists⁷⁷ were regarded as threats to media pluralism and violation of workers' rights by the Georgian Public Defender⁷⁸ and international organisations. In July 2021, three more journalists were dismissed from Adjara TV and claimed their dismissal was related to their criticisms of the station's management; they were subsequently reinstated after a solidarity rally was organised. One month later, two prominent journalists of Rustavi 2, Guram Rogava and Teona Tskhomelidze, quit the station citing political pressures and changes in the station's editorial policy in the run-up to the local elections.⁷⁹ The authorities' supposed interference in the media was also exposed in September 2021, when alleged records of mass surveillance by the State Security Service targeting journalists (among others) were leaked.⁸⁰

The ruling majority has become increasingly vocal in criticising the media. Members of the Georgian Dream as well as governmental agencies have sought to discredit opposition outlets by presenting them as sources of disinformation. In July 2020, CSOs and media organisations accused the GNCC of using its Media Critic platform for attacking independent media, after the platform presented several quality media as 'sources of fake news'.⁸¹ In the run-up to the 2020 parliamentary elections, Kakha Kaladze, Tbilisi mayor and secretary general of the Georgian Dream coalition, initiated a campaign to fight 'fake news' spread by 'destructive opposition' and its 'own televisions' (e.g.,

⁷² Freedom House, [Freedom on the Net](#), 2021

⁷³ Council of Europe Venice Commission, Opinion 1008/2020, '[Georgia explanatory report on draft law of Georgia on introducing amendments to the law of Georgia on electronic communications](#)', Strasbourg, 3.03.2021.

⁷⁴ The authors of the bill also requested to fast-track the hearings to pass the changes before the second rounds of the local elections, yet the Parliament's Bureau eventually decided to go through the regular procedure. Civil.ge, [CSOs Decry Bill Banning 'Negative' Election Campaign Ads](#), 20.10.2021

⁷⁵ '[Association Agreement between the EU and Georgia. Europe Implementation Assessment](#)', op.cit., p.40-41.

⁷⁶ Media Advocacy Coalition, '[Coalition for Media Advocacy once again addresses international organisations regarding ongoing processes in Adjara Public Broadcaster](#)', 14.02.2020; GYLA, '[The editorial independence of Adjara TV and Radio is still in jeopardy](#)', 14.02.2020.

⁷⁷ Transparency International Georgia, '[Timeline of Georgian Dream's Efforts to Seize Adjara TV](#)', 23.06.2020

⁷⁸ Public Defender of Georgia, '[Public Defender Finds Violation of Rights of Four More Former and Current Employees of Adjara TV](#)', 27.08.2020.

⁷⁹ Civil.ge, '[Two Anchors Quit Rustavi 2 TV Citing Changes to Editorial Policy](#)', 17.08.2021

⁸⁰ Reporters without Borders, '[RSF calls for rapid results from enquiry after journalists spied on in Georgia](#)', 24.09.2021.

⁸¹ Civil.ge, '[Media Coalition: State Uses Levers to Discredit Netgazeti, Batumelebi Outlets](#)', 6.07.2020

Mtavari Arkhi TV, TV Pirveli and Formula TV).⁸² One year later, Mr. Kaladze's statements during the campaign for local elections were regarded by the Georgian Charter of Journalist Ethics as a 'threat to democracy'.⁸³ Likewise, shortly before the 2021 local elections the Information Protection Center, a body under the CEC that monitors TV and online media as well as Facebook, wrongly accused Georgia's three leading online media outlets – Netgazeti, Publika, and On.Ge – of discreditation attempts and spreading disinformation. Following protests from all three outlets over damages to their reputation, the CEC recognised a 'technical mistake' as well as 'a monitoring flaw', however it did not immediately correct the mistakes.⁸⁴

Crucially, verbal attacks emanating from the ruling majority engender a hostile environment for the Georgian media and pave the way for physical violence. More than 90 violent attacks against journalists were reported in 2021.⁸⁵ Violence took a dramatic turn during the Tbilisi Pride on July 5-6, 2021, when radical and homophobic groups attacked 53 media representatives and Lesko Lashkarava, a Piverli TV cameraman, died after being beaten up. According to Georgian CSOs, the escalation into large-scale violence was encouraged by the authorities, who did not take appropriate security measures despite repeated calls from civil society to do so.⁸⁶ Threats and violence against media representatives breed fear among journalists. Many of them reportedly try to erase their professional identity, for instance by attempting to pass as protesters when investigating demonstrations.⁸⁷

Overall, media freedom has been substantially damaged. Georgia ranks 60th out of 180th countries in Reporters without Borders' 2021 Press Freedom Index⁸⁸ and has received a medium score of 2/4 regarding free and independent media in Freedom House 2021 report.⁸⁹

3.3.2. Civil society

As reflected in international indexes,⁹⁰ Georgian civil society is robust; however, civic engagement remains limited in the country and many Georgian CSOs face important challenges in terms of funding and sustainability, especially in the regions. As part of the AA, the Georgian authorities have committed themselves to encouraging the involvement of civil society in policy development and reforms, as well as cooperation with the EU. The AA provides for the creation of the following mechanisms:

- An EU-Georgia Civil Society Platform made up of EU and Georgian civil society representatives,⁹¹ which may make recommendations to the Association Council. The Association Committee and the Parliamentary Association Committee organise regular contacts with the platform's representatives to obtain their views on the attainment of the AA objectives.⁹² Since June 2016, the EU-Georgia Civil Platform has

⁸² Civil.ge, '[Tbilisi Mayor Campaigns to Counter 'Fake News'](#)', 26.06.2020

⁸³ Mr. Kaladze called the journalists 'radicals', 'the dirtiest people' and 'the head of hatred and evil.' [Georgian Charter of Journalist Ethics](#), 29.09.2021.

⁸⁴ Civil.ge, '[Online Media Outlets Slam CEC Over Disinformation Accusations](#)', 24.09.2021

⁸⁵ Interview with Georgian civil society representatives, 11.01.2022

⁸⁶ Media Advocacy Coalition. [A Pogrom of the Media. Tbilisi, July 5 and 6, 2021](#), September 2021.

⁸⁷ Interview with a Georgian media representative, 10.01.2022

⁸⁸ [Classement mondial de la liberté de la presse](#).

⁸⁹ Freedom House, [Freedom in the World 2021, Georgia](#), 2021.

⁹⁰ The CIVICUS Monitor rates the civic space in Georgia as 'narrowed', which is the second best category after 'open'. <https://www.civicus.org/index.php/what-we-do/innovate/civicus-monitor>

⁹¹ 'Civil Society Platform', article 412 of the [Association Agreement](#)

⁹² Article 413 of the [Association Agreement](#)

met on average twice a year⁹³ and discussed key challenges in AA implementation, including the judiciary reform and health services, in the context of the pandemic.⁹⁴

- A Joint Civil Society Dialogue Forum whose views are submitted to both the EU and Georgian authorities.⁹⁵
- Advisory councils and consultative groups composed of CSOs representatives 'in a balanced representation of economic, social, and environmental stakeholders';⁹⁶ these groups are consulted by the government on AA implementation-related matters. One of the oldest and most important consultation channels is the advisory group on DCFTA, which was set up in 2015.

In addition to the mechanisms set up as part of the AA, the Georgian National Platform created as part of the EaP Civil Society Forum has signed memoranda of cooperation with the Georgian government and with the Georgian Parliament's European Integration Committee.⁹⁷

The multiplication of consultation formats has intensified cooperation between the Georgian government and civil society.⁹⁸

According to a study mapping CSOs in Georgia, 47% of the surveyed organisations confirmed being engaged in the policy dialogue with various government agencies in 2018–2020.⁹⁹ However, the effectiveness of these channels is now seriously questioned. According to CSOs representatives, the formats set up in the context of the AA are limited to information provided by the government, rather than consultation of and cooperation with civil society.¹⁰⁰ Civil society involvement is therefore mostly formal and procedural. In addition, the participation of CSOs in the policy formulation process varies across policy areas and hinges on the good will of the ruling coalition.¹⁰¹ Crucially, growing tensions between the government and civil society since 2019 and the 2020-21 political crisis have permeated channels of cooperation on AA-related matters. According to CSOs representatives, the

Civil society cooperation

Chapter 20 of the Association Agreement

Article 370

The Parties shall promote dialogue and cooperation between civil society stakeholders from both sides as an integral part of the relations between the EU and Georgia. The aims of such a dialogue and such cooperation are: (a) to ensure involvement of civil society in EU-Georgia relations, in particular in the implementation of the provisions of this Agreement; (b) to enhance civil society participation in the public decision-making process, particularly by maintaining an open, transparent and regular dialogue between the public institutions and representative associations and civil society; (c) to facilitate an enabling environment for the institution-building and development of civil society organisations in various ways, including inter alia advocacy support, informal and formal networking, mutual visits and workshops enabling legal framework for civil society, and (d) to enable civil society representatives from each side to become acquainted with the processes of consultation and dialogue between civil society, including social partners, and public authorities in particular with a view to strengthen civil society in the public policy-making process.

Source: [Association Agreement](#)

⁹³ Only one meeting took place in 2020 due to the COVID-19 pandemic.

⁹⁴ European Economic and Social Committee, [7th Meeting of the EU-Georgia Civil Society Platform](#), 30.06.2021

⁹⁵ 'Joint Civil Society Dialogue Forum', article 241 of the [Association Agreement](#)

⁹⁶ Article 240 of the [Association Agreement](#)

⁹⁷ These memoranda were signed in November 2015 and February 2016, respectively. Lasha Tughushi, Salome Sichinava, [EU-Georgia Civil Society Platforms. Lessons learned](#), Eastern Partnership Civil Society Forum, 2017

⁹⁸ *Ibid.*, p.10

⁹⁹ The EU for Georgia/Konrad Adenauer Stiftung, [Civil Society Organisations in Georgia: Mapping Study](#), 2021.

¹⁰⁰ Interview with a CSO representative, 14.12.2021

¹⁰¹ Interview with CSO representatives, 11.01.2022

government is increasingly intolerant to critics emanating from civil society, as is the case with the media. When faced with critics, the authorities accuses CSO of representing the political opposition, in particular the UNM.¹⁰²

Georgian civil society closely interacts with the EU Delegation in Tbilisi and benefits from substantial EU financial support, e.g. through the Georgian Civil Society Sustainability Initiative. In late 2021, upon updating its Roadmap for engagement with civil society¹⁰³ the EU took note of the new challenges faced by Georgian CSOs, whether as a result of the pandemic or the political deadlock in the country. Whereas the impact of these developments has yet to be ascertained, the EU has adjusted its Roadmap with a view to enhancing the enabling environment for CSOs, including through:

- Mainstreaming CSOs participation in priority areas in sector policy development and monitoring;
- A continuous monitoring of civic space that triggers early warning of potential shrinking space ;
- A Joint Civil Society Dialogue Forum whose views are submitted to both sides and which contributes to an enabling environment for civil society to operate;
- Systematic engagement with the EU and EaP think tank community in public debates.
- Giving special attention to CSOs working on human rights and democratic standards, including electoral reform, rule of law, anti-corruption, ethnic minorities and a free and independent media environment.¹⁰⁴

These recommendations, however, do not address a major criticism expressed by Georgian CSOs, namely their weak representation (if any) in EU-Georgia official channels of dialogue. This is despite the fact that Georgian CSOs play a key role in monitoring the AA/DCFTA implementation, delivering recommendations to the Georgian government and informing the EU and other international organisations on political developments in the country.

3.3.3. Gender equality

Following the ratification of the 'Istanbul Convention'¹⁰⁵ in 2017, Georgia has taken significant measures to fight violence against women. In 2020, a law was adopted on combating crimes of sexual violence, including against minors, which provides for the creation of a registry for sex offenders and imposes restraining measures on perpetrators. Starting in March 2021, the General Prosecutors' Office and the Ministry of Internal Affairs of Georgia started a specialisation programme for investigators and prosecutors on sexual violence.¹⁰⁶ A Handbook for effective investigation of sexual violence has also been prepared in cooperation with CSO and the Council of Europe.¹⁰⁷ These are important measures to address the shortcomings of the criminal justice system and remove obstacles to accessing justice for sexual violence victims. In addition, the government took specific measures in spring 2020 to support survivors of domestic violence during the COVID-19 crisis by exempting them from movement restrictions and providing information on state support.¹⁰⁸

¹⁰² E-mail interview with CSO representatives, 04.01.2022

¹⁰³ EEAS, [EU Roadmap for engagement with civil society in Georgia](#), 21.12.2021

¹⁰⁴ Ibid.

¹⁰⁵ Council of Europe Convention on preventing and combating violence against women and domestic violence.

¹⁰⁶ [NGO Shadow Report on the implementation of the Council of Europe Convention on preventing and combating violence against women and domestic violence in Georgia](#), October 2021

¹⁰⁷ Equality Now and GYLA, ['Information on Georgia for consideration by the Committee on the Rights of the Child at the Pre-Sessional Working Group of its 90th Session'](#), 1.07.2021

¹⁰⁸ [Joint Staff Implementation Report on Georgia](#), p.4

However, important challenges persist, whether in terms of legal framework or practices. The Georgian legislation still falls short of the Istanbul Convention and international human rights standards. This is because the definition of rape in the Criminal Code of Georgia focuses on the use of force, threat of force and abusing the helplessness of the victim, rather than the absence of consent.¹⁰⁹ The differentiation between two forms of rape¹¹⁰ has important implications on charging and sentencing decisions, with some offences falling under the category of ‘less serious crimes’ in the Criminal Code. In addition, burdensome evidentiary standards and corroboration requirements constitute major barriers to justice for victims of sexual violence. Finally, the discriminatory motive is not systematically investigated.¹¹¹

Gender equality at work has significantly improved as a result of amendments to the Labour Code adopted in September 2020, which ensure equal remuneration for equal work to male and female employees. Other improvements include the introduction of paid maternity leave, provisions protecting pregnant women and women who recently gave birth, including working arrangements in the case of night shifts and time off for medical examinations.

These changes are reflected in international indexes. Georgia has significantly improved its position in the Global Gender Gap. While the country ranked 99th out of 153 countries in 2018 and 74th in 2020, it now ranks 49th.¹¹² Remaining challenges include economic participation and political empowerment of women. In terms of economic participation, women represent 61.9% of professional and technical workers but only 36.7% of senior officials and managers. In 2020, average women remuneration accounted for 67.6% of male remuneration, up from 64.2% in 2018.¹¹³ Regarding political empowerment, women account for 36% of ministerial positions and 20% of seats in the Georgian Parliament.¹¹⁴ However, in June 2020 legislative amendments to the Electoral Code introduced mandatory gender quotas to increase women’s participation in political life,

3.3.4. Discrimination

In the wake of amendments brought to the Law on the Elimination of all Forms of Discrimination in 2019,¹¹⁵ Georgia has further revised its legal and political framework to ensure equality for all. In July 2020, the country adopted a Law on the Rights of Persons with Disabilities with a view to ensuring equal opportunities for disabled persons. In addition, the amendments to the Labour Code that were adopted in September 2020 include important provisions against discrimination. The revised Labour Code defines direct and indirect discrimination and prohibits the termination of employment contracts based on discriminatory grounds. In addition, the Equality chapter adopted in February 2021 as part of the National Human Rights Action Plan details actions to be taken to ensure equal rights for LGBTIQ.¹¹⁶

In spite of legislative change and planned political measures, minorities have experienced both limitations to, and major violations of their rights in 2020-21.

¹⁰⁹ Public Defender of Georgia and Council of Europe. [Administration of Justice on Sexual Violence Crimes against Women in Georgia](#), December 2020, p.20

¹¹⁰ One of these, called coercion, is defined as a ‘light crime committed in circumstances other than with the use of force or threat of immediate force or helplessness’. [NGO Shadow Report on the implementation of the Council of Europe Convention on preventing and combating violence against women and domestic violence in Georgia](#), op.cit

¹¹¹ [Administration of Justice on Sexual Violence Crimes against Women in Georgia](#), op.cit.

¹¹² World Economic Forum, [Global Gender Gap 2021](#).

¹¹³ Geostat.ge, <http://gender.geostat.ge/gender/index.php?action=Income>

¹¹⁴ Ibid.

¹¹⁵ [Association Agreement between the EU and Georgia. Europe Implementation Assessment](#), op.cit.

¹¹⁶ [Joint Staff Implementation Report on Georgia](#), op.cit., p.5

As noted by the Public Defender of Georgia, discrimination based on gender, age or other grounds persists in housing and employment (whether in the public service or the private sector).¹¹⁷ Moreover, discrimination of, and offences against sexual minorities remain a major problem. The COVID-19 pandemic only restricted the right of expression for LGBTIQ persons, as it limited the possibilities to organise public gatherings.¹¹⁸ For instance, the International Day Against Homophobia, Transphobia and Biphobia on May 17, 2020, was held online; however, several offences against LGBTIQ persons were reported throughout 2020, such as the theft of a flag from the Tbilisi Pride office and expressions of violence that the police failed to prevent.¹¹⁹ A year later, the attacks on Tbilisi Pride in early July 2021 blatantly exposed violence by radical groups who assaulted LGBTIQ activists and community members, as well as journalists. The tragic events that unfolded on July 5th followed homophobic statements by public figures, including members from the Georgian Orthodox Church.¹²⁰ Importantly, the Georgian authorities failed to effectively ensure the protection and security of those gathered during the March for Dignity. Prime Minister Garibashvili described the events as ‘very unfortunate’, adding however that ‘violence happens everywhere’. According to him, the government had warned the organisers that holding ‘a propagandistic parade in a demonstrative manner’ on Tbilisi’s major avenue, ‘was provocative, and impermissible’.¹²¹ Therefore, both the events and the government’s responsibility therein ‘cast a shadow over EU-Georgia relations and Georgia’s image as a country upholding basic human rights’.¹²²

3.3.5. Child’s rights

Major issues with respect to child’s rights include corporal punishment and child abuse, sexual exploitation and abuse, including by collecting data on child sexual abuse, weak victim identification process, lack of awareness (regarding in particular the law setting the age of marriage at 18), and a lack of human and financial resources for implementing the national child’s action plans (in particular, the lack of social workers and psychologists).¹²³

Importantly, the Georgian authorities adopted a Code on the Rights of the Child that entered into force on 1 September 2020. The Code lays the foundation for the protection of and support for the fundamental rights and freedoms of the child. Under the Code, the supreme consideration of the best interests of the child and his/her opinion are mandatory. The Public Defender of Georgia monitors the proper implementation of the Code by the responsible agencies and legal entities of private law.¹²⁴ In addition to the Code, the Georgian authorities have taken steps to close large-scale state-run childcare institutions, where a number of abuses have been committed;¹²⁵ however, the process has yet to be completed.¹²⁶

¹¹⁷ Public Defender of Georgia, [Report of the Public Defender of Georgia on the Protection of Human Rights and Freedoms](#), 2020,

¹¹⁸ Ibid., p.137

¹¹⁹ Ibid.

¹²⁰ The Georgian Orthodox Church accused the Tbilisi Pride’s organisers of ‘propagating a non-traditional way of life under the guise of protecting human rights’. Civil.ge, [‘Orthodox Church Speaks Out Against Pride Week’](#), 30.06.2021

¹²¹ Civil.ge, [‘Garibashvili on LGBT Pride : ‘95% against Propagandistic Parade’](#), 12.07.2021

¹²² Delegation of the EU to Georgia, [‘Letter addressed to the Government of Georgia by EU Heads of Mission on the Pride related events of 5 July and their follow-up’](#), 15.07.2021

¹²³ UN Committee on the Rights of the Child, [Concluding observations on the fourth periodic report of Georgia](#), 9.3.2017

¹²⁴ Public Defender of Georgia, [Public Defender’s Statement on the Code of the Rights of the Child](#), 31.08.2020

¹²⁵ Online interview with CSO representative, 4.01.2022

¹²⁶ [Joint Staff Implementation Report on Georgia](#), op.cit., p.5

Whereas the adoption of the Code is a significant achievement, challenges persist regarding crimes of sexual abuse and exploitation of children, whether in terms of legal framework or practices.¹²⁷ The Georgian legislation relating to rape and other forms of sexual violence does not meet the requirements of the UN Convention on the Rights of the Child and other international standards. Practices of sexual abuse persist. In 2020, investigations were launched in 47 cases of bride kidnapping.¹²⁸ According to Georgian CSOs, both the criminal justice system's response and the government's policy against the rape of minors remain problematic:

Even though statutory rape is a serious crime under the Criminal Code envisaging imprisonment between 7 and 9 years, this punishment is never applied when it comes to statutory rape within 'marriage' or committed with the purpose of entering 'voluntarily' into marriage. Perpetrators are only given fines and conditional sentences. Moreover, child marriage is not considered a form of forced marriage and in the absence of physical evidence of sexual intercourse, such as pregnancy, state authorities usually fail to identify such cases.¹²⁹

Importantly however, in June 2021, the Ministry of Internal Affairs of Georgia started an awareness raising campaign across Georgia with the view to preventing child marriage.¹³⁰

In addition, child protection mechanisms are not enforced when administering justice. The country also lacks services focusing on child rehabilitation, which hinders the protection of the child's interests. However, a special integrated service for child victims of sexual violence, which will bring justice and rehabilitation services into one space, is expected to open soon in Georgia with the support of UNICEF and the Embassy of Estonia.¹³¹

3.3.6. Ill-treatment

In 2019, 154 applications were lodged with the Office of the Public Defender where citizens alleged incidents of ill-treatment committed by law enforcement officers. Among these, 77 concerned prison officers and 60 concerned police officers. Moreover, 50 applications were filed regarding delays in investigations into the allegations of ill-treatment.

Monitoring by the Public Defender of Georgia highlights an increase in the number of incidents of ill-treatment of persons arrested in administrative proceedings. In 2020, out of the suspicious cases identified by the Special Preventive Group, injuries were inflicted during and after arrests in 34.3% of them, up from 12.8% in 2016 and 26.4% in 2018.¹³² A major obstacle in fighting ill-treatment is the lack of effective investigation, as was blatantly exposed when the prosecution dismissed charges against Temur Abazov (the former mayor of Marneuli accused of degrading treatment); this deprived the court of the possibility to examine the criminal case before it.¹³³ Regarding the

¹²⁷ Public Defender of Georgia, [Special report the administration of justice on crimes of sexual abuse and sexual exploitation of children](#), 2021.

¹²⁸ [Report of the Public Defender of Georgia on the Protection of Human Rights and Freedoms](#), op.cit., p. 204

¹²⁹ [Information on Georgia for consideration by the Committee on the Rights of the Child at the Pre-Sessional Working Group of its 90th Session](#), op.cit

¹³⁰ Ibid.

¹³¹ Unicef.org, [Public Defender releases special report on administration of justice related to sexual abuse against children](#), 4.08.2021

¹³² Public Defender of Georgia, [Report of the Public Defender of Georgia On the Situation of Protection of Human Rights and Freedoms in Georgia](#), 2020, p.37

¹³³ Ibid., p.39

penitentiary system, the Public Defender reported a high degree of inter-prisoner violence resulting from the informal rule that prevails in a number of prisons.¹³⁴

In monitoring and preventing ill-treatment the Public Defender institution has been the target of harsh criticisms from the government, in clear breach of the law.¹³⁵

3.3.7. Worker's rights

Whereas Georgia previously experienced significant challenges with respect to workers' rights,¹³⁶ wide-ranging labour reforms were adopted in 2020-21. On 29 September 2021, the Parliament adopted extensive amendments to the Labour Code, which include provisions concerning discrimination and equal pay, limits on verbal employment contracts, overtime hours, night work, mandatory weekly rest, part-time work, collective redundancy, and the transfer of undertakings. These amendments offer a much higher degree of protection to workers and, according to the International Labour Organisation (ILO), 'constitute a major step forward in bringing Georgia's labour legislation in line with relevant international labour standards of the ILO and EU Directives and striking a better balance between the rights and interests of workers and employers'.¹³⁷ In addition, the Parliament approved the Law on the Labour Inspection Services, which extended the Labour Inspectorate's mandate to include labour rights and conditions beyond its initial safety and health competences. However, Georgian CSOs stressed that the reforms failed to address critical issues such as 'low and inadequate wages, unregulated working hours, overtime work and its inadequate remuneration, inadequate compensation for maternity and childcare leave, lack of possibilities for solidarity strike and determination of exhaustive grounds for termination of employment contract'.¹³⁸

The COVID-19 pandemic triggered important challenges with respect to workers' rights. The Targeted Social Assistance (TSA) programme was scaled up to provide temporary cash transfers to households in extreme poverty, workers who lost jobs due to the pandemic (especially in the tourism sector), and families in vulnerable situations.¹³⁹ The working conditions of those employed in the health sector also significantly deteriorated as a result of the pandemic. In addition, economic entities had to comply with specific requirements issued by the Ministry of Health, while the Labour Conditions Inspection Department (now the Labour Inspectorate) monitored compliance.¹⁴⁰

3.4. Corruption

Since the early 2000s, Georgia has been praised for effectively fighting corruption. However, reforms have slowed down in recent years. In 2021, the country ranked 45th in Transparency International's Corruption Perceptions Index (down from 41st in 2018)¹⁴¹ and scores 55 (down from 56 in 2020). The lack of accountability of the law enforcement bodies, corrupt political interference in the judiciary, government-sponsored attacks on independent civil society and the absence of an independent

¹³⁴ 'Administrations of penitentiary establishments delegate powers to informal leaders (the so-called watchers) and rule the establishments informally with their help that implies silencing prisoners, prohibiting them from discussing problems and maintaining an imaginary order in the establishments'. Ibid.

¹³⁵ Ibid., p.36

¹³⁶ [Association Agreement between the EU and Georgia. Europe Implementation Assessment](#), op.cit., pp. 43-44

¹³⁷ ILO, '[Georgia's Parliament adopts historic labour law reform package](#)', 29.09.2020

¹³⁸ Open Society Foundation, '[Labor Reform Adopted – with Strong Inspection and Weak Labor Standards](#)', 1.10.2020

¹³⁹ [Joint Staff Implementation Report on Georgia](#), op.cit., p.13

¹⁴⁰ [Report of the Public Defender of Georgia on the Protection of Human Rights and Freedoms](#), op.cit., p.218.

¹⁴¹ Transparency International, [Corruption Perceptions Index 2021](#), 2022.

anti-corruption investigative agency have emerged as significant challenges in the fight against corruption.¹⁴²

This has not changed significantly in 2020-21. Georgia lacks an accurate analysis of actual corruption challenges and concrete actions to tackle them. In fact, the country has had no operational anti-corruption strategy and action plan over the past two years. Work on renewing the Anti-Corruption Strategy and elaborating the Action Plan for 2021-22 resumed in 2021. However, as of late 2021 the Anti-Corruption Action Plan for 2021-22 is yet to be approved.¹⁴³

Georgia's compliance with the Council of Europe's GRECO recommendations on corruption prevention is mixed¹⁴⁴

- The transparency of the legislative process has improved through making the publication of draft legislation and the related amendments more visible, however rules should also be adopted to allow for meaningful consultations to take place.
- While more transparent criteria were introduced for recruiting judges, these criteria are not systematically applied, as was illustrated by recent appointments to the Supreme Court. The amendments to the Law on Common Courts introduced in December 2021 are likely to further deplete trust in the judiciary.
- The basis for recruiting and promoting prosecutors has improved, however sanctionable conduct needs to be defined more precisely.
- In addition to GRECO's observations, Georgian CSOs point to shortcomings in the verification process of asset statements for public officials. This undermines both the prevention of conflict of interest and the identification of cases of illegal enrichment.¹⁴⁵

Effective investigation and prosecution of high-level corruption is a major challenge, as the growing concentration of power and informal influence on public institutions make it difficult to properly investigate possible cases of high-level corruption.¹⁴⁶ Yet the latter is increasingly problematic. The list drawn up by a Georgian watchdog currently includes 65 cases of alleged high-level corruption involving members of the ruling coalition or high-level civil servants.¹⁴⁷ Suspicions of corruption are especially high (and yet difficult to monitor) in public procurement, e.g. through direct awards and/or connections between the companies that are awarded tenders and the ruling coalition.

The most critical issue pertains to the lack of an effective institutional system. As of early 2022 the country still lacks an independent anti-corruption service that would effectively implement and monitor anti-corruption policy.¹⁴⁸ In fact, in 2020-21 no dialogue was held with civil society and no monitoring report on the implementation of the National Anti-Corruption Strategy and the corresponding Action Plan was presented.¹⁴⁹ This is because the Interagency Anti-Corruption Coordination Council, which is responsible for determining, monitoring, and assessing the country's

¹⁴² [Association Agreement between the EU and Georgia. Europe Implementation Assessment](#), op.cit., p.44

¹⁴³ GYLA, '[The government of Georgia hinders the adoption of OECD report on anti-corruption environment](#)', 19.11.2021

¹⁴⁴ Council of Europe Group of States Against Corruption, [Fourth evaluation Round. Corruption prevention in respect of members of parliament, judges and prosecutors. Second Compliance Report, Georgia](#), Strasbourg, March 2021.

¹⁴⁵ Transparency International Georgia, [Transparency International Georgia's Proposals for Georgia's National Anticorruption Strategy and 2021-2021 Action Plan](#), 02.03.2021

¹⁴⁶ Transparency International Georgia, [Corruption and Anti-Corruption Policy in Georgia: 2016-2020](#), 21.10.2020

¹⁴⁷ Transparency International Georgia, [Uninvestigated High-Level Corruption. A Periodically Updated List](#), last updated 23.08.2021

¹⁴⁸ Transparency International Georgia, [Georgian Government Stalled Anti-Corruption Policy](#), December 2021.

¹⁴⁹ Ibid., p. 14

anti-corruption policy, last met in 2019.¹⁵⁰ In March 2021, the function of the Anti-Corruption Council Secretariat was transferred from the Ministry of Justice to the Administration of Government; however, as of December the new body had not yet been staffed.¹⁵¹

Overall, the good performance of Georgia in international indexes builds to a large extent on the reforms undertaken in the mid-2000s. The fight against corruption has lost momentum in the country's public policies, whether in terms of policy strategy, implementation, monitoring or evaluation. In October 2021, the Georgian authorities' refused to approve the OECD/ACN report assessing the anti-corruption environment in Georgia. According to local CSOs, this clearly signalled that 'combating corruption is no longer a priority for the country's authorities'.¹⁵²

3.5. Decentralisation

In 2004, Georgia ratified the European Charter of Local Self-Governments, an international binding treaty which enshrines the principle of subsidiarity for tasks not formally assigned to higher levels of government. Over the past five years, Georgia has embarked on important decentralisation reforms with major political, administrative, financial and territorial implications. However, decentralisation reform has primarily been driven by the need to promote more efficient management and investment rather than the will to foster effective governance at the local level.

In June 2017, the Georgian Parliament adopted (despite a presidential veto) a new local self-government code, which was criticised by both opposition and CSOs as a step back toward centralisation and weak local governance. In line with the new code, seven of the twelve self-governing cities were stripped of their status, reducing the total back to five.¹⁵³ However, in late 2019, the Georgian government approved the 'Decentralisation Strategy 2020–25' (as well as the corresponding action plan for 2020–2021), with ambitious aims, including to:

- Facilitate consistent development of local self-governance,
- Transform decentralisation into a continuous and results oriented process,
- Enhance the role and importance of self-government units in deciding on public matters,
- Ensure public participation in the execution of local self-governance,
- and establish transparent, accountable self-governance based on good governance principles.¹⁵⁴

This strategy bears potentially important implications in terms of:

- *Enhancing local governments' responsibilities* compared to their previously limited delegated competences, whether in terms of management and planning, or the provision of basic services and social sector services.¹⁵⁵
- *Providing an impetus to a comprehensive revision of Georgian legislation* in order to eliminate collisions between the provisions of sectoral legislation and the existing law of local self-governments.¹⁵⁶

¹⁵⁰ GYLA, '[The government of Georgia hinders the adoption of OECD report on anti-corruption environment](#)', op.cit.

¹⁵¹ Civil.ge, '[Watchdog Says Government Neglects Anti-Corruption Reforms](#)', 07.12.2021.

¹⁵² Ibid.

¹⁵³ Freedom House, [Nations in Transit](#), 2018

¹⁵⁴ Ministry of Regional Development and Infrastructure of Georgia, [Decentralisation Strategy 2020-2025](#)

¹⁵⁵ Alexandra Schantl, Nikola Hochholdinger, Lena Rücker and Elton Stafa, [Decentralisation and Local Public Administration Reform in Georgia, Moldova and Ukraine](#), NALAS, March 2021, pp.14-16

¹⁵⁶ Freedom House, [Nations in Transit](#), 2021

- *Increasing the diversification of funding sources available to CSOs* as local governments should have the authority to provide grants to CSOs.

However, both the adoption and the implementation of this strategy highlight persisting challenges, which have only been exacerbated by the COVID-19 pandemic:

- *A weak consultation process*: Prior to approving the Strategy, the Georgian authorities failed to consult a number of experts who had put forward an alternative decentralisation project aimed at increasing the independence of local governments.¹⁵⁷ This was yet another illustration of the failure to develop an inclusive process and consensus-based policies in areas of key concern to Georgian citizens. The implementation of the Strategy envisaged a series of stakeholders' consultations, however progress was limited due to the outbreak of the pandemic.¹⁵⁸
- *Persisting financial limitations* to actual self-government: The reforms have substantially enhanced financial decentralisation by introducing a shared tax system based on VAT, of which local governments perceive 19%. However, the VAT revenues to be perceived by local entities have thus far been limited as the pandemic drastically impacted the economy. Overall, local authorities remain highly dependent on financial transfers from the central budget.¹⁵⁹ Their own revenues account for less than 10% of the overall local budgets. This reflects 'weak local tax powers, underdeveloped local economies and therefore weak local tax basis'.¹⁶⁰
- *Weak accountability*: Recent changes in the electoral system of mayors and their new accountability to the municipal councillors are expected to strengthen the link with citizens. The Council of Europe has also assisted Georgia in this task, including through the preparation of a handbook on transparency and citizens' participation.¹⁶¹ However, these changes take place against the background of a sharply deteriorating trust in public institutions, including at the local level. According to a poll conducted in July 2021, only 26% of Georgian citizens assess positively the performance of their municipal assembly, down from 33% in April 2019. Georgian citizens are equally split as to whether the local government communicates regularly with them.¹⁶²
- *Limited political autonomy* from local authorities and *limited political will* from the central government to proceed with effective decentralisation of powers. Political affiliation and pressure from the centre prevail, especially as the ruling coalition won 19 of 20 mayoral elections in late 2021.¹⁶³ In essence, the increasing concentration of powers in the hands of the ruling coalition at the central level challenges the ability of local governments to act independently.

¹⁵⁷ Ibid.

¹⁵⁸ European Commission/High Representative of the Union for Foreign and Security Policy. [Joint Staff Implementation Report on Georgia](#) op.cit.

¹⁵⁹ Freedom House, [Nations in Transit](#), 2021

¹⁶⁰ [Decentralisation and Local Public Administration Reform in Georgia, Moldova and Ukraine](#), p.22

¹⁶¹ Council of Europe, [Handbook on Transparency and Citizens' Participation](#), 2017

¹⁶² CRRC/NDI, [Public Attitudes in Georgia](#), July 2021

¹⁶³ Interview with a CSO representative, 4.01.2022

4. Justice, Freedom and Security

4.1. Visa-free movement, asylum and readmission

Since March 2017, Georgian citizens have been able to travel to the Schengen area for 90 days within a period of 180 days without a visa. Georgia has continuously been the main country of origin of applicants among visa-free EaP countries.¹⁶⁴ According to the Minister of Foreign Affairs David Zalkaliani, over 1.1 million visits from Georgian citizens to the Schengen area took place between March 2017 and March 2021.¹⁶⁵ Therefore, in Georgia the visa-free regime is widely regarded as ‘one of the most visible successes’¹⁶⁶ of closer integration with the EU. It is also, in the words of the former Georgian ambassador to the EU, ‘a symbol of breaking down barriers and acquiring a privilege of freedom’.¹⁶⁷

However, the first three years of implementation of the visa-free regime witnessed a sharp increase in asylum requests lodged by Georgian citizens in EU Schengen states, especially in France and Germany. Georgia then emerged as the main country of origin of applicants among visa-free EaP countries. Combined with a low recognition rate (4.1% in 2018 and 4.7% in 2019), this raised concerns about an abuse of the EU’s migration system,¹⁶⁸ especially for the purpose of seeking medical care in the EU. Georgia also experienced a dramatic increase (400%) in the number of entry refusals in late 2018 compared to 2016.¹⁶⁹

Since 2020, Georgia has continuously fulfilled EU requirements set forth in the visa-free regime. The authorities addressed the recommendations made in the Third Report under the Visa Suspension Mechanism by:

- *Continuing information campaigns* to increase the awareness of the population about the rules of visa-free travel to the EU
 - In 2020, a third round specifically targeted potential asylum-seekers.¹⁷⁰
 - At the end of the year, the Georgian authorities also informed the population about the consequences of abusing the visa-free regime, including via video clips and a social media campaign.¹⁷¹
- *Strengthening operational cooperation* to decrease irregular migration and address the issue of unfounded asylum applications
 - In June 2020, the European Commission approved a new working arrangement between Frontex and Georgia to counter irregular migration and cross-border crime, to exchange the information and best practice in the field of border management including return, also through joint risk analysis. A renewed working arrangement with Frontex was signed on 11 February 2021.

¹⁶⁴ European Commission, [Third Report under the Visa Suspension Mechanism](#), COM (2020) 325 final, 10.07.2020

¹⁶⁵ Quoted in Agenda.ge, [‘Georgia marks 4th anniversary of visa-free travel to EU’](#), 28.03.2021

¹⁶⁶ Prime Minister Garibashvili, *ibid.*

¹⁶⁷ *Ibid.*

¹⁶⁸ Tatia Dolidze, Mapping Georgia’s Visa-Free Progress: The Quest for a Preventive Strategy, [Eastern Partnership Civil Society Forum Policy Paper](#), September 2019, p.8

¹⁶⁹ *Ibid.*, p.9

¹⁷⁰ [‘Third Report under the Visa Suspension Mechanism’](#), *op.cit.*

¹⁷¹ European Commission, [Fourth Report under the Visa Suspension Mechanism](#), COM(2021) 602 final, 4.08.2021

➤ Frontex officers continued partaking in some of the preliminary checks and profiling of the passengers flying to EU destinations, whereas four Georgian police officers were deployed monthly to EU Member States' airports. The Ministry of Internal Affairs also remained proactive in exchanging information with police attachés on the ground.

➤ In addition, throughout 2020 EU Member States experts financed by the Commission's TAIEX programme continued to advise the Georgian authorities on the necessary legislative framework improvements to conduct pre-departure checks at borders.¹⁷²

Figure 3: Asylum requests lodged by Georgian citizens



Sources: Author's compilation based on European Commission, [Third Report under the Visa Suspension Mechanism](#), [Fourth Report under the Visa Suspension Mechanism](#)

➤ *Strengthening migration management* in line with EU standards:

➤ In order to strengthen pre-departure checks, the amendments to the law regulating entry to and exit from the territory of Georgia, which entered into force on 1 January 2021, establish criteria that mirror the entry conditions for third-country nationals, as stipulated in the Schengen Borders Code.

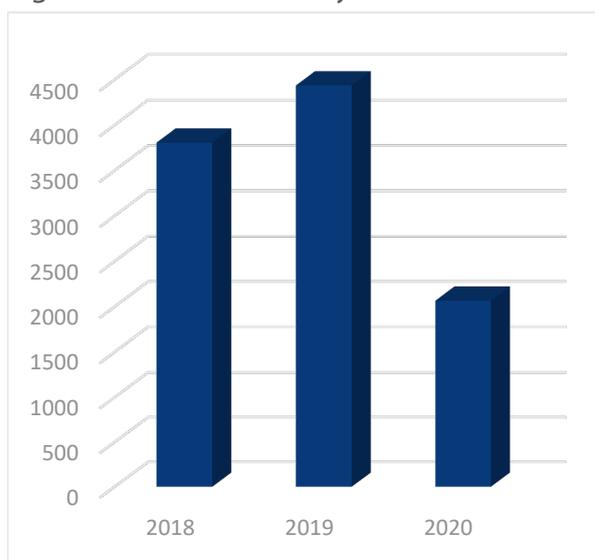
➤ The 2021-2030 Migration Strategy and the corresponding 2021 action plan were adopted in December 2020. In July 2020, the State Commission on Migration Issues (SCMI) also adopted a methodology for a unified migration risk analysis system. Finally, in March 2021 Georgia became an observer at the European Migration Network (EMN).¹⁷³

➤ *Maintaining good cooperation* with EU Member States on return and readmission of own and third country nationals, through the continuous use of the electronic Readmission Case Management System.

¹⁷² [Third Report under the Visa Suspension Mechanism](#), op.cit.

¹⁷³ [Fourth Report under the Visa Suspension Mechanism](#), op.cit.

Figure 4: Number of entry refusals



Sources: European Commission, [Third Report under the Visa Suspension Mechanism](#), [Fourth Report under the Visa Suspension Mechanism](#)

Visa-free movement has been largely affected by COVID-related restrictions. As a consequence of the pandemic, Georgia closed its borders on 18 March 2020 and introduced a state of emergency between 21 March and 22 May 2020. In addition, all commercial flights were cancelled until 30 June. From the EU's side, the Council adopted on 30 June 2020 a recommendation on the progressive lifting of the travel restriction on non-essential inbound travel, including from Georgia. The pandemic and related restrictions resulted in a drastic decrease in the numbers of both asylum requests (by 60%, see Figure 3) and refusals of entry (by 53%, see Figure 4) issued to Georgian nationals. In 2020, the number of irregular border crossings of Member States by Georgian nationals has also dropped ten-fold (from 328 reported cases in 2019 to 30 in 2020).

4.2. Cooperation over criminality

In the wake of the visa liberalisation process, the activity of organised crime groups from Georgia within the Schengen area (e.g., domestic burglaries, organised shoplifting) emerged as an important issue in EU-Georgia relations. After introducing in late 2019 stricter regulations and clearer criteria on the conditions under which a convicted person may leave the country,¹⁷⁴ the Parliament of Georgia adopted legislative amendments regarding operative search activities to strengthen the fight against organised crime, drug crime, trafficking in human beings, cybercrime and other serious crimes. In addition, in June 2020 the Financial Monitoring Service adopted two by-laws related to money laundering and terrorism financing.¹⁷⁵

The Georgian authorities also approved political strategies flanked with action plans:

- In December 2020, the Trafficking in Human Beings Council approved the anti-trafficking national action plan, taking into account EU recommendations.¹⁷⁶
- In February 2021, the government approved the 2021-2022 action plan on the fight against drugs and the 2021-2026 national strategy for the prevention of drug abuse.

In addition, Georgia continued cooperating with Europol and Eurojust (including by deploying a Georgian liaison prosecutor in June 2020), as well as EU Member States (e.g., through agreements on law enforcement cooperation with France and Spain).

¹⁷⁴ Amendments to the law on the Procedure for Enforcing Non-Custodial Sentences and Probation

¹⁷⁵ [Joint Staff Implementation Report on Georgia](#), op.cit

¹⁷⁶ [Fourth Report under the Visa Suspension Mechanism](#), op.cit

5. Foreign and Security Policy

Georgia's alignment with EU Common Foreign and Security Policy (CFSP) declarations and Council decisions on restrictive measures has increased from 55% in 2019 to 62% in 2020.¹⁷⁷ In late November 2021, at the fourth meeting of the EU-Georgia Strategic Security Dialogue the two sides reiterated their commitment to strengthen their cooperation in the area of foreign and security policy, in line with the AA.¹⁷⁸ Georgia has also reaffirmed its interest to engage in EU permanent structured cooperation (PESCO) projects.¹⁷⁹ Georgia's engagement with the CFSP is illustrated by the country's continuous participation in crisis management operations, currently under the EU Training Missions (EUTM) in the Central African Republic (where Georgia provided 32 troops) and in Mali. In addition, the country played a key role as a transit hub during the withdrawal from Afghanistan. However, the Georgian authorities refused to join EU and international sanctions against Russia (with the exception of those imposed against Russia's VTB Bank, which has a branch in Georgia, as announced by Georgia's central bank).¹⁸⁰

In line with the AA's objectives, cooperation aimed at regional stability and peaceful conflict resolution has continued in 2020-21. Whereas the security situation around Abkhazia and South Ossetia remained relatively stable throughout this period, Georgia's territorial integrity has been further undermined. 'Borderisation' activities have continued over the past two years, in particular along the South Ossetian Administrative Boundary Line (ABL).¹⁸¹ Borderisation has been combined with the detention of Georgian citizens accused of 'illegal border crossing'.¹⁸² More than 3,000 people were arrested and fined by the Russian military for crossing the Abkhazian ABL in January-March 2021.¹⁸³ In addition, in South Ossetia the humanitarian situation has sharply deteriorated after the Chorchana-Tsnelisi crisis that erupted in August 2019 over the setting up of a Georgian police checkpoint near the ABL. As a consequence of the closure of border crossing points, combined with the continued lack of clarity on the crossing 'permission documents',¹⁸⁴ ethnic Georgian citizens living in the Akhagori district are not able to cross the ABL, meet their families and access medical care in Georgia-controlled territory. During the pandemic, the situation with respect to human rights further deteriorated,¹⁸⁵ as restrictions brought to free movement along the ABLs had severe humanitarian and socio-economic consequences. At least 25 Akhagori residents died as a result of closed checkpoints and rules requiring an initial transfer to Tskhinvali before the patient can be transferred to Georgia-controlled territory.¹⁸⁶

Importantly, in 2020-2021 Russia strengthened its stranglehold over the two breakaway regions. In early 2021, Moscow's control over Abkhazia and South Ossetia was explicitly recognised by the European Court of Human Rights, according to which Russia is responsible for human rights violations and abuses perpetrated on the ground.¹⁸⁷ In September 2021, the South Ossetian de facto authorities signed an agreement with Russia allowing dual citizenship and enabling dual

¹⁷⁷ [Joint Staff Implementation Report on Georgia](#), op.cit.

¹⁷⁸ Delegation of the EU to Georgia, [European Union and Georgia hold their fourth Strategic Security Dialogue](#), 26.11.2021

¹⁷⁹ Ibid.

¹⁸⁰ Joshua Kucera, '[Georgia says it won't join international sanctions against Russia](#)', Eurasia.net, 25.02.2022

¹⁸¹ [Joint Staff Implementation Report on Georgia](#), op.cit.

¹⁸² See e.g. Caucasian Knot, '[Two Georgian residents arrested in South Ossetia](#)', 28.12.2021

¹⁸³ Democracy Research Institute, [DRI Input. Human Rights Council resolution on Cooperation with Georgia](#)

¹⁸⁴ Council of Europe, [23rd consolidated Report on the Conflict in Georgia](#), 1.04.2021

¹⁸⁵ Ibid.

¹⁸⁶ Giorgi Kanashvili, [The Akhagori Deadlock](#), DRI/EED, 2021, p.9

¹⁸⁷ Euractiv, [Strasbourg court rules Russia has 'direct control' over Abkhazia, South Ossetia](#), 21.01.2021

citizens to enjoy rights to social security, education and medical care even when residing in the territory of the other party.¹⁸⁸ While it may be weaker compared to South Ossetia, Russia's influence over Abkhazia has increased in the wake of the shift of power that followed the early unrecognised 'presidential elections' in March 2020. This is well illustrated by the trajectory of the new de facto Minister of Foreign Affairs, Inal Ardzinba, who worked previously in the Russian federal administration where he served as deputy of Vladislav Surkov, then an Assistant to Vladimir Putin. Since spring 2020, the new de facto leadership has sought to develop closer ties with Russia. Aslan Bzhania, the de facto Abkhaz president, called for creating a common defence and security area with Russia.¹⁸⁹ During his visit to Moscow in November 2020, he also signed a new integration programme aimed at the formation of a common social and economic space between Russia and Abkhazia.¹⁹⁰ Over the past two years, Russian pressure has reportedly increased over the de facto Abkhaz authorities so that they agree to provide possibilities for Russian citizens to buy real estate in Abkhazia.¹⁹¹ Whereas this issue remains highly contested within the breakaway region, in late 2021 Aslan Bzhania indeed called for legalising the sale of real estate to Russian citizens and presented this move as an opportunity to spur investment in Abkhazia.¹⁹² However, the new Abkhaz de facto leadership also indicated an increased interest in confidence-building measures with Georgia.¹⁹³

After a year-long break caused by the pandemic, the Geneva International Discussions (GID) resumed in December 2020. Whereas some progress could be achieved on humanitarian issues, discussions on refugees and internally displaced persons (IDPs) could not take place in the latest meetings.¹⁹⁴ The Incident Prevention and Response Mechanism (IPRM) also resumed in 2020 in Ergneti, with the most recent meeting focusing on detention cases, the impact of the protracted closure of border crossing points as well as 'borderisation' and the situation in the Chorchana-Tsnelisi area.¹⁹⁵ However, regular IPRM meetings have yet to resume in Gali. The pandemic also affected the implementation of the Georgian government's initiative 'A step to a better future', especially with respect to its economic component.¹⁹⁶

¹⁸⁸ Civil.ge, [Moscow, Tskhinvali Sign Dual Citizenship Deal](#), 20.09.2021

¹⁸⁹ Georgia Today, [De facto Abkhaz President: Strengthening Ties with Russia Becoming a Priority](#), 4.12.2020

¹⁹⁰ Mamuka Komakhia, [2020 Developments in Abkhazia: 'Elections,' the Pandemic and Deeper Integration with Russia](#), Rondeli Foundation/Georgian Foundation for Strategic and International Studies, 18.01.2021

¹⁹¹ Interview with Georgian CSO representative, 14.12.2021.

¹⁹² Marianna Kotova, [Abkhazian President proposes legalising sale of real estate to Russians](#), 17.11.2021

¹⁹³ [Joint Staff Implementation Report on Georgia](#), op.cit.

¹⁹⁴ OSCE, [Press Communiqué of the Co-Chairs of the Geneva International Discussions](#), 8.12.2021

¹⁹⁵ Agenda.ge, [104th Incident Prevention and Response Mechanism held in Ergneti](#), 21.01.2022

¹⁹⁶ [Joint Staff Implementation Report on Georgia](#), op.cit.

6. Economic developments

6.1. Macro-economic developments

While it expanded rapidly until 2020 (with an economic growth reaching 5.1% in 2019), Georgia's economy was severely hit by the outbreak of the COVID-19 pandemic. The GDP declined by 6.2 % in 2020¹⁹⁷ as a result of mobility restrictions and the collapse in tourist arrivals. The pandemic has major socio-economic consequences, with a rise in both unemployment (up to 18.5% in 2020) and poverty rate (up to 46.6% in 2020, an increase by 10% compared to 2019).

Georgia's economic growth returned to pre-COVID levels in 2021, with an estimated growth at 8%. Nevertheless, unemployment remains particular high at 22% in the first half of 2021. In addition, inflation reached 12.8% in August 2021, its highest level in ten years. The current account deficit remains high at 9.2% of GDP, while fiscal deficit increased by 13% as a result of the rise in public expenditures.

Crucially, Georgia remains highly sensitive to external shocks and its economic recovery may be threatened by new restrictions to mobility in response to COVID-19, in addition to delayed vaccination and lingering political tensions in the country.

6.2. DCFTA sectoral provisions

In 2020-21, Georgia has continued performing well in approximating its legal framework with EU standards and implementing the DCFTA-related approximation requirements. This is despite high adjustments costs to be borne by business actors in enforcing EU-approximated legislation, especially in the SPS area.

6.2.1. Trade liberalisation and trade flows

In contrast to the agreements signed with Ukraine and Moldova, the EU-Georgia DCFTA does not include provisions for asymmetric trade liberalisation. A transitional period for eliminating import duties was unnecessary in the case of Georgia as the country had already eliminated import tariffs for most products since the mid-2000s. The agreement provides for limited exceptions, such as an annual tariff quota to be applied by the EU for garlic and an 'entry price system' for import of specific fruits and vegetables (e.g., tomatoes, courgettes) into the EU.¹⁹⁸

Since experiencing Russia's punitive trade measures from 2006 onwards, Georgia has consistently sought to diversify its export markets by concluding free-trade agreements with its key partners, e.g. with Turkey in 2008. After the DCFTA entered into force, the country has concluded free-trade agreements with China and Hong Kong, in force since 2018 and 2019, respectively. Negotiations for a similar agreement with India have been hampered by the outbreak of COVID-19. In addition, Georgia is conducting negotiations with Turkey for further market liberalisation in services.

¹⁹⁷ Source: World Bank, <https://www.worldbank.org/en/country/georgia/overview#1>

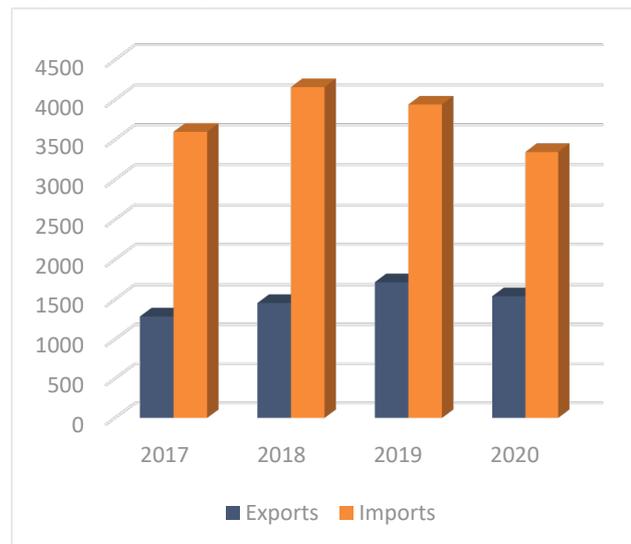
¹⁹⁸ Michael Emerson, Tamara Kovziridze, [Deepening EU-Georgia relations. Updating and upgrading in the shadow of COVID-19](#), CEPS, 2021, p.47

Trade with the EU has grown only moderately since the DCFTA entered into force, and even decreased periodically (e.g. in 2015, 2019 and 2020). This is because the Georgian economy has demonstrated a high degree of sensitivity to external shocks, for instance the economic crisis in Ukraine and Russia in 2015 and the COVID-19 pandemic in 2020. In addition, the devaluation of the Georgian lari has affected Georgian imports since the mid-2010s. In 2020, the overall trade turnover between the EU and Georgia decreased by 18%, with exports shrinking by 12% and import by 20%.¹⁹⁹ During the same year, Georgia's total external trade decreased by 14.4%.²⁰⁰

Georgia's trade with the EU is both asymmetrical and concentrated. Georgia exports mainly primary products to the EU (81.6%), while 75% of EU exports consist of manufactured goods.

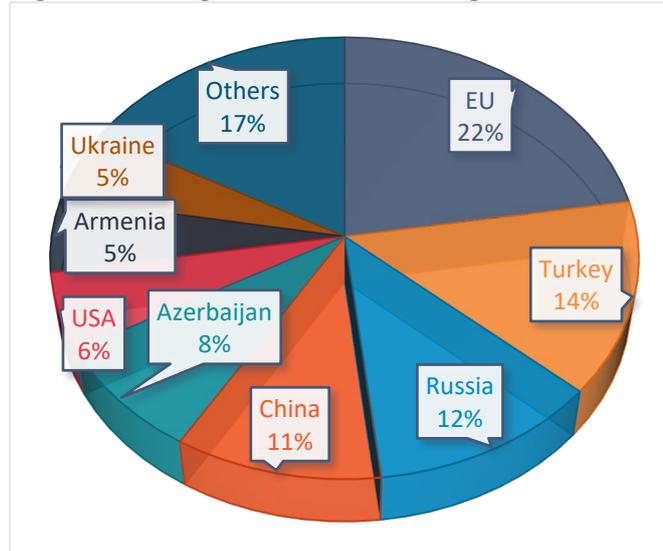
The EU accounts for 23% of Georgia's total trade, whereas Georgia represents 0.1% of the EU external trade.²⁰¹ Finally, Georgia's trade with the EU remains concentrated on a few partners. Whereas Germany is the main supplier, Bulgaria and Romania total together more than 50% of Georgia's exports to the EU.²⁰²

Figure 5: Georgia's trade with Europe



USD millions. Source: Geostat.ge

Figure 6: Georgia's external trade (goods), 2020



Source: European Commission, DG Trade, EU Trade In Goods With Georgia, 02.06.2021.

¹⁹⁹ Ibid., p.50.

²⁰⁰ Geostat.ge, External trade of Georgia, 2020.

²⁰¹ European Commission, DG Trade, EU Trade In Goods With Georgia, 02.06.2021

²⁰² Tinatin Akhvlediani, '2020 Deliverables: How Strong is Strong Enough for Georgian Economy?', Policy Paper No. 20, Georgian Institute of Politics, February 2021, p.9.

6.2.2. Customs

As part of the DCFTA's chapter 5, Georgia has committed itself to ensuring that its customs legislation and procedures are stable, transparent, non-discriminatory, applied effectively and prevent fraud. In addition, the country has to approximate most of the provisions of the Community Customs Code (CCC), which was replaced in 2013 by the Union Customs Code (UCC).

Georgia demonstrates a high degree of compliance with its customs-related obligations, whether in terms of key principles or procedures. In the mid-2000s, the country launched an extensive reform of its customs services, the key elements of which were in place before the provisional entry into force of the DCFTA.²⁰³ This paved the way for a smooth adoption of EU customs norms. A new Customs Code²⁰⁴ aligned on the UCC was adopted in 2019 and entered into force in 2020. Its application requires permanent capacity-building and training (with EU assistance, among others as part of a Twinning project), however it does not raise any substantial challenges.²⁰⁵

6.2.3. Technical barriers to trade

As part of the DCFTA, Georgia has committed itself to approximating the principles and practices of relevant EU horizontal legislation,²⁰⁶ as well as sectoral directives reflecting Georgia's priorities. Compliance is well on track, with 98% of standards in Georgia being European or international.²⁰⁷

However, Georgia faces challenges in implementing EU-approximated legislation. The country's industrial exports to the EU are limited. Therefore, Georgia has not yet signed the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA), which was foreseen by the Eastern Partnership 2020 Targets, as the benefits would be modest.²⁰⁸ However, with EU assistance the country is currently working towards improving its laboratory capacity to test industrial products.

6.2.4. Sanitary and phyto-sanitary measures (SPS)

As part of DCFTA chapter 4, Georgia is required to approximate its legislation to the EU's with a view to facilitating trade in commodities covered by sanitary and phyto-sanitary measures,²⁰⁹ i.e. agricultural, food and plant commodities. In 2017, Georgia submitted a list of laws to be approximated, which became part of the agreement following a decision of the EU-Georgia SPS subcommittee.

Legal approximation with SPS standards is challenging in Georgia, given both the weight of the agricultural sector in terms of employment (about 50%), the vulnerability and the small size of enterprises in this sector.²¹⁰ It is therefore not surprising that both the longest timeline for

²⁰³ Ibid, pp.63-4

²⁰⁴ Parliament of Georgia, [Customs Code of Georgia](#), 2019

²⁰⁵ Interview with a Georgian official, Ministry of Economy and Sustainable Development, 30.12.2021

²⁰⁶ E.g., Decision 768/2008/EC on a common framework for the marketing of products, Regulation (EC) 765/2008 on the requirements for accreditation and market surveillance, Directive 2001/95/EEC on general product safety)

²⁰⁷ [2020 Deliverables: How Strong is Strong Enough for Georgian Economy?](#), op.cit., p.8.

²⁰⁸ Ibid.

²⁰⁹ [EU-Georgia Association Agreement](#), article 50

²¹⁰ [Deepening EU-Georgia relations. Updating and upgrading in the shadow of COVID-19](#), op.cit., p.84

approximation with EU legislation and the most important limitations to trade lie in the SPS area. Georgia must gradually approximate its legislation with a list of 272 EU legislative acts by 2027.²¹¹

Overall, in 2020-21 Georgia has progressed in approximating its legal framework with EU food safety standards. Since the DCFTA entered into force, the country has been able to extend the list of products that can be exported to the EU, which currently includes honey, fruit jams, dried lemon, blueberry, pet furniture and glass bottles.²¹² In recent years, the number of inspections conducted by the National Food Agency (NFA) has also continuously increased.²¹³ More than 900 Georgian companies are now able to export to the EU, an increase of 61% compared to 2013.²¹⁴ However, this is less than 1% of Georgian enterprises.²¹⁵

In essence, adjusting to the EU's SPS standards entails high costs for all Georgian businesses involved in the agricultural sector. Many of them have limited prospect of exporting to the EU in the short term. In addition, the pandemic has only exacerbated difficulties to meet EU food safety requirements. Such a sensitivity calls for a gradual and flexible approach to approximation and enforcement in the SPS area. Thus, in recent months the Georgian authorities have several times prolonged the timeline for enforcing approximated legislation.²¹⁶

6.2.5. Digitalisation

Digitalisation is mostly covered by AA provisions related to electronic communications and postal services, information society and audio-visual policy. These provisions place the emphasis on the use of ICT at affordable prices, the exchange of best practices and cooperation between the EU and Georgia. Georgia's commitments include six legal acts listed in Annex XV-B of the agreement, 'Rules Applicable to Telecommunication Services', as well as a directive on processing personal data and protection of privacy.²¹⁷

Georgia has already approximated most of this legislation and has even gone beyond its commitments. This is because EU policies in the digital sector have substantially evolved since the entry into force of the AA, rendering its provisions outdated. Following the launch of the Digital Single Market in 2015, the EU adopted new important pieces of legislation, including the Electronic Communications Code, the Audio-visual Media Services Directive and the regulation on general data Protection (GDPR). Georgia has already adopted legislation in line with EU directives, e.g. the law on Electronic Document and Electronic Trusted Services (2017). The adoption of a law on e-commerce is still pending, while controversial amendments to the law on Electronic Communications were adopted in 2020 (see section 3.3.1).

6.2.6. Financial services

In line with the AA, Georgia should make sure that its legislation is 'gradually made compatible' with EU legislation on banking, insurance, securities and asset management. The country needs to approximate 51 pieces of EU legislation (listed in Annex XV-A to the agreement), mostly within five to seven years.

²¹¹ Tinatin Akhvlediani et al., [Ex-post evaluation of the implementation of the Deep and Comprehensive Free Trade Areas between the EU and its Member States and Georgia and Moldova](#). Inception report, European Commission/CEPS, April 2021.

²¹² Ibid., p. 25.

²¹³ [Deepening EU-Georgia relations. Updating and upgrading in the shadow of COVID-19](#), p.88.

²¹⁴ Ibid.

²¹⁵ Tinatin Akhvlediani, [2020 Deliverables: How Strong is Strong Enough for Georgian Economy?](#),

²¹⁶ Interview with a Georgian official, Ministry of Economy and Sustainable Development, 30.12.2021

²¹⁷ Tinatin Akhvlediani, [Digital and Cyber Dimensions of the EU Association Agreements with Georgia, Moldova and Ukraine](#), CEPS/3 DCFTAs 12.12.2019

Georgia performs well in terms of compliance with EU banking regulations. It has made only loose commitments regarding the application of international standards for its financial system, as only the banking sector is well developed. Approximation with EU insurance legislation (in particular, the Solvency II directive) proves more challenging as it requires both prior market capitalisation for the country's insurance market and the creation *ex nihilo* of a system of actuarial services.²¹⁸

6.3. Sectoral cooperation

6.3.1. Energy

Energy is covered by chapters under both the DCFTA (i.e., the application of free-trade provisions to trade in energy) and the AA (i.e., chapter 2 on energy cooperation and Annex XXV listing the key pieces of legislation to be approximated by Georgia, in particular related to energy efficiency). In addition to the AA, upon joining the Energy Community in 2017 Georgia committed itself to changing rules for electricity and gas networks in line with the 'unbundling' directives of the EU's Third Energy Package. Importantly, Georgia's specific situation (in particular, its remoteness from the EU and its role as a transit country for gas from Azerbaijan) has been taken into account by envisaging a longer timeframe for implementation (e.g., until 2026 for Directive 2009/73/EC and Regulation (EC) No 715/2009; until late 2029 for Directives related to the energy efficiency of buildings (2010/31/EU) and on emissions from large combustion plants (2001/80/EC).

In 2019-2020, Georgia adopted three key laws to meet its obligations under both the AA and the Energy Community Treaty:

- The Law on Energy and Water Supply (December 2019);
- The Law on Energy Efficiency (May 2020);
- The Law on Energy Performance of Buildings.

Whereas Georgia is well on track in terms of legislative processes, it still faces important challenges in complying with its energy-related commitments. Energy efficiency is especially costly for Georgia, given both the poor insulation of Soviet-era buildings and the limited income of many Georgian households, who cannot afford improving energy insulation. Therefore, the laws on Energy Efficiency and Energy Performance of Buildings will be implemented gradually. However, Georgian CSOs criticise both the authorities' lack of political ambition and low energy efficiency targets. They also question the authorities' actual commitment in decreasing energy consumption.²¹⁹ The new National Energy Efficiency Action Plan – a key document that lays out energy efficiency priorities, measures and targets – was supposed to be ready by late 2021 to replace the 2019-2020 Action Plan, however it has not yet been finalised.

CSOs' criticisms take place against the background of growing societal mobilisation against the Namakhvani Hydro-Power Plant project, a double-dam facility to be constructed by 2024 on the Rioni River in the Racha-Lechkhumi and Western Imereti regions of Georgia. Whereas the authorities stress the importance of the dam for the country's electricity production, development and, ultimately, energy security, critics raise environmental, contractual and procedural concerns, as well as questions about the price of the electricity to be produced from the plant.²²⁰ Initially limited to the Rioni Gorge, demonstrations against the construction of the dam gained a nation-wide character, with massive rallies taking place in Tbilisi in May 2021. At the request of the Georgian authorities, the Energy Community Secretariat's Dispute Resolution and Negotiation Centre played

²¹⁸ [Deepening EU-Georgia relations. Updating and upgrading in the shadow of COVID-19](#), op.cit., pp.165-6

²¹⁹ Interview with a CSO representative, 12.01.2022

²²⁰ Claudia Palazzo, [Namakhvani HPP: Georgian Hydropower Between Energy Security and Geopolitics](#), Civil.ge, 16.05.2021

a decisive role as a mediator between civil society and the government. The 6-month mediation was conducive to de-escalation on the ground and triggered a review of the project's contractual framework and environmental impact assessment documents in order to identify or exclude significant risks.²²¹ In January 2022, the Georgian Minister of Economy announced that the construction of the Namakhvani Hydro-Power Plant would be suspended for 12 months.²²² Interestingly, after the end of the mediation on the Namakhvani plant, experts from the Energy Community remained involved in exchanges between civil society and the Georgian government for the preparation of the new National Energy Efficiency Action Plan.

6.3.2. Transport

The DCFTA envisages a progressive liberalisation of transport in road, rail, inland waterways, sea and air while providing for the approximation of Georgian transport legislation to a number of EU rules and standards.²²³ Ultimately, DCFTA provisions will serve Georgia's objective of becoming a major transport hub between the Black Sea and the Caspian Sea. As part of the Economic and Investment Plan put forward in July 2021, the EU has allocated € 3.9 million in support of Georgia's efforts to improve transport and logistics connectivity.²²⁴

Whereas Georgia has started approximating its legislation to EU directives and regulations, the COVID-19 pandemic has both affected transport connections and resulted in postponing some of the reforms. The EU-Georgia Common Aviation Area Agreement signed in 2010 fully entered into force in 2020, thereby paving the way for enhanced integration of Georgia's air transport market with the EU's. However, while air travel between Georgia and the EU substantially increased during the second half of the 2010s, it has significantly declined as a consequence of COVID-19. The pandemic also put on hold airport renovation or expansion works, e.g. in Kutaisi. In addition, it resulted in postponing some of the transport-related reforms, e.g. the reassessment of Georgia's seafarers' education system by the European Maritime Safety Agency.

Another significant delay in the planned transport infrastructure investments relates to the construction of the Anaklia deep-sea port, which is part of the Indicative TEN-T Investment Action Plan. It is, however, not connected to the pandemic. In January 2020, the Georgian government cancelled the contract with the selected tenderer, the Anaklia Development Consortium, on the ground that the latter had not fulfilled its duties. In addition, the main investors, TBC Bank co-founders Mamuka Khazaradze and Badri Japaridze, as well as businessman Avtandil Tsereteli, were charged with money laundering and found guilty in January 2022 (despite being exempted from criminal charges).²²⁵ This fuelled suspicions of a politically motivated move in light of Mamukha Khazaradze's rivalry with former Prime Minister Bidzina Ivanishvili. The cancellation of the contract also has geopolitical implications, as the project involved US companies and was not in Russia's interests.²²⁶ Crucially, the decision to terminate the contract and the government's plans to re-launch a tender in 2022 raise questions with respect to the authorities' long-term strategic vision for the country, as the port was supposed to be a driving force behind Georgia's economic growth, modernisation and connectivity.

²²¹ Energy Community, [The Namakhvani HPP dispute in Georgia – an update by the mediator](#), 22.07.2021

²²² Agenda.ge, [Construction of Namakhvani dam suspended for 12 months](#), 29.01.2022

²²³ [Deepening EU-Georgia relations. Updating and upgrading in the shadow of COVID-19](#), p.170

²²⁴ Agenda. Ge, [EU offers €3.9 billion to improve Georgia's connectivity](#), 7.07.2021

²²⁵ Georgia Today, [TBC Bank Co-Founders Found Guilty but Exempted from Charges: Prosecutor's Office Ready to Appeal](#), 13.01.2022

²²⁶ [Deepening EU-Georgia relations. Updating and upgrading in the shadow of COVID-19](#), p.178

6.3.3. Environment

For Georgia, complying with EU environmental standards entails massive costs, particularly with respect to reducing air pollution, industrial emissions and improving water and waste management.

In recent years, Georgia has progressed with its legislative obligations, in particular with the Environmental Impact Assessment Code in place since 2018. However in 2020-21, the adoption of specific pieces of legislation was abruptly delayed, as was the case with the law on environmental liability. In addition, the authorities started introducing changes in those pieces of legislation that had been approved since the mid-2010s and were in line with the country's commitments under the AA. The amendments to the Forest Code which were introduced in December 2021 were criticised by CSOs. According to civil society representatives, they may pave the way for the construction of hydro-power plants and the development of mining activities in protected areas, which contradicts protected area legislation.²²⁷ CSOs are also concerned about the shift of powers from the Ministry of Environment and Agriculture to the National Environmental Agency, planned under the amendments to the Environmental Assessment Code initiated in July 2021. This is because delegating powers to make environmental decisions and recommendations on strategic documents 'increases the risk of conflict of interest and corruption, as this agency has its own commercial interests'.²²⁸

On climate change, Georgia is advancing despite the lack of progress on climate legislation (e.g., on ozone depletion substances). In 2021, the country updated its Nationally Determined Contribution and submitted its fourth report to UNCCC. Georgia also reached some of targets that were set for 2023. In addition, in 2021 a Government Commission on climate change was formed with the aim to integrating climate change as a cross-cutting issue in the country's public policy.

²²⁷ Interview with a CSO representative, 12.01.2022

²²⁸ GYLA, [NGOs Call on Parliament Not to Support Delegation of Environmental Decision Making Process to LEPL National Environmental Agency](#)

7. Institutional and strategic developments

7.1. Functioning of the Association Council

The EU-Georgia Association Council, composed of members of the Council of the European Union and members of the European Commission, on the one hand, and of members of the Government of Georgia, on the other hand²²⁹, is the key institution under the AA, whether in terms of high-level political dialogue or decision-making. Meeting at least once a year at the ministerial level, it is responsible for:

- supervising and monitoring the application and implementation of this Agreement and periodically reviewing its functioning in the light of its objectives
- examining any major issues arising within the framework of this Agreement, and any other bilateral or international issues of mutual interest.²³⁰ The Association Council plays a key role in the dispute settlement mechanism set up under the Agreement.

The Association Council may delegate any of its powers to the Association Committee, composed of EU and Georgian representatives (in principle at senior civil servant level) tasked with assisting the Council.²³¹ The Agreement has also established an Association Committee in Trade Configuration (ACTC) to address all issues related to the DCFTA.²³² In addition, the institutional architecture of the AA includes subcommittees on Freedom, Security and Justice and Economic and Sector Cooperation, as well as specific trade policy areas (e.g., geographical indications (GIs), customs and trade and sustainable development).²³³ The institutional functioning of the AA is assessed as satisfactory and the procedural process has thus far been well managed and cooperative.²³⁴

The 6th meeting of the Association Council, which took place on 16 March 2021²³⁵, was to a large extent based on the 2021 Association Implementation Report published in February by the EU, at a time when the political crisis in Georgia reached a peak.²³⁶ While taking note of Georgia's reform progress and commitment to its bilateral relationship with the EU and the EaP, the report signals three major concerns on the EU's side:

- the need to enhance *the independence and accountability of the judiciary*, among others by bringing the selection procedure for Supreme Court Judges fully in line with the recommendations of the Council of Europe Venice Commission;
- the need for *further democratic consolidation*, including by addressing the final recommendations of OSCE/ODIHR on electoral reforms before the October 2021 local elections;
- the need for *tackling political polarisation* through an inclusive political agreement between the majority and opposition parties to enable work in the Parliament.

In the wake of the Association Council, the High Representative also placed the emphasis on the 2021-2027 Association Agenda:

²²⁹ [EU-Georgia Association Agreement](#), article 405

²³⁰ *Ibid.*, article 404

²³¹ *Ibid.* articles 407 and 408

²³² [Deepening EU-Georgia relations. Updating and upgrading in the shadow of COVID-19](#), op.cit., p.354

²³³ *Ibid.*

²³⁴ *Ibid.*, pp. 1-2.

²³⁵ Council of the EU, [Joint Press Release following the 6th Association Council between the EU and Georgia](#), 16.03.2021

²³⁶ [Joint Staff Implementation Report on Georgia](#), op.cit.

*We are working well with our Georgian partners towards agreeing an updated Association Agenda to equip us for the coming years*²³⁷

This document, which started being negotiated before the pandemic, is key for monitoring progress in AA implementation as it lists the priorities for joint work. However, since the Association Council took place negotiations for the new Association Agenda have been further delayed as a result of dissent between the EU and the Georgian authorities over judiciary reform, after the EU suggested incorporating the key commitments made by Georgian political actors as part of the 19 April agreement, especially on the appointment of judges and prosecutor general.²³⁸ Discussions on the final text are ongoing. . The delay in agreeing on the 2021-27 Association Agenda impacts European Commission DG NEAR's capacity to programme NDICI bilateral funds for Georgia. It also has important implications for monitoring AA implementation: according to a CSO representative, Georgian civil society is currently deprived of a major instrument for holding the Georgian government accountable for their actions and results.²³⁹

7.2. Inter-Parliamentary Cooperation

The AA has also established a Parliamentary Association Committee, which provides parliamentary oversight over the AA implementation and acts as a forum for members of the European Parliament and the Parliament of Georgia to meet and exchange views.²⁴⁰ The Parliamentary Association Committee may:

- request relevant information regarding the AA implementation from the Association Council,
- make recommendations to the Association Council.²⁴¹

The Association Council has the obligation to both inform the Parliamentary Association Committee of its decisions and supply the Committee with the requested information.

²⁴²In 2020-21, the deterioration of the political climate in Georgia had implications on the work of the Parliamentary Association Committee. In a context then marked by the Georgian Supreme Court's ruling against former Tbilisi Mayor Gigi Ugulava, the sharp polarisation between the Georgian ruling party and opposition hampered the adoption of a joint final statement by the Committee during its 9th meeting on 12-13 February 2020.²⁴³ This was also the case in February 2022. In the aftermath of the Committee's 10th meeting, the EP Chair for the relations with the South Caucasus raised concerns about the shortcomings of the 2020 legislative elections and 2021 municipal elections and identified the polarisation of the political and media landscapes as a major challenge to Georgia's democratic development.

7.3. Role and impact of EU actors in Georgia

Over the past few years, the EU has increasingly gained political salience in Georgia. In 2020-21, it played a key role in responding to political developments in the country, whether in contributing to the resolution of political crises, pushing for or monitoring political and policy change.

²³⁷ [Joint Press Release following the 6th Association Council between the EU and Georgia](#)

²³⁸ Interview with a Georgian official, 30.12.2021; and with EU officials, 11.01.2022.

²³⁹ Interview with a Georgian CSO representative, 4.1.2022.

²⁴⁰ [EU-Georgia Association Agreement](#), article 410

²⁴¹ Ibid., article 411

²⁴² European Parliament, [Statement by the Chair of the Delegation for relations with the South Caucasus, MEP Marina Kaljurand on the 10th Meeting of the EU-Georgia Parliamentary Association Committee](#), Brussels, 14.02.2022

²⁴³ Civil.ge, 'EU-Georgia Parliamentary Association Committee Fails to Adopt Joint Statement', 14.02.2020

In 2020, the EU (together with the US) was instrumental in facilitating the dialogue between the ruling coalition and the opposition. This resulted in a memorandum of understanding signed on 8 March, which puts forward constitutional amendments paving the way for the introduction of new electoral rules ahead of the upcoming parliamentary elections. In early 2021, the EU engaged at an unprecedented high political level (with the President of the European Council's being personally involved) to mediate the deep crisis that followed the 2020 parliamentary elections and culminated after the arrest of UNM leader Nika Melia.

In addition to this high-level political engagement, the EU has closely and continuously monitored political developments in the country. The EU Delegation to Georgia has immediately responded to any violation of the key principles underpinning the AA and/or the political agreements reached between the ruling coalition and the opposition. Importantly, statements by the EU ambassador and other EU officials are broadly cited by Georgian media. They are also widely used by Georgian CSOs in their interaction with the Georgian authorities.

However, the EU's increasing political engagement in Georgia encounters limitations. Whereas the EU has been successful in shaping political compromises between the ruling coalition and the opposition, the sustainability of the EU-brokered 2021 deal has quickly been undermined, first by UNM's initial refusal to sign the 19 April agreement, and second (and more importantly) by Georgian Dream's withdrawal. The latter was not just another signal of the deeply-rooted political antagonism in the country. It also marked a clear turning point in terms of moving away from the basic principles underpinning the AA, as was confirmed by subsequent developments (whether the hasty and non-transparent appointments of judges, the failure to reform the Prosecutor General appointment, the changes brought to the law on Common Courts or the abolition of the State Inspector Service). These developments have been accompanied by a shift in the authorities' narrative vis-à-vis the EU, with a new emphasis being placed on Georgia's sovereignty and independence. This shift was blatantly illustrated by both the Prime Minister's discourse upon rejecting the EU's macro-financial assistance and his criticisms vis-à-vis members of the European Parliament who denounced the arrest of former President Saakashvili.

7.4. Georgia's forward strategy vis-à-vis the EU and engagement in the Associated Trio

Despite the sharp political deterioration in the country, in 2020-21 the Georgian authorities have either followed up on previous bilateral steps or put forward new initiatives to move towards EU membership. In early 2021, then Prime Minister Gakharia announced that Georgia would apply for full EU membership in 2024. This followed the 2019 'Roadmap2EU', a strategic document for advancing relations beyond the AA which identified new targets for sectoral integration and enhanced cooperation with EU community programmes and agencies. These bilateral steps were meant to reflect Georgia's advanced status in implementing the AA/DCFTA, as compared to the two other associated countries.

However, in 2020-21 Georgia also engaged with Moldova and Ukraine in setting up an Association Trio, with the goal to step up cooperation in view of a future joint application to the EU. In the Memorandum of Understanding signed by their foreign ministers in May 2021, the three countries:

Express the aspirations of the 'Association Trio' towards the membership of the European Union and reaffirm their commitments to further progress in the implementation of the Association Agreements with the EU, which, however, do not constitute the final goal of their relations with the EU.

In this context, they recall that pursuant to Article 49 TEU, as European states, Georgia, the Republic of Moldova and Ukraine have a European perspective and may apply to become a member of the European Union, provided that all necessary criteria for membership are adhered to.²⁴⁴

In a statement that followed the 6th EaP Summit in December 2021, the three countries expressed their expectations regarding enhanced sectoral integration, particularly in relation to the Green Deal, Digital transformation, connectivity and energy security.²⁴⁵ However, Russia's invasion of Ukraine drastically changed the context. Following Ukraine, Georgia (as well as Moldova) formally applied for EU membership on March 3, 2022.

²⁴⁴ [Memorandum of Understanding on establishing enhanced cooperation on European integration – The 'Association Trio', May 2021.](#)

²⁴⁵ [Joint Statement issued by the Heads of State/Government of Association Trio – Georgia, Republic of Moldova and Ukraine following the 6th Eastern Partnership Summit 15.12.2021.](#)

8. Recommendations

8.1. Follow-up of the recommendations included in the EP resolution of 16 September 2020

This section presents the key recommendations included in the EP 2020 resolution²⁴⁶ and, for each of them, provides a brief overview of action taken by the Georgian authorities and/or the EU.

8.1.1. Political dialogue and parliamentary elections

- In view of the 2020 Parliamentary elections, implementation of OSCE/ODIHR recommendations and review of relevant legislation to address the identified shortcomings
 - As part of the 19 April Agreement, Georgia agreed to move to a fully proportional electoral system before the next parliamentary elections (scheduled in 2024).
 - However, despite some improvements to the electoral code, key flaws such as the use of administrative resources and the blurred line between the ruling coalition and the state have yet to be addressed, as was evidenced during the 2021 local elections.
- Establishment by the Georgian government of formal mechanisms for the *participation of civil society* in the political process; and provision by the Commission and the Member States of political, technical and financial support for the activities of civil society
 - The involvement of civil society in the political process varies across policy sectors. For instance, in May-June 2021 civil society was effectively involved in election reform. However, formal mechanisms for the participation of civil society do not necessarily warrant effective influence in the policy process. This has been the case, for instance, in some of the judiciary-related reforms, to which CSOs were associated but over which they did not have a say.
 - Through the successive 'Roadmaps for engagement with civil society', the Commission and the Member States have developed a clear vision for enhancing the role of Georgian civil society in the policy process. They have also continuously provided strong technical and financial support for the activities of Georgian civil society. However, the involvement of Georgian CSOs in EU-Georgia dialogue remains limited.

8.1.2. Rule of law, governance and media freedom

- Cessation by the Georgian authorities of *politically-motivated judicial cases* and monitoring by EU Delegation of all such trials
 - The arrests of both Nika Melia and Mikheil Saakashvili, as well as the latter's ill treatment in prison, clearly point to the persistence of politically-motivated judicial cases.
 - The EU delegation has closely and continuously monitored these cases.
- *Revision of the selection procedures for judges and pause in new appointments* until the recommendations of the Venice Commission are fully implemented
 - The revision of the Supreme Court selection process in line with Venice Commission recommendations has yet to be conducted. In September 2020, the Georgian Parliament adopted amendments related to the nomination process of Supreme Court judges. While noting that these amendments represented a step

²⁴⁶ [European Parliament resolution of 16 September 2020 on the implementation of the EU Association Agreement with Georgia \(2019/2200\(INI\)\), 16.09.2020](#)

in the right direction, the Venice Commission asked for further changes (e.g, disclosure of identity of HCJ members who cast the vote and reasoning, introduction of a second appeal against the second decision of the HCJ) which have yet to be implemented.

- Crucially, throughout 2021 new judges were appointed without the recommendations of the Venice Commission being fully addressed.
- Pursuit of reforms of the judicial system, including the Prosecutors' Office, through an open dialogue with all political actors and civil society
 - Most judiciary reforms have been conducted in a non-transparent and sometimes expedite manner. This did not leave scope for due involvement of all political actors and civil society.
 - In September 2021, Georgia failed to amend the election modalities of the Prosecutor General in line with the recommendations of the Venice Commission.
- *Investigation into all incidents of excessive use of force* by Georgian law enforcement authorities against peaceful protesters and journalists, including during the June 2019 protests
 - The Georgian authorities have failed to conduct an effective investigation into the violent incidents that erupted in both June 2019 and July 2021.
 - The investigation launched in relation to the June 2019 incidents did not seek to identify alleged offences resulting from the inaction of responsible officials during the dispersal of the rally.
 - None of the organisers responsible for the violence perpetrated in July 2021 has been arrested.

8.1.3. Respect for human rights and fundamental freedoms

- Regarding *gender equality*, further improvement of women's representation and equal treatment at all levels of political and societal life; and *full implementation* of the Istanbul Convention
 - Georgia has made significant progress in improving gender equality, in particular through the amendments to the Labour Code adopted in September 2020. This is well reflected in its improved ranking in the Global Gender Gap.
 - However, the Georgian legislation still falls short of the Istanbul Convention, in particular with respect to the definition of rape.
- Further strengthening the child protection system, including by preventing violence and the sexual exploitation of minors
 - The entry into force of the Code on the Rights of the Child, which lays the foundation for the protection of the child, is a significant achievement.
 - However, challenges persist regarding crimes of sexual abuse and exploitation of children, whether in terms of legal framework or practices.
- Effective application of *anti-discrimination legislation* and prosecution of *hate speech*.
 - Both the Law on the Rights of Persons with Disabilities and the amendments to the Labour Code that were adopted in July and September 2020, respectively, represent a significant improvement in the fight against discrimination.
 - However, minorities have experienced both limitations to, and major violations of their rights in 2020-21, primarily during the 2021 Tbilisi Pride.

8.1.4. Institutional provisions

- Need to improve the *political climate and build trust* among all political and institutional actors
 - The 19 April agreement was a major step forward in bringing together political parties.
 - However, both the UNM's initial refusal to sign the agreement and the ruling coalition subsequent withdrawal sent ominous signals regarding the possibility to decrease antagonism in Georgian politics.
- Strengthening of the Georgian Parliament's capacities to exercise *parliamentary control mechanisms*
 - Since the 2020 parliamentary elections, the Georgian Parliament has de facto turned into a single-party, dysfunctional assembly that does not effectively fulfil its oversight role. Some of the mechanisms foreseen for oversight are rarely used (e.g., interpellation process) while others do not work in practice (e.g., weak ministerial participation in committee hearings). Importantly, the instrument set up to control the security sector (the Trust Group) currently lacks members from the opposition.

8.1.5. Economic and trade relations

- Exploration by the Commission of *increased sectoral cooperation*, strengthening of the ICT sector, digitalisation and green technologies and setting-up of targeted youth programmes.
 - The EU has developed specific assistance programmes in support of digitalisation (e.g., EU4Digital, EaP Connect), environment (e.g., EU4Climate, EU4Environment) and youth (EU4 Youth, Vocational Education and Training).
 - While explicitly envisaged by the Joint Communication on Eastern Partnership beyond 2020, deeper sectoral dialogues have not yet been set up.

8.1.6. Sectoral cooperation

- Reform of *labour legislation*:
 - In September 2021, the Georgian Parliament adopted extensive amendments to the Labour Code, which include provisions concerning discrimination and equal pay.
 - The Parliament also approved the Law on the Labour Inspection Services, which extended the Labour Inspectorate's mandate.
- Reinforced engagement by Georgia in *the fight against climate change* and EC action to facilitate Georgia's participation in the European Green Deal:
 - Georgia has progressed in the fight against climate change by updating its Nationally Determined Contribution and setting up a Government Commission on climate change.
 - No commitments have been made regarding Georgia's participation in the European Green Deal.
- Implementation of the *visa liberalisation benchmarks* by Georgia:
 - Increased cooperation between the Georgian authorities and the Member States for reducing cross-border crime:
 - Since 2020, Georgia has been fulfilling its commitments as part of the visa liberalisation.
- Cooperation with Europol, Eurojust and Member States over criminality has been reinforced.

8.2. Recommendations to the EU

Recent developments demonstrate that Georgia's performance in implementing the AA is mixed, with continuous progress on the DCFTA and cooperation with the EU on Freedom, Security and Justice (FSJ), some achievements in specific areas of human rights protection (e.g. workers' right, gender equality), and setbacks in terms of democratic governance (especially with respect to the judiciary). Overall, the EU should maintain a close and inclusive political dialogue with Georgia, combined with monitoring and (when needed) conditionality. Upon commenting on developments in Georgia, the EU should remain factual and avoid any excessive praise or too harsh criticisms, as the situation on the ground is both complex and fast-moving. The following sections offer specific policy recommendations.

8.2.1. Political developments

Recent political developments, in particular the sharp political polarisation between the government and the opposition, the growing concentration of powers in the hands of the ruling coalition and the non-transparent decision-making process, undermine progress toward democratic governance in Georgia. An effectively functioning democracy is needed to serve as the foundation for the whole reform process in the country.

The EU should continue monitor closely political developments in Georgia and check that basic principles of the AA are adhered to and commitments taken as part of the 19 April agreement are effectively implemented. Critical issues to be monitored in the forthcoming months include the detention and trial of former president Mikheil Saakashvili, in particular his right to a free trial; and the reform of the electoral process, notably forthcoming appointments to the Central Election Commission. In case of new breaches of Georgia's core commitments on democratic governance, the EU should systematically use conditionality.

Political polarisation also needs to be tackled in the medium to long run, especially in view of the next parliamentary elections scheduled in 2024. Given the weak ideological differences across the political spectrum, polarisation is in fact a 'top-down elite power struggle' and 'a competition for economic resources'.²⁴⁷ Therefore, 'both main parties, GD and the UNM, have a vested interest in [it] because it helps to mobilize their electorate and offers no space to competitors'.²⁴⁸ Yet polarisation permeates all key political and societal institutions, including the judiciary, the media and civil society. This requires the use of socialisation mechanisms in addition to conditionality, i.e. processes leading to the adoption of new views and practices (such as soft dialogue tools and other forms of interaction).

The European Parliament has a key role to play in helping Georgian political parties bridge their divides and especially in helping develop a consensus-based political culture. The EP should maintain and intensify efforts to use the Jean Monnet Dialogue for Peace and Democracy with a view to building confidence and strengthening democratic culture in the country. As soon as the sanitary situation so allows, the EP could also resume and expand its capacity-building activities as part of the democracy support and election coordination group, especially with a view to strengthening the capacity of the Georgian Parliament to effectively fulfil its oversight functions.

²⁴⁷ Archil Gegeshidze, Thomas De Waal, [Divided Georgia. A Hostage to Political Polarisation](#), Carnegie Europe, 8.12.2021.

²⁴⁸ Stefan Meister, '[Georgia's Political Crisis: Actors and Instruments of Polarization](#)', *Caucasus Analytical Digest* No.123, September 2021, p.2

8.2.2. Judiciary reform

Flaws in the judiciary reform have emerged as the major stumbling block in EU-Georgia relations. Despite some earlier legislative improvements, recent decisions (in particular the hasty and non-transparent appointments of judges, the failure to reform the Prosecutor General appointment, the changes brought to the law on Common Courts) are in clear breach of the commitments made as part of the 19 April agreement. This is because of the current political configuration, where almost all powers are concentrated in the hands of the ruling coalition.

Therefore, while also relying on the opinions of the Venice Commission regarding legal changes, the EU should focus on both the processes leading to legal change and the implementation of adopted legislation. It should continue to encourage Georgian authorities for the introduction of consensus-oriented reforms involving a broad range of stakeholders, in order to ensure that power and decisions are effectively shared and jointly owned. The EU could also ask for an early information/warning system ahead of planned decisions (such as appointments of judges), in order to discuss these changes with the Georgian authorities and limit possibilities for further breaches of Georgia's commitments.

8.2.3. Civil society

Georgia's vibrant civil society plays a key role in monitoring commitments made as part of the AA/DCFTA, as well as 19 April agreement. However, civil society has been negatively affected by the political crisis (in addition to the pandemic). The formats of consultation set up by the Georgian government as part of the AA are increasingly used in a top-down manner, i.e. for informing, rather than interacting with CSOs. In many policy areas, civil society involvement in the policy process is mostly formal and procedural. The EU should continue supporting Georgian CSOs (including financially) as per the priorities defined in the updated Roadmap for engagement with Georgian civil society, with due attention to local CSOs' capacity-building. Crucially, the EU should empower civil society by fostering the inclusion of CSOs in the dialogues and policy processes it conducts with the Georgian authorities, e.g. through organising tripartite meetings. This would also contribute to enhancing civil society's legitimacy and rebuilding political accountability mechanisms, which have been undermined in recent years.

8.2.4. DCFTA and sectoral cooperation

Overall, despite important obstacles and costs Georgia has been performing well in complying with the commitments made as part of the DCFTA. The EU should continue supporting those stakeholders involved in DCFTA implementation, in particular small and medium businesses. The EU and Georgia should also consider updating and upgrading the commitments laid down in the annexes to the AAs in line with new EU legislation (e.g., in relation to the Digital Single Market and the Green Deal). This would pave the way for deeper sectoral integration and open up a new horizon beyond the AA, as expected by Georgia.

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Sven Mikser (S&D, Estonia) is the appointed rapporteur.

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