

# RECOMMENDATIONS

## RECOMMENDATION No 1/2017 OF THE EU-GEORGIA ASSOCIATION COUNCIL

of 20 November 2017

on the EU-Georgia Association Agenda [2017/2445]

THE EU-GEORGIA ASSOCIATION COUNCIL,

Having regard to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part,

Whereas:

- (1) The Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part <sup>(1)</sup>, ('the Agreement') was signed on 27 June 2014 and entered into force on 1 July 2016.
- (2) In accordance with Article 406(1) of the Agreement, the Association Council has the power to adopt recommendations for the purposes of attaining the objectives of the Agreement.
- (3) Pursuant to Article 420(1) of the Agreement, the Parties are to take any general or specific measures required to fulfil their obligations under the Agreement and are to ensure that the objectives set out in the Agreement are attained.
- (4) The review of the European Neighbourhood Policy proposed a new phase of engagement with partners, allowing a greater sense of ownership by both sides.
- (5) The Union and Georgia wish to consolidate their partnership by agreeing on a set of priorities for the period 2017-2020 with the aim of supporting and strengthening the resilience and stability of Georgia while seeking closer political association and deeper economic integration.
- (6) The Parties to the Agreement have therefore agreed on the text of the EU-Georgia Association Agenda, which will support the implementation of the Agreement, focusing cooperation on commonly identified shared interests,

HAS ADOPTED THE FOLLOWING RECOMMENDATION:

### *Article 1*

The Association Council recommends that the Parties implement the EU-Georgia Association Agenda, as set out in the Annex.

### *Article 2*

The EU-Georgia Association Agenda 2017-2020, as set out in the Annex, shall replace the EU-Georgia Association Agenda 2014-2016 which was adopted on 26 June 2014.

<sup>(1)</sup> OJ L 261, 30.8.2014, p. 4.

*Article 3*

This Recommendation shall take effect on the day of its adoption.

Done at Tbilisi, 20 November 2017.

*For the Association Council*  
*The Chair*  
Giorgi KVIRIKASHVILI

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## ANNEX

## ASSOCIATION AGENDA BETWEEN THE EUROPEAN UNION AND GEORGIA 2017-2020

## Contents

1.	Principles, instruments and resources for implementing the Association Agenda .....	69
2.	Priorities of the Association Agenda .....	70
2.1	Key Priorities for Actions .....	70
2.2	Democracy, Human Rights, Good Governance and Strengthening Institutions .....	72
	Justice sector .....	73
	Law enforcement .....	74
	Anti-corruption, public administrative reform and public service .....	74
	Ill-treatment and torture .....	75
	Equal treatment .....	76
	Children's rights .....	76
	Trade Union rights and core labour standards .....	76
2.3	Foreign and Security Policy .....	76
	Terrorism, non-proliferation of weapons of mass destruction and illegal arms exports .....	77
	Peaceful conflict resolution .....	78
	International Criminal Court (ICC) .....	78
2.4	Justice, Freedom and Security .....	79
	Protection of Personal Data .....	79
	Migration and Asylum .....	79
	Border Management .....	80
	Fight against Organised Crime .....	80
	Tackling Illicit Drugs .....	80
	Money-laundering and terrorism financing .....	80
	Cooperation in the fight against terrorism .....	81
	Legal Cooperation .....	81
2.5	Trade and Trade-Related Matters .....	81
	Trade in Goods .....	81
	Technical Regulations, Standardisation and Related Infrastructure .....	82
	Sanitary and Phytosanitary (SPS) Measures .....	82
	Customs and Trade Facilitation .....	82
	Rules of Origin .....	83
	Establishment, Trade in Services and Electronic Commerce .....	83

Current Payments and Movement of Capital .....	83
Public Procurement .....	84
Intellectual Property Rights (IPR) .....	84
Competition .....	84
Transparency .....	84
Trade and Sustainable Development .....	85
2.6 Economic Development and Market Opportunities .....	85
Agriculture and Rural Development .....	85
Public Internal Financial Control and External Audit .....	86
Taxation .....	86
Statistics .....	86
Consumer Policy .....	87
Company Law, Accounting and Auditing and Corporate Governance .....	87
Financial Services .....	87
Industrial and Enterprise Policy and Mining .....	88
Tourism .....	88
Employment, Social Policy and Equal Opportunities .....	88
Cooperation in the Field of Digital Economy and Society .....	89
Fisheries and Maritime Policy .....	89
Public Health .....	89
2.7 Connectivity, Energy Efficiency, Environment, Climate Action and Civil Protection .....	90
Transport .....	90
Energy Cooperation .....	90
Environment .....	91
Climate Change .....	91
Civil Protection .....	92
2.8 Mobility and People to People .....	92
Cooperation in Research, Technological Development and Innovation .....	92
Education, Training and Youth .....	93
Cooperation in the Cultural Field .....	93
Cooperation in Audio-visual and Media Field .....	93
Regional Development and Regional Level Cooperation .....	94
Participation in EU Agencies and Programmes .....	94
Public outreach and visibility .....	94

## Association Agenda between the European Union and Georgia 2017-2020

On 27 June 2014 the European Union, its Member States and Georgia ('the Parties') signed an ambitious and innovative Association Agreement (AA), including a Deep and Comprehensive Free Trade Area (DCFTA). The agreement contains binding, rule-based provisions and provides for an enhanced cooperation, going further than in traditional agreements and covering all areas of interest. Following completion of the ratification process the full application of the Association Agreement started on 1 July 2016.

On 26 June 2014, the EU and Georgia agreed an Association Agenda, to prepare and facilitate implementation of the Association Agreement. The Agenda provides a framework for identification of priorities for joint work in the period 2014-16 to achieve the objectives of political association and economic integration set by the Association Agreement.

The present document updates and refocuses the 2014-2016 Association Agenda and sets new priorities for joint work for the period 2017-2020. It distinguishes between short-term priorities (which should be achieved or on which significant progress should be made by end 2018) and medium-term priorities (which should be achieved or on which significant progress should be made by end 2020).

The fact that the Association Agenda focuses upon a limited number of priorities is without prejudice to the scope or the mandate of existing dialogue under other relevant Agreements or under the multilateral track of the Eastern Partnership. It also does not prejudge implementation of commitments made in the AA/DCFTA since its entry into force on 1 July 2016.

Furthermore, visa-free travel to the Schengen countries <sup>(1)</sup> for Georgian citizens holding a biometric passport entered into force on 28 March 2017, aimed at a substantial enhancement of mobility and people-to-people contacts between the two sides, in a secure and well managed environment, is a fundamental element underpinning the political association and economic integration of Georgia with the European Union as foreseen in the Association Agreement. The EU acknowledges Georgia's achievement in fulfilling all the required benchmarks of the Visa Liberalisation Action Plan, which led to the adoption by the Commission of a fourth and last progress report on 18 December 2015. This updated Association Agenda also aims at keeping track of and further encouraging sustained results in all VLAP-related areas, thus ensuring continuous fulfilment of all benchmarks of the VLAP as required by the revised visa waiver suspension mechanism.

### 1. Principles, instruments and resources for implementing the Association Agenda

The following common principles will guide the implementation of the Association Agenda:

- Actions undertaken through the Association Agenda should be implemented in full compliance with the AA/DCFTA, including its preamble;
- The priorities of the Association Agenda complement the responsibilities of the EU and Georgia to implement in full the provisions of the EU-Georgia Association Agreement now that it has fully entered into force;
- The Association Agenda should be implemented in full respect of the principles of transparency, accountability and inclusiveness;
- The Association Agenda involves an engagement from both sides in its implementation;
- The Association Agenda aims to achieve tangible and defined results through the progressive implementation of practical measures;
- The Parties recognise the importance of supporting the agreed priorities through appropriate and sufficient political, technical and financial means; and
- The implementation of the Association Agenda will be subject to annual reporting, monitoring and assessment. Progress made will be reviewed including in the context of the institutional structures set forth by the Association Agreement. Civil society will also be encouraged to focus their monitoring activities on the Association Agenda;

<sup>(1)</sup> The EU Member States covered by the visa waiver are:

- the EU Member States which are part of the Schengen area: Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxemburg, Malta, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain and Sweden.
- the EU Member States who not yet fully apply the Schengen acquis (those who are not yet part of the Schengen area without internal borders): Bulgaria, Croatia, Cyprus and Romania.

- The European Union will support Georgia in implementing the objectives and priorities set out in the Association Agenda. It will do so through using all available sources of EU support, as well as expertise and advice, best practices and know-how, the sharing of information, support to capacity-building, institutional strengthening and developing new assistance instruments. It emphasizes that the EU assistance is bound to jointly agreed conditionalities related to the progress on reform. It will also encourage and seek coordination of support from other partners of Georgia. The relevant EU financial instruments will also be available to help in the implementation of the Association Agenda. Notwithstanding this, the latter is not in itself a financial programming document and does not substitute for the programming or formulation exercises undertaken by the Parties.

EU support will be provided in the context of the overall priorities for assistance in favour of Georgia, as outlined in the ENI Single Support Framework (SSF) and in the multi-country programming under the European Neighbourhood Instrument (ENI) as part of the overall funding available for Georgia and in full respect of the relevant implementation rules and procedures of EU external assistance, aiming at the same time to take into account the priorities under the Association Agenda.

The present Association Agenda will be applicable from the moment of its adoption until the end of 2020, for an initial period which may be extended by mutual agreement. It may be amended or updated at any time as necessary by agreement of the EU-Georgia Association Council.

## **2. Priorities of the Association Agenda**

### **2.1 Key Priorities for Actions**

The EU and Georgia consider the implementation of the Association Agreement and the Association Agenda as a key priority to consolidate and promote shared values and principles, as declared by the EU and Georgia.

Since the signature of the Association Agreement, Georgia, has taken substantial steps and carried out substantial reforms towards its effective implementation. The EU acknowledges the progress made by Georgia towards deeper political association and economic integration with the EU.

The EU reiterates its firm support for the sovereignty and territorial integrity of Georgia within its internationally recognised borders, including its policy of non-recognition and engagement in Georgia, as well as its firm commitment to peace, stability and conflict resolution in Georgia. Furthermore, recognising Georgia as an example of state and societal resilience and its leading role as a prosperous, peaceful and stable democracy in the region, the EU is ready to intensify cooperation with Georgia on security matters with the aim to implement its strategic priorities in the neighbourhood, as highlighted in the EU Global Strategy.

In this context, the following reform actions should be addressed as a matter of priority:

*In the field of strengthening institutions and good governance*

#### **1/ Independence of the judiciary and law enforcement agencies**

Continue reforming the justice sector, in particular to ensure the full independence of judges and strengthen the accountability, efficiency, impartiality, integrity and professionalism of the justice system, by implementing key judicial reforms addressing inter alia the High Council of Justice, the Prosecutor Office, transparent and merit-based recruitment, judicial accountability, training of judges, the institutional structure of courts, an effective electronic case management system, legal aid and services, commercial justice and alternative dispute resolution mechanisms. Continue to increase accountability and democratic oversight of law enforcement agencies free from any undue interference. Continue reforming the criminal code of Georgia with the objective of liberalization and modernization of the law and ensuring its full compliance with relevant international standards.

#### **2/ Public Administration Reform and Improvement in Public Services and anti-corruption**

Pursue public administration reform in line with the Principles of Public Administration and the newly adopted Law on Civil Service with emphasis on implementation monitoring and fostering an accountable, efficient, effective, transparent public administration system of selection, promotion and dismissal and on building a merit-based and professional civil service, specialised needs-based training for civil servants working in all public administration sectors, agencies as well as in state owned enterprises, on delivering quality public services and on improving management of public finances. Ensure effective implementation of the Anti-corruption National Strategy and Action plan to prevent, detect and address corruption, in particular complex corruption as well as implement the verification of the asset and income declarations of all relevant officials.

### **3/ Human rights and fundamental freedoms**

Continue effective implementation of the anti-discrimination law, the Human Rights Strategy and the National Human Rights Action Plan and strengthen media pluralism, transparency and independence. Establish an independent investigative mechanism to investigate allegations of ill treatment by law enforcement bodies; enhance gender equality and ensure equal treatment in social, political and economic life; and focus on measures to protect children against all forms of violence. Continue reform efforts to ensure a high level protection of personal data.

*In the field of foreign and security policy*

### **4/ Peaceful conflict resolution**

Maintain effective co-operation between the EU and Georgia towards a settlement of the conflict within agreed formats; intensify effective co-operation and coordination between the EU and Georgia on conflict resolution; maintain constructive participation in and ensure the support for the EU, UN, OSCE co-chaired Geneva International Discussions; use the good offices of EUMM Georgia to contribute to stability, normalisation, and confidence building; take appropriate steps to encourage trade, freedom of movement and economic ties across the administrative boundary lines, including reviewing of legislation; foster people-to-people contacts, confidence building and reconciliation.

### **5/ Intensified cooperation in the field of security and defence policy**

Deepen bilateral dialogue on security and defence issues to address issues of common concern, including terrorism, international organised crime, etc., and steer further cooperation; facilitate Georgia's participation in EU crisis management operations and also in CSDP-related trainings and consultation activities; activate different EU tools to support resilience and capacity building in Georgia to counter hybrid threats.

*In the field of economic development and market opportunities*

### **6/ Improved business environment and investment management**

Implement the SME strategy and corresponding action plan for 2016-2017 as well as subsequent action plans; continue to improve the regulatory framework, operational environment and support to SMEs; improve Public Private Dialogue to identify private sector priorities in need of structural economic reforms support. Support reforms of financial sector infrastructure; establishment of deposit insurance system, banking sector reform and legislation, improved credit/collateral registries, improved financial reporting and audit, measures enabling capital markets, such as development of micro-credit, leasing, factoring and insurance, establish alternative dispute resolution mechanisms for commercial disputes and contract enforcement.

### **7/ Agriculture and rural development**

Implement the Rural Development Strategy of Georgia 2017-2020; support the development of efficient value chains, improve employment in rural areas and support SMEs to increase their competitiveness in selected sectors with high export value.

### **8/ Trade related reforms and sanitary and phytosanitary (SPS) measures**

Implement the Technical Barriers to Trade Strategy (TBT); develop infrastructure related to administration of standards, technical regulations, metrology, market surveillance, accreditation, conformity assessment procedures; implement the Market Surveillance Strategy; further improve trade statistics; implement the strategic framework for customs cooperation; approximate legislation on customs enforcement of intellectual property rights and ensure respect of the standstill clause for applicable import duties.

Implement the Food Safety Strategy and Approximation Programme, in particular the Food Safety Code and ensure progressive adoption of the implementing horizontal legislation; ensure veterinary phytosanitary and food safety checks at the border inspection posts; support the early warning system for food and feed, animal health and plant health safety and increase laboratory capacity for SPS measures.

*In the field of connectivity, energy efficiency, environment and climate action*

### **9/ Energy security and energy efficiency**

Support the timely implementation of the commitments stemming from Georgia's formal accession to the Energy Community, in particular through regulatory reforms and investment in energy security and energy efficiency, including strengthening the mandate, capacity and independence of the energy regulator; reinforcing energy infrastructure networks and interconnections, as well as improving the transparency and functioning of electricity and gas energy market.

### **10/ Transport**

Develop economically important infrastructure, including through further implementation of projects for the development of the core TEN-T network.

### **11/ Environment and climate action**

Enhance approximation with the EU environmental acquis in environmental governance by adopting and implementing new legislation on environmental impact assessment, strategic environmental assessment, on environmental liability; by ensuring public access to environmental information and public participation in decision-making, by involving all interested stakeholders, as well as by integrating environment into other policy areas and by improving environmental information sharing. Finalise a Low Emission Development Strategy. Start implementation of the new global agreement on climate change (the Paris Agreement).

*In the field of mobility and people to people contacts*

### **12/ Migration, asylum and border management**

Ensure sustained respect of all benchmarks of the Visa Liberalisation action plan as required by the revised visa waiver suspension mechanism; effectively implement the EU-Georgia Mobility Partnership, Georgia's Migration Strategy 2016-2020 and Georgia's State Integrated Border Management Strategy 2014-2018 and the respective accompanying Action Plans.

### **13/ Education, employment, research innovation and youth**

Improve overall education research performance through a comprehensive education research] reform; and develop a strategic approach to employment and vocational education and training (VET); develop a vision and strategy for supporting the development of Georgian STI system, including] of Georgian Innovation policy; implement core labour rights.

## **2.2 Democracy, Human Rights, Good Governance and Strengthening Institutions**

Political dialogue and cooperation towards reforms in the framework of this Association Agenda seek to continue strengthening respect for democratic principles, such as political pluralism, inclusiveness in decision making and separation of powers and cooperation with the opposition, the rule of law and good governance, human rights and fundamental freedoms, including the rights of persons belonging to minorities as enshrined in the core UN and Council of Europe Conventions and related protocols and to contribute to consolidating domestic political reforms, in particular through approximating with the EU *acquis communautaire*.

The dialogue and cooperation will cover the following areas:

(i) **Strengthening the stability, independence and effectiveness of institutions guaranteeing democracy, the rule of law and respect for human rights, and in particular by:**

- Continue ensuring the democratic conduct of elections, also for the local elections of October 2017, by addressing within the new electoral cycle remaining shortcomings in the legislative framework and election administration as identified by the Inter-Agency Task Force on Free and Fair Elections (IATF) and Organisation for Security and Co-operation in Europe (OSCE) / Office for Democratic Institutions and Human Rights (ODIHR), in particular the recommendations of the ODIHR Election Observation Mission report after the 2016 parliamentary elections;



- Continue ensuring that legislative amendments affecting key components of the rule of law, such as the independence of the judiciary are subject to comprehensive consultation domestically and, as the case may be, with the Council of Europe's Venice Commission to ensure that they stand the test of time and meet European standards, particularly in the case of the planned amendments to the Georgian constitution, where cooperation between the Venice Commission and the Georgian Constitutional Commission is paramount;
  - Further improve the balance of power between different branches of government and capacities of parliament to perform its oversight and legislative functions.
- (ii) **Continue reforming the justice sector, in particular ensure the full independence of judges and strengthen the accountability, efficiency, impartiality and professionalism of the justice system, and of law enforcement agencies, free from any undue interference; continue the fight against corruption:**

#### *Justice sector*

##### Short-term priorities

- Develop and gradually implement the Judicial Strategy and its action plan, which among other issues will cover improvement of the policy and practice of the appointment, promotion and training of the judges, a particular focus on human rights and provide adequate resources to ensure proper judicial competencies; further promote independence of the High School of Justice, notably through enhanced capacities;
- In particular, improve effectiveness of the High Council of Justice inter alia by ensuring its independence as well as its accountability;
- Improve the system of judicial accountability by implementation of clear and exhaustive disciplinary rules which are effectively enforced as well as by guaranteeing professionalism and integrity of judges;
- Streamline institutional structure of general courts, including where necessary, by introducing specialized panels and chambers and reduce case backlogs in civil divisions of general courts;
- Develop electronic case allocation system and improve electronic case management program in order to raise trust towards the judiciary;
- Continue the reform of the Prosecutor's office aiming at further ensuring independence of prosecutorial work from any undue influence and greater transparency and accountability;
- Continue reforming the Criminal Code with the objective of liberalisation of sentences and modernisation of the law and ensuring its full compliance with relevant EU and international standards;
- Further improve legislative and institutional frameworks for providing high quality free legal aid as well as payable legal services;
- Continue ensuring fair trial, access to justice and procedural rights in criminal proceedings in accordance with Georgia's obligations under the European Convention of Human Rights, the case-law of the Court and other relevant Conventions of the Council of Europe by fully:
  - guaranteeing the procedural rights of accused persons in criminal proceedings;
  - guaranteeing the rights for victims of crime, including hate crime, for access to justice, protection, support and compensation
- Introduce fair and efficient, and more widely used, alternative means of dispute settlement;
- Implement rehabilitation and re-socialization approaches in the Penitentiary and Probation Systems and beyond in order to prevent re-offending and maintain a proper balance between ensuring public order and security and guaranteeing human rights protection.

##### Medium term priorities

- Modernize legislations in the commercial, civil and administrative areas in line with national strategies and EU acquis;
- Ensure inclusive access to justice by an adequately funded Legal Aid Service.

*Law enforcement*Short-term priorities

- Increase the accountability and democratic oversight of law enforcement agencies. Complaints against the police will require a professional, effective mechanism for credible response. Consider taking further measures to promote independent and effective investigation of complaints against law enforcement officials. Provide a comprehensive professional training of law enforcement officers on ethical standards and the human rights as guaranteed by the European Convention of Human Rights;
- Further expand application of alternatives to imprisonment, by introducing new non-custodial sentences and increasing the capacities of the probation service.

*Anti-corruption, public administrative reform and public service*Short-term priorities

- Continue combating corruption, and ensure effective implementation of relevant international legal instruments, such as the UN Convention Against Corruption, and the Criminal Law Convention on Corruption and its Additional Protocol, as well as of recommendations of the Council of Europe's Group of States against Corruption (GRECO) and the recommendations of the OECD-Anti-Corruption Network for Eastern Europe and Central Asia;
- Improve citizens' right to information as one of key measure to effectively prevent corruption;
- Continue strengthening capacity of existing oversight, audit and financial investigation bodies;
- Continue inclusive policy making with participation of citizens and dialogue between civil society and national and local authorities;
- Reinforce oversight capacities of the parliament by improving capacity of sectoral committees.
- Continue implementation of the Public Administration Reform Roadmap and strengthen coordination, monitoring and reporting on the Roadmap and underlying strategies both at political and administrative level;
- Implement the new civil service legal framework to ensure a more professional and merit-based civil service.

Medium-term priorities

- Continue ensuring effective implementation of the Anti-corruption National Strategy and the relevant Action plan to prevent, detect and address corruption, especially complex corruption;
- Continue ensuring an effective investigation of alleged cases of corruption and create an effective system for the prevention of the conflict of interest;
- Update the Public Administration Reform Roadmap and underlying strategies in line with the Principles of Public Administration;
- Foster an accountable, efficient, effective, transparent public administration and build merit-based and professional civil service;
- Strengthen governance and public administration reform at local level in line with European standards.

(iii) **Ensure respect for human rights and fundamental freedoms through comprehensive cooperation on the protection of human rights and fundamental freedoms, including as underlined in Thomas Hammarberg's report 'Georgia in transition'. This cooperation will notably include:**

Short-term priorities

- Actively implement the National Human Rights strategy and action plan including the specific recommendations of UN bodies, OSCE/ ODIHR, the Council of Europe / European Commission against Racism and Intolerance (ECRI) and international human rights organisations notably in implementing anti-discrimination policies, protecting minorities and private life and ensuring the freedom of religion;

- Continue effective implementation of the anti-discrimination law to ensure effective protection against discrimination;
- Take steps towards signature, ratification and transposition into national legislation of relevant Council of Europe instruments in the fight against discrimination, including the Council of Europe Convention on preventing and combating violence against women and domestic violence, the so-called Istanbul Convention and towards implementation of UN Convention of the Rights of Persons with Disabilities into national legislation;
- Strengthen access to reproductive and sexual health, information and prevention, and continue fight against harmful practices directed against women, including genital mutilation and other forms of degrading treatment, in particular in rural areas.

#### Medium-term priorities

- Maintain effective pre- and non-judicial mechanisms for both dispute settlement and the protection of human rights;
- Continue to promote and raise awareness on human rights and anti-discrimination in the judiciary, law enforcement, administration including by conducting respective trainings;
- Continue to strengthen media pluralism, transparency and independence in line with Council of Europe recommendations;
- Take the recommendations of the Public Defender's Office (PDO) into account in policy-making and provide adequate resources and strengthen the PDO office; Cooperate with the Public Defender on its recommendations related to discrimination cases and the effective functioning of the institutional mechanism foreseen in the anti-discrimination law also by amendments to the legislation;
- Continue building monitoring capacities of the Parliamentary Committee on Human Rights and Civil Integration as well as on legal issues linked to the implementation of the Human Rights Strategy and Action Plan;
- Cooperate with Civil Society Organisations (CSO) and the representative social partners (trade-unions and employers' organisations) as stakeholders and watchdogs in areas prioritised by the EU-Georgia Association Agreement (AA), including labour rights, privacy, rights of persons belonging to minorities and other vulnerable groups and media freedom;
- Ensure compliance with the standing provisions of the Council of Europe on the European Charter for Regional or Minority Languages.

#### *Ill-treatment and torture*

#### Short-term priorities

- Adopt the anti-torture Action Plan for 2017-2018 and continue taking further measures to combat ill-treatment and torture, and step up efforts in order to combat impunity;
- Ensure a thorough, transparent, independent investigation into any allegation of the use of torture and ill treatment in the penitentiary system, police, military and other closed facilities by establishing independent investigative mechanism to investigate allegations of ill treatment by law enforcement bodies;
- Continue to support and engage with the National Preventive Mechanism (NPM) under the Public Defender's Office to prevent abuse through ensuring its effective functioning;

#### Medium-term priorities

- Continue efforts to improve the penitentiary healthcare system and prisoners' access to health care including mental health care services. Build capacities and empower health care staff working in -or for- closed institutions in the denouncing and reporting of ill-treatment;
- Further strengthen effective internal and external monitoring of the penitentiary system, police, military and other closed facilities for the early detection and prevention of abuse and ill-treatment.

*Equal treatment*Short-term priorities

- Enhance gender equality and ensure equal treatment between women and men, as well as persons belonging to minorities, regardless of religion or belief, ethnic or national origins, race, sex, language, sexual orientation, gender identity, ability or other in social, political and economic life;
- Take further measures to strengthen the implementation of legislation against gender based violence, including awareness-raising of both the general population and of specific professional groups, such as the police, and in particular in rural and minority areas. Increase the access of victims to counselling services and shelters.

Medium-term priorities

- Approximate to European standards as regards health and safety rules, rules on the protection of maternity, rules on the reconciliation of parental and professional responsibilities as envisaged by the Association Agreement;
- Take active steps to promote increased women representation in political decision making fora.

*Children's rights*Short-term priorities

- Provide adequate resources and strengthen the role of the Public Defender's Office to undertake further ombudsman work for children, inter alia to carry out annual monitoring of the situation in relevant institutions, including in day centres;
- Focus on measures to protect children against all forms of violence.

Medium-term priorities

- Enhance measures to address most vulnerable children's needs (including children with disabilities and children in street situation), through improving and expanding social protection mechanisms, as well as supporting territorial access to habilitation/rehabilitation programmes for children with disabilities, and take steps towards elimination of child labour;
- Continue juvenile justice reform;
- Continue working towards deinstitutionalisation of children.

*Trade Union rights and core labour standards*Short-term priorities

- Adopt the legal framework defining the supervision functions of the Labour Inspection system in the Occupational Health and Safety area, and remove restrictions to the powers of inspectors in existing legislation in accordance with International Labour Organisation (ILO) standards.

Medium-term priorities

- Implement the Labour Code (adopted in June 2013) and bring it as well as other relevant legislation further in line with the ILO standards. Underpin the Labour Code with procedures for resolving labour disputes and developing a negotiation culture by approving a roster of mediators.
- Continue to work on establishing an effective Labour Inspection system with adequate competences and capacities for the inspections of all working conditions and labour relations according to ILO standards;
- Ensure the effective functioning of the Tripartite Social Partnership Commission and continue to improve social dialogue through cooperation with the ILO.

## 2.3 Foreign and Security Policy

Dialogue and cooperation in the field of the Common Foreign and Security Policy (CFSP) aim at gradual convergence, including on the Common Security and Defence Policy (CSDP), and will address in particular, conflict prevention and crisis management issues, regional stability, disarmament, non-proliferation, arms control and export control. Cooperation will be based on common values and mutual interests, and will aim at increasing policy convergence and effectiveness, making use of bilateral, international and regional fora.

Short-term priorities

- Continue to cooperate on increasing alignment of Georgia with the EU CFSP declarations;
- Continue to cooperate on alignment with EU autonomous sanctions measures;
- Continue cooperation on Strategic Communication about EU integration related issues;
- Enhance practical cooperation in conflict prevention and crisis management by facilitating the participation of Georgia in EU-led civilian and military crisis management operations, and consultation and training activities in the CSDP area on the basis the Framework Participation Agreement signed in November 2013 and in the multilateral framework of the Eastern Partnership Panel on CSDP;
- Promote and facilitate Georgia's participation in CSDP-related training and consultation activities (in the framework of the regular bilateral consultations and multilateral Eastern Partnership Panel on CSDP);
- Facilitate Georgia's cooperation with the EU agencies on CSDP related issues;
- Promote regional cooperation on security issues such as improved border management, migration management, protection of critical infrastructure, export control, emergency response, civil protection, countering smuggling and illicit trafficking (such as bio and nuclear materials) and the training and of appropriate personnel, including in particular through the Chemical Biological Radiological and Nuclear (CBRN) Centre of Excellence located in Georgia.

Medium-term priorities

- Jointly contribute to an environment conducive to pragmatic cooperation and developing political dialogue and cooperation on regional and international issues, including within the framework of the Council of Europe and the OSCE;
- Promote peaceful conflict resolution and international stability and security based on effective multilateralism;
- Enhance investment in the resilience and capacity to counter hybrid threats of the Georgian state and society by including Georgia in the Capacity Building for Security and Development Initiative (CBSDI) through providing institutional support, training and equipment that will contribute to the effectiveness of the Global Strategy for Foreign and Security Policy;
- Facilitate Georgia's cooperation with the EU on effective Security Sector Reform in Georgia;
- Promote jointly respect for the principles of sovereignty and territorial integrity, inviolability of borders and independence, as established in the UN Charter and the OSCE Helsinki Final Act.

*Terrorism, non-proliferation of weapons of mass destruction and illegal arms exports*Short-term priorities

- Cooperate on, and contribute to, countering the proliferation of weapons of mass destruction and their means of delivery through full compliance with, and national implementation of, the Parties' existing obligations under international disarmament and non-proliferation treaties and agreements, and other relevant international obligations.

Medium-term priorities

- Cooperate so as to deepen international consensus on the human rights based fight against terrorism, including on the legal definition of terrorist acts, including by promoting agreement on the Comprehensive Convention on International Terrorism;
- Co-operate on risk-based customs control ensuring safety and security of goods imported, exported or in transit;
- Tackle the illicit trade in small arms and light weapons, including their ammunition, under existing international agreements and UN Security Council resolutions, and commitments under other international instruments applicable in this area;

- Continue to cooperate in the area of conventional arms export control, in the light of the EU Common Position on control of exports of military technology and equipment. Develop co-operation in the fight against trafficking of arms and the destruction of stockpiles;
- Continue contributing to the implementation of the Nuclear Non-Proliferation Treaty (NPT) on all its three pillars, in a balanced manner.

#### *Peaceful conflict resolution*

##### Short-term priorities

- Maintain effective co-operation between the EU and Georgia towards a settlement of the conflict within agreed formats, including consultations with a view to establishing ways for appropriate involvement of the Georgian regions of Abkhazia and Tskhinvali region/South Ossetia in the deepening of EU-Georgia relations;
- Intensify effective co-operation and coordination between the EU and Georgia on conflict resolution including through regular political dialogue;
- Maintain constructive participation in and ensure the support for the EU, UN, OSCE co-chaired Geneva International Discussions;
- Fully and effectively use the good offices of EU Monitoring Mission Georgia to contribute to stability, normalisation, including facilitating a safe and normal life for local communities living on both sides of the administrative boundary lines, and confidence building, inter alia through the Incident Prevention and Response Mechanisms and through any other appropriate mechanisms, measures or arrangements;
- Support peaceful conflict resolution efforts, including via undertaking contacts with the populations of the Georgian regions of Abkhazia and Tskhinvali region/South Ossetia in light of Georgia's reconciliation and engagement policy and EU's non-recognition and engagement policy on which EU and Georgia cooperate;
- Cooperate in sharing with the populations across the administrative boundary lines the benefits and opportunities stemming from the EU-Georgia political association and economic integration process, including the short-stay visa-free regime to the Schengen area;
- Take appropriate steps to encourage trade, freedom of movement and economic ties across the administrative boundary lines, including reviewing of legislation such as the Law on Occupied Territories. Cooperate in undertaking measures to foster people-to-people contacts, confidence-building and reconciliation efforts between communities divided by conflict;
- Take further steps to promote sustainable integration of IDPs across the Georgian society (property right, employment, targeted support).

##### Medium-term priorities

- Continue joint efforts aimed at ensuring the full implementation of the 12 August 2008 Six-Point Agreement and its subsequent implementing measures;
- Continue joint efforts and undertake steps towards meaningful international field involvement in Georgia, including the full implementation of the mandate of the European Union Monitoring Mission in Georgia (EUMM Georgia);
- Continue working towards enabling the safe, dignified and voluntary return of all IDPs and refugees to places of origin in line with principles of international law;
- Taking steps towards the sustainable solution to conflict and without prejudice to the existing formats for addressing the conflict-related issues, the peaceful conflict resolution will constitute one of the central subjects on the agenda of political dialogue between the Parties, as well as in the dialogue with other relevant international actors.

#### *International Criminal Court (ICC)*

- Continue to cooperate with the International Criminal Court by implementing the Rome Statute and its related instruments, giving due regard to preserving its integrity. Continue to cooperate with ICC with respect to August 2008 war investigations.

## 2.4 Justice, Freedom and Security

Georgia shall continuously fulfil the requirements set in the four Blocks of the Action Plan on Visa Liberalisation of 25 February 2013. The effective, continued and sustainable implementation of all the benchmarks contained in the Action Plan, including those in Block 3 (Public Order and Security), is essential for maintaining the visa-free regime with the EU. In line with the revised visa waiver suspension mechanism, visa-free travel can be suspended in cases where one or more of the specific requirements are no longer fulfilled<sup>(1)</sup>. In case of a justified concern on the fulfilment of concrete benchmarks of the Action Plan, Georgia will provide the European Union information, on request.

The Parties will cooperate in the following areas:

### *Protection of Personal Data*

#### Short-term priorities

- Ensure a high level protection of personal data in accordance with European standards and take practical steps to guarantee the respect for the right to personal data protection, including in the criminal justice field; ensure the application of data protection standards in public and private sectors.

#### Medium-term priorities

- Continue strengthening the capacity of the data protection authority (Inspector Office) and follow up on the application of data protection standards;
- Continue implementing the legal framework on personal data protection in all sectors in order to ensure a high level of data protection in line with the European instruments and standards;
- Approximate Georgian data protection legislation and practice with the latest European data protection standards.

### *Migration and Asylum*

#### Short-term priorities

- Ensure that the Unified Migration Analytical System and the Migration Risk Analysis are fully operational and report on consequent improvements in the analysis of migratory data and the assessment of risks;
- Develop mechanisms to fight against irregular migration and foster legal migration, including through continuous, targeted information campaigns on migrants' rights and obligations, rules regulating their access to the EU labour market and on liability for any abuse of rights under the visa-free regime;
- Report on progress in the phasing out of the use of Georgian non-biometric passports in accordance with the Visa Liberalisation Action Plan.

#### Medium-term priorities

- Effectively implement Georgia's Migration Strategy 2016-2020 and the accompanying Action Plan;
- Update on a regular basis (at least every two years) Georgia's Migration Profile;
- Continue effective implementation of the EU-Georgia Readmission Agreement and ensure a smooth transfer of the Mobility Centres and reintegration activities to Georgia's state programme on reintegration;
- Continue to develop practical cooperation in the framework of the EU-Georgia Mobility Partnership.

<sup>(1)</sup> Regulation (EU) 2017/371 of the European Parliament and of the Council of 1 March 2017 amending Council Regulation (EC) No 539/2001 of 15 March 2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement, OJ L 61, 8.3.2017, p. 1.

*Border Management*Medium-term priorities

- Effectively implement Georgia's State Integrated Border Management Strategy 2014-2018 and the accompanying Action Plan;
- Maintain a high quality of border checks and border surveillance with the help of the Border Migration Administering and Reporting System (BMARS) and the implementation of Border Operations Management System (BOMS) project;
- Progress in the demarcation of state borders with neighbouring countries.

*Fight against Organised Crime*Short-term priorities

- Efficiently implement the national Action Plan on the Fight against Trafficking in Human Beings for 2017-2018 and continue capacity development activities for the state authorities to proactively identify and efficiently investigate cases of trafficking in human beings;
- Monitor and report on the effectiveness of proactive identification and investigation of cases of trafficking in human beings.

Medium-term priorities

- Continue efforts in the area of prevention and fight against organised crime;
- For the purpose of effectively tackling organized crime further develop cooperation between EU Member States and Georgian law-enforcement agencies, implement the cooperation agreement with Europol and continue cooperating with CEPOL for law enforcement training purposes;
- Enhance cooperation in addressing cybercrime, and providing relevant law enforcement training to Georgian authorities.

*Tackling Illicit Drugs*Short-term priorities

- Implement the National Drug Strategy and Action Plan 2016-2018.

Medium-term priorities

- Continue ensuring a balanced and integrated approach towards drug issues in order to cope with the health and social consequences of drug abuse as well as ensuring more effective prevention and working towards reducing the supply of, trafficking in and the demand for illicit drugs;
- Continue the regular dialogue in the framework of Eastern Partnership (EaP) Drugs Dialogue;
- Develop further the cooperation and information exchange, including by making best use of the Memorandum of Understanding between the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) and the Ministry of Justice of Georgia.

*Money-laundering and terrorism financing*Short-term priorities

- Align the Georgian legislation with the fourth Anti-Money Laundering Directive;
- Monitor and report on the number of freezing and confiscation orders issued and on the estimated value of the property frozen and confiscated, in order to ensure the effective implementation of Georgia's legislation on confiscation of criminal assets.

Medium-term priorities

- Continue efforts in further developing the legal and institutional framework for preventing and fighting money laundering and financing of terrorism, including through approximation with the EU's legislation in these fields;



- Continue to implement standards in the Financial Action Task Force (FATF) recommendations on terrorist financing;
- Enhance operational cooperation on confiscation, asset recovery and asset management through effective communication and exchange of best practices between the Georgian authorities and the EU Asset Recovery Offices.

#### *Cooperation in the fight against terrorism*

##### Medium-term priorities

- Make full use of the operational agreement between Georgia and EUROPOL, signed on the 4th of April, in order to facilitate exchange of information on terrorist organisations, groups, their activities and their support networks;

#### *Legal Cooperation*

##### Short-term priorities

- Take effective and intensive measures to sign and promote implementation of the operational cooperation agreement with Eurojust.

##### Medium-term priorities

- Enhance judicial cooperation in civil and commercial matters by acceding to and implementing multilateral conventions on civil judicial cooperation, in particular the main Conventions of the Hague Conference on Private International Law in the field of judicial cooperation as well as the protection of children, such as the 1965 Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters, the Convention of 1970 on the Taking of Evidence Abroad in Civil or Commercial Matters, the 2005 Convention on Choice of Court Agreements and 2007 Hague Convention on Child Support and Other Forms of Family Maintenance, and its Protocol on the applicable law to maintenance obligations;
- Enhance the judicial cooperation in criminal matters by acceding to and implementing the relevant conventions, especially those of the CoE.

## **2.5 Trade and Trade-Related Matters**

The Deep and Comprehensive Free Trade Area makes up an extensive part of the Association Agreement. It is therefore expected that implementation of this part, contained in Title IV TRADE AND TRADE-RELATED MATTERS, will be granted a level of priority commensurate with its importance in the overall context of the Association Agreement and in the frame of EU-Georgia relations.

#### *Trade in Goods*

The Parties will cooperate on the implementation of the provisions on market access for goods of the Association Agreement, in particular through joint consultations, with a view to:

##### Short-term priorities

- Further improvements in the area of trade statistics;
- Ensuring that no increase of currently applicable import duties in trade between the parties takes place following the entry into force of the Agreement (standstill clause);

##### Medium-term priorities

- Support Georgia to increase the diversification of Georgia's export structure, including export of new products to the EU market;
- Close cooperation with a view to applying effectively the anti-circumvention mechanism;
- Assisting Georgia in drafting and implementing legislation it may intend to prepare on market access or other related issues (i.e. trade remedies);
- Ensuring exchange of information on market access-related developments and policy on market access.

### *Technical Regulations, Standardisation and Related Infrastructure*

The Parties will cooperate in the field of standards, technical regulations, metrology, market surveillance, accreditation and conformity assessment for achieving gradual approximation of these systems with EU relevant systems as provided for in the Association Agreement. The cooperation will include:

#### Medium-term priorities

- Developing legislation which Georgia committed to implement on the basis of the Association Agreement as provided in its Technical Barriers to Trade Strategy (TBT);
- Developing infrastructure related to administration of standards, technical regulations, metrology, market surveillance, accreditation, and conformity assessment procedures, including through EU support;
- Facilitating the preparation and adaptation of stakeholders, including economic operators, for the implementation of approximated legislation;
- Continuing the implementation of the Market Surveillance Strategy for industrial goods;
- In the Market Surveillance field, strengthening administrative capacities of relevant Georgian state institutions and market surveillance bodies;
- Further staff training for the administration of responsible government bodies and agencies;
- Exchanging information on all relevant aspects of the Georgian TBT and Market Surveillance Strategies, including timeframes as applicable.

### *Sanitary and Phytosanitary (SPS) Measures*

The Parties will cooperate in preparing for the approximation of Georgia's sanitary and phytosanitary legislation for food and feed, plant health as well as animal health and welfare and practice to that of the EU, as set out in the relevant Annexes to the Association Agreement. The cooperation will include:

#### Short-term priorities

- Supporting the early warning system for the food and feed, animal health and plant health safety;
- Organising information campaigns with relevant agencies, businesses and NGOs on the requirements for accessing the EU market, as well as with civil society on the relevant consumer aspects of food and feed safety;
- Providing further EU technical advice and support to Georgia in drafting and implementing the legislation, including training the relevant staff, providing capacity-building to the competent authority and supporting the improvement of the laboratory capacity, in line with the EU requirements;
- Enhancing adaptation capacity of Georgian business for the implementation of approximated legislation.

#### Medium-term priorities

- Supporting Georgia to strengthen the risk analysis in the SPS field; ensuring veterinary phytosanitary and food safety checks at the border inspection posts;
- Facilitating the adaptation of Georgian businesses for the implementation of approximated legislation;
- Collaborating in the field of animal welfare and on the reduced use of antibiotics in animal production to combat antibiotics resistance.

### *Customs and Trade Facilitation*

The Parties will cooperate in preparing for the approximation of Georgia's legislation to EU *acquis* and international standards listed in the relevant Annex to the Association Agreement. Approximation should be based on the Union Customs Code, which is implemented as of May 1st 2016. The relevant AA Annex shall reflect the substitution of the Community Customs Code with the Union Customs Code.

#### Short-term priorities

- Implementation of the Strategic Framework for customs cooperation;
- Approximating Georgia's legislation on customs enforcement of IPR to EU *acquis*, as envisaged by the Association Agreement.

#### Medium-term priorities

- Approximating Georgia's Authorised Economic Operator system to that of the EU;
- Continuing to modernise Georgian customs authorities;
- Continuing to simplify and modernise customs procedures;
- Assisting Georgia in its accession to the Convention on a common transit procedure;
- Co-operating on risk-based customs control and sharing of relevant information that contributes to improved risk management and security of the supply chains, facilitation of legitimate trade and safety and security of goods imported, exported or in transit;
- Strengthening dialogue on the fight against fraud to prevent illegal trade, including in excisable products, particularly through enhanced cooperation in the framework of the Protocol on Mutual Administrative Assistance in Customs Matters;
- Considering the prospect of mutual recognition of Authorised Economic Operator system as envisaged by the Association Agreement.

#### *Rules of Origin*

The parties will work together to implement rules of origin laid out in the relevant protocol to the Association Agreement and deriving from Georgia's accession to the regional Convention on Pan-Euro-Mediterranean preferential rules of origin. This cooperation will include work to:

#### Short-term priorities

- Discuss the current procedures applied by Georgian customs services in certifying and verifying the origin of goods.

#### Medium-term priorities

- Substituting the current protocol on rules of origin (Protocol 2 of the AA) by a reference to the Pan-Euro-Mediterranean Convention on rules of origin following Georgia's accession;
- Continue training on certification and verification of preferential origin to Georgia's customs service.

#### *Establishment, Trade in Services and Electronic Commerce*

The Parties will continue the dialogue on establishment, trade in services and electronic commerce according to the relevant provisions of the Association Agreement. Furthermore, the Parties will prepare for the implementation of the commitments in the services areas, as envisaged in the relevant Annexes to the Association Agreement. This will include providing training and building adequate administrative capacity to undertake planned legislative approximation, and ensure regular exchanges of information as regards envisaged and ongoing work in selected areas for approximation.

- Exchange information and experience on development interoperable eCommerce trading platforms;
- Exchange information and experience on raising awareness among stakeholders on implementing the key principles of the Postal Services Directive, in particular the universal postal obligation, as well as other postal sector policy.

#### *Current Payments and Movement of Capital*

The Parties will continue dialogue on capital movements and payments, in particular with a view to monitoring compliance with all existing commitments and preparing for implementation of the Association Agreement.

### *Public Procurement*

The Parties will cooperate on Georgia's preparations for the implementation of the Procurement Chapter of the Association Agreement and the related reforms. The work will include:

#### Medium-term priorities

- Providing precise and timely information on planned legislative work affecting procurement policy and its implementation, both for the legal approximation and the set-up of institutions in the field of public procurement. A comprehensive roadmap has already been adopted by the Government of Georgia on 31 March 2016, covering five phases of actions to be implemented during the period from 2016 to 2022. The Parties will further discuss implementation of the roadmap, also in view of ensuring the approximation of the Georgian public procurement legislation with the EU public procurement acquis as foreseen in the Association Agreement.

### *Intellectual Property Rights (IPR)*

The Parties will cooperate on Georgia's preparations for the approximation to the EU *acquis* and international standards on the protection of intellectual property rights, including Geographical Indications as provided for in the Association Agreement and will ensure the effective protection of all IPR, including geographical indications. Cooperation will include:

#### Medium-term priorities

- Ensuring rights holders from both Parties a high level of IPR protection and enforcement;
- Strengthening the enforcement capacity of relevant governmental bodies or executive agencies, as well as ensuring proper functioning of the judicial system to guarantee access to justice for rights holders and implementation of sanctions;
- Supporting functioning of the National Intellectual Property Centre of Georgia 'Sakpatenti' in order to ensure protection of industrial property rights and copyright]; extending cooperation with third country authorities and industry associations;
- Taking measures to increase public awareness in the field of intellectual and industrial property protection and ensuring effective dialogue with rights holders;
- Taking effective measures against counterfeiting and piracy, including production of statistical information on those activities to be shared between the Parties.

### *Competition*

#### Medium-term priorities

The Parties will cooperate on implementation of the Competition Chapter of the Association Agreement and the related reforms. Cooperation will tackle Georgia's institutional framework and relevant administrative capacity to guarantee effective implementation of relevant legislation, as well as enhanced dialogue on legislative enforcement in the competition area and related legislations.

### *Transparency*

#### Short-term priorities

The Parties will pay special attention to cooperation when preparing for the implementation of commitments on transparency in trade-related policy-making. The parties will discuss best practices and respective experience in transparent policy-making, exchange information and provide relevant training, including on communication mechanisms and stakeholder consultations, as well as conduct seminars and other events for the wider public, aimed at explaining the implementation of the Association Agreement and the approximation process.

*Trade and Sustainable Development*Medium-term priorities

The Parties will continue their dialogue on the issues covered by the Chapter on Trade and Sustainable Development of the Association Agreement, in particular exchanging information on the development of an appropriate labour inspection system for all international fundamental labour standards, implementation of the Labour Code, implementation of multilateral environmental agreements, which either side is party to, and implementation of their commitments related to sustainable development, as well as discuss and exchange best practices on the future implementation of the commitments under the Chapter with regard to stakeholder involvement and civil society dialogue.

**2.6. Economic Development and Market Opportunities**

The Parties will cooperate to support Georgia in establishing a fully functioning market economy and gradually approximating its policies to the policies of the EU in accordance with the guiding principles of macroeconomic stability, sound public finances, a robust financial system and sustainable balance of payments. To that end they will monitor macroeconomic developments, discuss key policy challenges and exchange information on best practices by strengthening the regular macroeconomic dialogue in order to improve the quality of economic policy making.

Furthermore the Parties agree to cooperate with a view to:

Medium-term priorities

- Strengthen the independence and regulatory powers of the National Bank of Georgia (NBG) and share EU experience, including from the ECB, on monetary and exchange rate policy as well as financial and banking sector regulation and supervision policies, to further develop Georgia's capabilities in these areas;
- Improve the sustainability and governance of public finances by implementing fiscal reforms;
- Develop a sustainable, comprehensive and well-targeted social safety net.

*Agriculture and Rural Development*

The Parties will cooperate on:

Short-term priorities

- Adoption of the Rural Development Strategy of Georgia 2017-2020 and its implementation.

Medium-term priorities

- Modernising and improving the efficiency of institutions responsible for agriculture development, including through participation of all relevant sector stakeholders in this process;
- Facilitating the gradual adoption of marketing standards for agriculture products to support a higher food safety and the implementation of quality schemes;
- Improving the competitiveness and sustainability of agricultural production, by fostering economies of scale via market-oriented agriculture cooperatives, by developing advisory and extension systems to increase production and augment exports; and by easing access to viable credit and financial resources for agriculture;
- Supporting the development of efficient value chains and supporting SMEs to increase their competitiveness in selected sectors with high export value;
- Moving towards the progressive convergence and implementation of effective agricultural and rural development policies, on the basis of proven EU models;

- Enhancing employment and living conditions in the rural areas through improved management of natural resources, improved services and infrastructure and diversification of the rural economy;
- Supporting the promotion of Georgian agricultural products.

#### *Public Internal Financial Control and External Audit*

The Parties will cooperate with the aim to ensure the development of public financial control and external audit by:

##### Short-term priorities

- Further develop the internal control system under decentralised managerial responsibility, including functionally independent internal audit in state authorities by ensuring harmonisation with generally-accepted international standards, frameworks and EU good practice;

##### Medium-term priorities

- Continue to improve the internal control and internal audit system in the public sector in line with a gap assessment between actual practice and generally accepted international standards, frameworks and EU good practice;
- Ensure further development of the external audit function of the Court of Accounts (State Audit Office of Georgia), in line with generally-accepted international standards (INTOSAI).

#### *Taxation*

The Parties will enhance and strengthen cooperation aimed at the improvement and development of Georgia's tax system and administration, based on EU and international standards, including preparation for gradual approximation to the EU *acquis* and international instruments as laid down in the relevant annex of the Association Agreement, in particular by:

- Improving and simplifying tax legislation;
- Improving international tax cooperation in order to enhance good governance in the tax area i.e. the principles of transparency, exchange of information and fair tax competition;
- Improving capacity of the tax administration, in particular by moving towards a more focused, risk based system for tax control and audits;
- Taking measures to harmonise policies in counteracting and fighting fraud and smuggling of excisable products;
- Developing cooperation with the tax administrations of EU Member States by exchanging new experiences and trends in the field of taxation.

#### *Statistics*

The Parties will cooperate on:

##### Medium-term priorities

- Address statistical discrepancies in measuring bilateral EU-Georgia trade data;
- Continue ensuring availability of statistics and data to researchers, journalists and the broader public;
- Preparing for approximation to the EU *acquis*, in particular by:
  - Introduction of quality reporting for most of the statistical surveys;
  - Completing the introduction of SNA 2008;
- Alignment of the Business Statistics Methodology with EU standards and business statistics oriented on the future data requirements as contained in the Framework Regulation for Integrated Business Statistics (FRIBS); promote sharing experience of the EU countries in implementing FRIBS is desirable for enhancing the alignment process.

### *Consumer Policy*

In view of the preparation for the implementation of the EU *acquis* and international instruments mentioned in relevant Annexes to the Association Agreement, the Parties will cooperate in:

- Supporting Georgia to gradually approximate its legislation to the relevant EU legislation and international instruments within the stipulated timeframes in annex XXIX of the Association Agreement;
- Strengthening consumer protection in Georgia, notably through training of government officials and other consumer interest representatives on the approximation with EU legislation and its subsequent implementation.

### *Company Law, Accounting and Auditing and Corporate Governance*

The Parties will cooperate in view of Georgia's preparation for the approximation implementation of the EU *acquis* and international instruments mentioned in the relevant Annex to the Association Agreement, and in particular on Georgia's efforts to make greater use of their regular dialogue to deepen cooperation and discuss steps which should be taken.

#### Short-term priorities

- Identify areas in which the EU could provide further training and capacity-building.

#### Medium-term priorities

- Development of administrative capacity of relevant state institutions;
- Develop company and other relevant laws with regard to EU *acquis*;
- Ensure the implementation of the rules set by the new Company law related to the compulsory disclosure of information;
- Introduce relevant international auditing standards at national level and promote their application by all listed companies at national level;
- Provide timely, relevant and precise information about the state of play and development of the existing legislation in Georgia and its conformity with the EU *acquis* and exchange in advance relevant information concerning necessary institution- and capacity building relevant to the approximation of the EU *acquis*; (NB In this context, the government adopted the Action Plan for Financial Reporting and Auditing Reform. One of the tangible outcomes is the law on Accounting, Reporting and Auditing enacted on 8 June 2016).

### *Financial Services*

The cooperation will aim at preparing Georgia for the modernisation of its financial regulatory and supervisory framework, using EU legislation and international instruments referred to in the relevant annexes to the Association Agreement as a reference to develop a set of rules appropriate for Georgia. This cooperation shall include the following actions and contribute to achieving the following objectives:

#### Short-term priorities

- Identifying areas in which training and capacity-building should be provided.
- Establishing contacts and exchanging information with the EU financial supervisors in line with the Association Agreement;
- Providing timely, relevant and precise information about the state of play and development of the existing legislation in Georgia.

#### Medium-term priorities

- Create a new regulatory and supervisory framework in conformity with internationally agreed regulatory standards, including new supervisory approach, tools and instruments;

- Improving the administrative capacity of supervisory authorities;
- Continue cooperation with FATF, the Council of Europe, MONEYVAL, as well as relevant authorities in EU Member States and signing Memoranda of Understanding between financial intelligence authorities of Georgia and EU Member States.

#### *Industrial and Enterprise Policy and Mining*

The Parties will cooperate to improve the business and regulatory environment, in particular for SMEs, including microenterprises, in particular by:

##### Short-term priorities

- Implementation of the Georgian SME Strategy and the corresponding Action Plan for 2016-2017;

##### Medium-term priorities

- Implementation of the country-specific roadmap and the recommendations of the SBA (Small Business Act) Assessment to the extent possible;
- Linking SME development to the opportunities created by the DCFTA including through business (support) networks (such as the Enterprise Europe Network) and clusters;
- Strengthening the role of business and SME associations (including sectoral associations) in order to improve Public-Private Dialogue;
- Developing opportunities for Georgian start-ups to enter the EU and Georgian markets.

Through the dedicated Subcommittee the Parties will exchange information on mining and metals to achieve better understanding of Georgian and EU policies, including the implementation of the EU Raw Materials Initiative, the Horizon 2020 research programme and the European Innovation Partnership on Raw Materials.

#### *Tourism*

Through the dedicated Subcommittee the Parties will exchange information on development of tourism in Georgia and in the EU, including on relevant events and best practices and support Georgia in the implementation of Georgia Tourism Strategy adopted in 2015.

#### *Employment, Social Policy and Equal Opportunities*

The Parties will cooperate in order to:

##### Short-term priorities

- Prepare for the approximation and implementation of the EU *acquis* in the areas of health and safety at work, labour law and working conditions, and gender equality and anti-discrimination as mentioned in the relevant annexes to the Agreement, and in particular to establish an appropriate law enforcement and supervision system in line with EU approaches (starting with the Occupational Health and Safety area) and to build capacity of social partners (e.g. training on EU health and safety legislation and standards and EU legislation and standards regarding labour law);
- Monitor the ongoing implementation of the New Service Model for public employment services;
- Complement the legal framework necessary to establish an effective labour inspection system;
- Further improve capacities of social services and of the Ministry of Labour, Health and Social Affairs in order to strengthen the capacities of the administration in charge of developing and implementing employment and social policies respecting the equal opportunities principles.

##### Medium-term priorities

- Roll out the newly defined public employment services with adequate capacities and in line with requirements of the European public employment services;



- Continue establishing an effective labour inspection system in line with ILO standards in order to ensure administrative and enforcement capacities in the areas of health and safety at work and labour law, and strengthen relevant judiciary bodies;
- Develop a strategic approach to employment, aiming at more and better jobs with decent working conditions, better matching of skills and jobs in the labour market and promoting active labour market measures and efficient employment services, with a particular focus on youth;
- Ensure well-functioning social dialogue through the effective functioning of the Tripartite Social Partnership Commission and capacity-building of social partners.

#### *Cooperation in the Field of Digital Economy and Society*

The Parties will cooperate to prepare for implementation of EU *acquis* mentioned in relevant annexes of the Association Agreement and support Georgia on:

#### Medium-term priorities

- Efforts to approximate the legislation in the field of electronic communications with the EU *acquis*;
- Activities dedicated to strengthening the independence and administrative capacity of the national regulator in the field of communications, in order to ensure its ability to take appropriate regulatory measures and enforce its own decisions and all applicable regulations and to guarantee fair competition in the markets;
- Strengthening the sector by exchanging information and experience on the implementation of the Digital Single Market (DSM);
- Efforts to increase the cyber resilience of key critical infrastructure sectors and public sector organisations, drawing from relevant EU experiences and in line with EU norms.

#### *Fisheries and Maritime Policy*

The Parties will cooperate on:

#### Short-term priorities

- Fostering an integrated approach to maritime affairs, especially by contributing to the development of cross-sectoral initiatives in the maritime domain by establishing a working group on maritime affairs composed of the relevant ministries and services, and by identifying areas of common interest and actively cooperating with coastal States and maritime stakeholders in the Black Sea region, in the context of the EU Integrated Maritime Policy.

#### Medium-term priorities

- Improving and enhancing monitoring and control of fishing activities and of trade in fisheries products and their traceability, in order to effectively fight Illegal, Unreported and Unregulated fishing (IUU fishing);
- Taking necessary steps to achieve sustainable fisheries in the Black Sea, both in bilateral and multilateral frameworks on the basis of an ecosystem approach to fisheries management;
- Increasing scientific and technical co-operation with a view to ensure the capacity of monitoring fisheries based on sound and reliable data, and of evaluating the state of marine resources and of the marine environment.

#### *Public Health*

The Parties will cooperate on:

- Supporting Georgia prepare for the implementation of the EU health *acquis*, as mentioned in the relevant annexes of the Association Agreement, in particular in the area of blood safety, tobacco control, quality and safety of substances of human origin (blood tissues, organs, cells), and communicable diseases in line also with Georgia's international obligations under the Framework Convention on Tobacco Control and the International Health Regulations;

- Improve the coverage of the Universal Health Care Programme and reduce out-of-pocket expenditures to be paid by the patients. This issue is considered a main priority of the government and is reflected *inter alia* in an increase of public expenditure on health and comprehensive reforms to strengthen the health care sector;
- Enhance quality and accessibility of primary healthcare aiming at disease prevention and improvement of quality of life;
- Strengthen healthcare institutions – most of which are private-run – and their accountability through establishing quality indicators, value-based purchasing and other quality management processes including recognising accreditation of health care institutions by international accreditation bodies;
- Strengthening national multi-sectorial action to fight anti-microbial resistance *inter alia* by strengthening surveillance, prudent use of antimicrobials and infection control in healthcare settings.

## 2.7 Connectivity, Energy Efficiency, Environment, Climate Action and Civil Protection

### *Transport*

The Parties will cooperate to enhance further implementation of the EU *acquis* in all transport modes mentioned in relevant annexes of the Association Agreement and to support Georgia in:

#### Medium-term priorities

- Pursuing the implementation of the EU aviation *acquis* in order to take full advantage of the EU-Georgia Common Aviation Area Agreement;
- Activities to improve safety across transport modes (aviation, road, maritime, railway);
- Developing infrastructure, in particular to start preparing and implementing further projects for the development of the extended core TEN-T network, as agreed at the 2016 Rotterdam TEN-T days' ministerial meeting.

### *Energy Cooperation*

The Parties will cooperate with the aim to:

#### Short-term priorities

- Complete Georgia's formal accession to the Energy Community Treaty as a contracting Party in line with the Association Agreement;
- Implement relevant legislation in the fields of electricity, renewable energy, energy efficiency, oil, gas, energy statistics, energy-related environment, and prospection of hydrocarbons, in the line with the terms and conditions set out in the protocol of accession to the Energy Community Treaty and in the Association Agreement.

#### Medium-term priorities

- Take steps towards the integration of Georgia's energy market with that of the EU, and strengthening Georgia' energy security and regulatory convergence through the further implementation of relevant EU legislation, including related secondary legislation, applicable to Georgia, in line with the AA and Energy Community commitments and in accordance with the timeline agreed by Georgia in these frameworks;
- Cooperate on attracting international support for sustainable energy development including that from international climate funds and other financial instruments;
- Reinforce Georgia's energy infrastructure network and interconnections, in particular:
  - with regard to electricity, promoting cross-border trade and interconnections with neighbouring countries and reinforcing Georgia's transmission grid;

- with regard to natural gas, expansion of main gas pipelines, including facilitating the implementation of the expansion of the South Caucasus gas pipeline on the Georgian territory, as well as support/promotion of other gas and oil transit projects of regional importance to ensure the transportation of Caspian energy resources to western markets, as well as facilitating development of underground gas storage to enhance energy security in Georgia.

#### *Environment*

The Parties will cooperate with the aim to:

##### Short-term priorities

- Enhance environmental governance by adopting and implementing new legislation in Georgia on environmental impact assessment, strategic environmental assessment, new legislation on environmental liability, by ensuring public access to environmental information and public participation in decision-making, by involving all interested stakeholders, as well as by integrating environment into other policy areas and by improving environmental information sharing in line with the principles of the Shared Environmental Information System (SEIS);
- Adopt the 3rd National Environmental Action Programme of Georgia (2017-2021);
- Start implementation of the National Radioactive Waste Management Strategy.

##### Medium-term priorities

- Implement the 3rd National Environmental Action Programme of Georgia (2017-2021) according to the NEAP 3 timeframe;
- Implement the National waste management strategy and measures foreseen in the 2016-2020 action plan;
- Continue approximation of legislation of Georgia to EU acquis and implement the provisions of EU Directives and Regulations as envisaged in the relevant Annexes of the Association Agreement;
- Draw up a roadmap for the ratification and implementation of multilateral environmental agreements, including among others UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes, and UNECE Convention on the Transboundary Effects of Industrial Accidents. Advance preparations to become a party to Espoo Convention and its protocol on Strategic Environmental Assessment.

#### *Climate Change*

The Parties will cooperate with the aim to:

##### Short-term priorities

- Finalise and adopt a Low Emission Development Strategy of Georgia;
- Start implementation of the Paris Climate Agreement.

##### Medium-term priorities

- Approximate legislation of Georgia to EU acts and international instruments as envisaged by the Association Agreement in accordance with the relevant Annexes thereof;
- Elaborate the updated Nationally Determined Contribution (NDC) document;
- Mainstream climate action in sectoral policies and measures and strengthen the capacity of different authorities to implement climate action across sectors;
- Enhance Georgia's transparency framework for climate action, in particular through a robust national system for the monitoring and reporting of climate policies, measures and greenhouse gas emissions based upon the EU model;
- Develop Georgia's mid-century, long-term low greenhouse gas emission development strategy.

### *Civil Protection*

The Parties will cooperate in order to reinforce disaster prevention, -preparedness and -response. To that end the Parties will i.a.:

#### Short-term priorities

- Explore ways to define the most appropriate elements of cooperation in relation to the risk profile, legislative and organisational framework of Georgia, e.g. through bilateral administrative arrangements or Letters of Intent;
- Achieve progress on the development of a country-wide disaster risk assessment and mapping and support as necessary the development of the Electronic Regional Risk Atlas (ERRA) and ensure its effective utilisation at national and regional level.

#### Medium-term priorities

- Ensure effective communication on a 24-hour basis including exchange of early warnings and information on large scale emergencies affecting the EU and Georgia, as well as third countries where the Parties are involved in disaster response;
- Facilitate mutual assistance in case of major emergencies, as appropriate and subject to the availability of sufficient resources;
- Promote the adoption and implementation of the EU guidelines on host nation support;
- Improve the knowledge base on disaster risks by enhancing cooperation on data accessibility and comparability;
- Progress with the development of a country-wide disaster risk assessment and mapping and to support as necessary the development of the Electronic Regional Risk Atlas (ERRA) and ensure its effective utilisation at national level;
- Initiate the extension of the Copernicus European Flood Awareness System (EFAS) to Georgia in cooperation with the Joint Research Centre of the European Commission;
- Improve prevention of and preparedness for industrial and NATECH (natural hazard triggered technological) disasters;
- Establish dialogue on the policy aspects of disaster prevention, preparedness and response through exchange of best practices, joint trainings, exercises, study visits, workshops and meetings on lessons learnt gained from real emergency situations or exercises.

## **2.8 Mobility and People to People**

### *Cooperation in Research, Technological Development and Innovation*

The Parties will cooperate on:

#### Short-term priorities

- Developing a vision and strategy for the Georgian STI system (as part of overall education and science sector strategy of Georgia) within the European Research Area involving policymakers, the academic and research community, business and civil society leaders;
- Supporting the development and implementation of Innovation policy, including regulatory framework and infrastructure for innovation.

#### Medium-term priorities

- Maximising the benefits to Georgia of its Association to the Horizon 2020 programme;
- Encouraging participation under the Research and Training Programme of Euratom, complementing Horizon 2020, particularly in the field of nuclear safety and radiation protection based on competitive calls;

- Reinforcing human, material and institutional resources in order to improve research and innovation capacities;

#### *Education, Training and Youth*

The Parties will cooperate on the overall modernisation and reform of Georgia's education, training and youth systems, in particular by:

#### Medium-term priorities

- Carrying out joint work and exchanges with a view to promoting Georgia's further integration into the European Higher Education Area in the context of its membership of the Bologna process, including through strengthening an independent and development-oriented quality assurance system, promoting active participation of stakeholders and civil society in the reform processes and strengthening the academia-labour market cooperation for a greater employability of graduates;
- Promoting academic cooperation, capacity building and student and staff mobility through the Erasmus+ programme as well as researchers' mobility, career development and training through the Marie Skłodowska-Curie actions;
- Encouraging a strategic approach to vocational education and training (VET) with a view to bringing Georgia's VET system in line with the modernisation of EU VET structures as pursued in the Copenhagen Process and through its instruments and respecting the equal opportunities principles;
- Strengthening a strategic approach to youth policy and enhancing exchanges and cooperation in the field of non-formal education for young people and youth workers, as a means to promote intercultural dialogue and support civil society, inter alia through the youth strand of Erasmus+;
- Ensuring right to education for all children and young individuals, including those with special educational needs and taking further steps to promote inclusive primary and secondary education.

#### *Cooperation in the Cultural Field*

The Parties will:

- Promote the implementation of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions;
- Cooperate on the development of an inclusive cultural policy in Georgia and on the preservation and valorisation of cultural and natural heritage with a view to fostering socio-economic development;
- Promote the participation of Georgian cultural and audio-visual operators in cultural/audio-visual cooperation programmes, in particular Creative Europe;

#### *Cooperation in Audio-visual and Media Field*

The Parties will cooperate to prepare for implementation of EU *acquis* mentioned in relevant annexes of the Association Agreement and support Georgia in:

#### Medium-term priorities

- Work towards reinforcement of independence and professionalism of the media in compliance with relevant European standards and approximation of the audio-visual legislation with the EU *acquis* as envisaged by the Association Agreement, inter alia by exchanging of views on audio-visual policy, relevant international standards including co-operation in the fight against racism and xenophobia;
- The exchange of best practices and regarding freedom of the media, media pluralism, decriminalisation of defamation, protection of journalist sources and cultural diversity aspects of media through regular dialogue;
- Strengthening the capacity and independence of regulatory authorities/bodies for media.

### *Regional Development and Regional Level Cooperation*

The Parties will cooperate in the framework of regional development policies and the EU Georgia Dialogue on Regional Policy, in view of Georgia's efforts to:

#### Short-term priorities

- Successfully complete implementation of its Regional Development Programme 2015-2017, including through establishment of effective inter-institutional coordination and multi-level governance mechanisms;
- Prepare a successor multiannual programme, including potential investments in areas such as innovation and SME's, with a view to building sustainable growth for all regions of Georgia.

#### Medium-term priorities

- Further support authorities for strengthening multi-level governance and capacity building efforts of sub-national administrations and other regional development instruments;
- Support integrated, multi-stakeholder actions for Georgia's territorial development such as in the area of spatial planning, water and waste management, roads, electricity and other basic infrastructure, diversification of the rural economy, tourism and business development;
- Develop further the thematic cooperation and information exchange, including by making best use of the Joint Declaration on a Regional Policy Dialogue between the European Commission and the Government of Georgia;

### *Participation in EU Agencies and Programmes*

The parties will:

#### Medium-term priorities

- Review the implementation of the Protocol on Participation in EU Programmes on the basis of the actual participation of Georgia in specific EU Programmes.

### *Public outreach and visibility*

The parties will cooperate to ensure a well-informed discussion, including with a broader public and Georgian citizenry about the opportunities and implications of Georgia's EU-approximation, including the Association Agenda and specifically the DCFTA.

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