



In-depth Strategy Report for Georgia implementing the Results Strategy for Sweden's Reform cooperation with Eastern Europe, the Western Balkans and Turkey 2014-2020

Ärendenummer. 17/000365

Summary of the Development towards the Strategy Results and the Implementation of the Contribution Portfolio

Overall Assessment of the Development towards the Strategy Results and Implementation of the Contribution Portfolio			
Year	2014	2015	2016
Overall Assessment of:			
Assessment of the development towards the strategy results*			
Assessment of implementation of contribution portfolio**			

Overview: Assessment of the Development towards the Strategy Results and Implementation of the Contribution Portfolio <i>per result</i>			
1. Enhanced economic integration with the EU and development of market economy	2014	2015	2016
Result 1 Partner countries better fulfil EU requirements for entering into and applying association agreements, including deep and comprehensive free trade areas (AAs/DCFTAs)	Assessment of the development towards the strategy results		
	Assessment of implementation of contribution portfolio		
Result 2: Competitive small and medium-sized enterprises make up a greater share of the economy	Assessment of the development towards the strategy results		
	Assessment of implementation of contribution portfolio		
2. Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law - focusing on strengthened public administration and	2014	2015	2016

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<i>judicial systems</i>				
Result 3: More efficient public administration, with administrative capacity to implement reforms for EU-integration	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 4: Delivery of higher quality public services, based on principles of non-discrimination and equal rights and with less corruption	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 5: More efficient judicial systems that guarantee the right to fair trial and include a developed sentencing system in accordance with European standards	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 6: A reduction in gender-based violence, hate crimes and human trafficking	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
<i>- focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence public administration and judicial systems</i>		2014	2015	2016
Result 8: A more pluralistic civil society, including political parties, with strengthened popular support.	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 9: Improved conditions for democratic accountability to the people and participation in political processes, including the promotion of free elections	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 10: Freer and more independent media	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 11: Partner countries better fulfil their international and national commitments on human rights, gender equality (including the EU's strategy for equality between women and men) and non-discrimination	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 12: Women and men have, to a greater extent, the same power to shape society and	Assessment of the development towards the strategy results			

their own lives	Assessment of implementation of contribution portfolio			
Result 13: Increased trust between parties in protracted conflicts	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
3. A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change		2014	2015	2016
Result 14: Partner countries increase compliance with EU regulations and international agreements on the environment, climate and energy	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 15: Enhanced environmental responsibility among the general public, the business sector and civil society	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 16: More sustainable public services in areas such as water and sewage, waste management, energy efficiency and renewable energy	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			

1. Context Analysis

Developments in Georgia during the reporting period have continued to be rather positive, with ongoing reforms in many areas. The progress and pace of reform is however uneven and growth has not been sufficiently pro-poor. Poverty, social exclusion of certain groups and unemployment remain among the key challenges. The situation as regards the breakaway regions Abkhazia and South-Ossetia has not improved. Popular and government support for integration with the West (EU and NATO) remains high in Georgia, and is seen as a way to deepen democracy and enhance modernisation of the society. However, there is a risk that expectations will not be met soon enough.

The Association Agreement and the Deep and Comprehensive Free Trade Area (AA/DCFTA) between Georgia and the EU was signed in 2014 and entered into force in 2016. The reform agenda has shown progress although much remains to be done, particularly in the area of rule of law. Visa-free travel for Georgians to Schengen came into force in March 2017.

In spite of political polarization there is strong commitment by both the opposition and the Government of Georgia (GoG) to the reform efforts for EU approximation and implementation of the DCFTA. EU integration remains the main driving force of both domestic and foreign policy reform. At the same time Georgia is working actively to promote trade relations with other regions and

countries. A free trade agreement with China has been negotiated and trade with Iran is expected to increase in the near future. Since 2015 the GoG has worked systematically to nationalize the Sustainable Development Goals.

The parliamentary elections in October 2016 were assessed by OSCE/ODIHR as competitive and well administered. Although some violent incidents occurred it was considered that fundamental freedoms were generally respected. The result of the election gave the governing party (Georgian Dream) constitutional majority in the parliament, which has led to voices being raised that Georgia again is in a situation of notable power concentration.

Georgia experienced continued positive but slow economic growth since 2014 and in particular during 2015. This has been attributed to a series of external factors. The economy has however shown resilience and continues to recover from these external shocks, although at a slower pace than initially envisaged. The Georgian currency GEL has depreciated considerably against the USD and the EUR. Georgian exports to the EU have grown from 21% of the overall trade in 2013 to 27% in 2016.¹ Despite slower economic growth, Georgia was reclassified from lower-middle to upper-middle income country in 2016 according to the World Bank. GDP/capita 2016 was 3,852 USD.²

Once fully implemented, the DCFTA is expected to contribute significantly to Georgia's economic growth. However, in the short term DCFTA will have both winners and losers and implementation has so far been slow. Thus, Georgia can not be expected to benefit fully from the DCFTA in the immediate future given the general weakness of the Georgian economy, and its agricultural sector in particular.

A national census (supported by Sida) was carried out in 2014, showing that the population was merely 3.7 million compared to some 4.5 million estimated before the census. Low levels of corruption, political stability and a free media landscape show that the democratization process in Georgia has continued. The Association Agreement has constituted a driving force also for Human Rights with the adoption of the *Law on elimination of all forms of discrimination* and an extensive *Human Rights Action Plan* for 2016-17. There are, however, some worrying trends including failure to implement parts of the anti-discrimination legislation. There is also risk for reduced media pluralism after the criticized legal process concerning the ownership of the country's most popular TV-channel, the recent owner concentration among media outlets and limitations in the programming of the public broadcaster.

Little progress has been seen in regards to the breakaway regions Abkhazia and South Ossetia, and relations to Russia are tense. Russia has signed so-called treaties with the de facto authorities in both breakaway regions in violation with international law, and a series of sub-agreements including a defense agreement by which de facto-armed forces merged with Russian armed forces. Borderization of the administrative boundary line (ABL) and closing of crossing points has continued. This limits the freedom of movement of the population on both sides, affecting their lives negatively in several ways. In addition the ethnic Georgian population in Abkhazia lives under great legal uncertainty.

Although poverty rates have decreased, Georgia still stands out as the one country in the region with part of its population (9,8%³) in extreme income poverty, i.e. living at less than 1,9 USD per day. Income poverty measured at 2,5 USD per day affect almost one third of the population. Income inequality in the country is also problematic with a GINI coefficient that remains among the highest of the former Soviet republics.⁴

¹ Data from GEOSTAT indicating increase in percentage of EU trade but a decrease in absolut numbers. See geostat.ge/index.php?action=page&p_id=134&lang=eng

² Geostat.ge, preliminary data.

³ <http://hdr.undp.org/en/countries/profiles/GEO>

⁴ The Gini Coefficient went down from 42.1 in 2010 to 40.1 in 2014 (World Bank).

Women led households and large families have higher levels of poverty, and poverty among children is higher than among the overall population, but there is also poverty among the elderly. Other vulnerable groups are ethnic and religious minorities and internally displaced people, which both include higher levels of people living in poverty though neither group is consistently poor. Poverty is higher in rural and mountainous areas than in urban areas, though in absolute numbers most poor people live in Tbilisi. Overall vulnerability is often increased as income poverty is combined with discrimination and lack of access to both infrastructure and public services and in all groups; women tend to have lower income than men. Underlying causes of poverty include isolation in geographical terms or due to language barriers; insufficient or inadequate skills and capabilities to enter the labour market, lack of access to finance and other assets and income shocks due to adverse health events or disasters.

Conclusions for strategy implementation: Developments in Georgia from 2014-16 are relatively stable and the commitment to EU approximation is strong. However Georgia is facing big challenges to ensure that all citizens have equal opportunity to prosper. EU approximation reform will take time, and will not solve all challenges in the short term. Implementation of the strategy can continue more or less as envisaged – however increased focus on poverty reduction, inequalities and social inclusion is needed. The situation regarding the breakout regions and related security issues needs to be closely monitored and if needed the strategy implementation will have to be adjusted accordingly.

2. Swedish Priorities for Development Cooperation (Application of Poor People's Perspective and Human Rights Perspective in implementation of the strategy)

All four dimensions of poverty⁵⁵ have been addressed in the implementation of the strategy. The underlying causes to poverty related to Georgia's economic and democratic transition are addressed by supporting relevant reform processes and through strengthening civil society. There is a clear focus on support to structural reform with expected long-term impact and to a lesser extent support to interventions aiming directly at poverty reduction. To enhance the perspective of the poor further, the follow up of the current portfolio could therefore include a stronger focus on the final beneficiaries to ensure that reforms also reach specifically vulnerable groups. A conflict analyses, though seldom specifically referred to as such, is included in the feasibility and risk assessment of most contributions as part of the political analysis.

The human-rights-based approach (HRBA) is clearly integrated into the portfolio, with an especially strong focus on the principles of participation and transparency. The principle of non-discrimination is included notably through mainstreaming of gender equality and contributions targeting gender equality directly. Non-discrimination of other groups is partly included through support to e.g the Georgian Foundation for Strategic and International Studies (GFSIS)⁶, Europe Foundation (EPF)⁷ and Transparency International Georgia (TI Georgia)⁸ but not addressed directly by targeted interventions. The implementation of the principles of participation, transparency, non-discrimination and accountability also work to prevent corruption and strengthen the overall sustainability of results. A

⁵⁵ Resources, opportunities & choice, power & voice, human security

⁶ Contribution 55030201 Core Support to GFSIS.

⁷ Contribution 55030139 Core support to Europe Foundation.

⁸ Contribution 55110009 Core support to Transparency International Georgia.

stronger focus on non-discrimination in general government reforms in all results areas should be strived for to aim for that no-one is left behind.

3. Financial allocation

Strategy period: 2014 – 2020

Use of country allocation				
Total amount for the strategy, in MSEK	n/a per financing code			
Disbursed amount total, in MSEK	n/a per financing code			
Undisbursed amount (of total), in MSEK	n/a per financing code			
Disbursed amount per area of support and year	2014	2015	2016	Totalt
1. Enhanced economic integration with the EU and development of market economy	11,3	23,2	14,7	49,2
2 a Strengthened democracy, greater respect for human right and a more fully developed state under the rule of law - Strengthened Public Administration and Judicial systems	25	24,4	22	71,4
2 b. Strengthened democracy, greater respect for human right and a more fully developed state under the rule of law -Increased enjoyment of Human Rights and greater opportunities to exercise democratic influence	59,8	40,7	38,6	139,1
3. A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change	2,5	3,4	9,3	15,5
Non-committed amount, in MSEK	n/a per financing code			
Agreed amount in total, in MSEK	n/a per financing code			
Agreed amount per area of support and year (MSEK)	2017	2018	2019	Totalt
1. Enhanced economic integration with the EU and development of market economy	15,9	14,9	2,3	33,1
2a. Strengthened democracy, greater respect for human right and a more fully developed state under the rule of law - Strengthened Public Administration and Judicial systems	19,5	16,5	7,5	43,5
2b. Strengthened democracy, greater respect for human right and a more fully developed state under the rule of law	28,7	15	10,1	53,8

-Increased enjoyment of Human Rights and greater opportunities to exercise democratic influence				
3. A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change	25,4	18,6	1	45

Almost all contributions in the portfolio cover more than one results area. Thus, to allocate spending within one contribution over the four areas in a representative way is almost impossible. In addition, more spending doesn't equal more or better impact. Since 2014 the relative proportion of disbursements in results area 2 has been reduced. The expected distribution of the budget between the three results areas for 2017 is reasonable and should be maintained (more or less) during the remainder of the strategy period. Sweden continues to have a strong value added in results area 2, and the achievement of results in this area potentially also has an important impact on results in other areas, in particular in results area 1. Disbursements in results area 1 and 3 have increased. In results area 3, the bilateral support will focus on awareness raising and capacity building which does not necessarily imply high disbursements. The bilateral support should continue to be complemented by regional and also global support.

4. Assessment of Development towards the Strategy Results and the Implementation of the Contribution Portfolio

4.1 Overall assessment of Development towards the Strategy Results and Implementation of the Contribution Portfolio

Overall Assessment of Developments towards the Strategy Results and Implementation of Contribution Portfolio			
Year	2014	2015	2016
Overall Assessment of:			
Developments toward the strategy results			
Implementation of contribution portfolio			

4.2 Result area 1: Enhanced economic integration with the EU and development of market economy

R 1: Partner countries better fulfil EU requirements for entering into and applying association agreements, including deep and comprehensive free trade areas (AAs/DCFTAs)

Year	2014	2015	2016
Assessment of:			
Developments toward the strategy results*			
Implementation of contribution portfolio**			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Economic Freedom Georgia, The Heritage Foundation ⁹	72,2	72,6	73	72,6 ¹⁰	

During 2014-16, the process of closer economic integration with the EU has advanced. Important reforms in the area of economic cooperation include: amendments to the Law on Competition and Free Trade establishing Competition Agency, the Enterprise Development Agency and the Innovation and Technology Agency, small and medium-sized enterprise (SME) Development Strategy and Action Plan, amendments to the Tax Code, and Regional Development Programme 2015-17. Georgia has increased the share of the exports going to the European markets in 2015. However, there is much higher potential for Georgian SMEs to benefit from DCFTA in the future – depending on increasing competitiveness of Georgian private sector, specifically SMEs in regions outside Tbilisi.

The implementation of the results strategy contributing towards this result is closely linked to the implementation towards R3 *More efficient public administration*. The portfolio includes several contributions which contribute to the necessary framework for an enabling economic environment. The ongoing support to GeoStat through Statistics Sweden (SCB)¹¹ and to the National Agency for Public Registry (NAPR)¹², which both create conditions for increased economic integration with the EU are examples of this work. Through the work of ISET-policy institute the government as well as private actors are given access to expertise and policy input for economic development.¹³ The work with this result will continue as before.

R 2: Competitive small and medium-sized enterprises make up a greater share of the economy

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Ease of Doing Business in Georgia, World Bank Group ¹⁴	8	24/190	23/190	16/190 ¹⁵	

⁹ <http://www.heritage.org/index/visualize>

¹⁰ The score ranks from 1 to 100 where the higher amounts indicate greater financial freedom. 40 -50 repressed, 50-60 mostly unfree, 60-70 moderately free, 70-80 mostly free.

¹¹ Contributions 55030006 Cooperation between the National Statistics Office of Georgia (GeoStat) and Statistics Sweden (SCB)

¹² Contributions 550300068 NAPR – Confidence in Georgia

¹³ Contribution 55110003 Core support to ISET Policy Institute

¹⁴ <http://www.doingbusiness.org/rankings>

¹⁵ The ranking of the country out of 190 economies. Georgia has improved its ranking from 24th to 16th place.

Georgia's economic policy and business environment has been positively evaluated by different rating agencies and International Financial Institutions (IFIs). For example, Georgia was recognized as the top improver country by the World Bank (WB)/IFC Doing Business 2015. Despite this fact Georgia faces broadly the same challenges in terms of SMEs development as many developing countries. SMEs constitute the largest share of operating enterprises but their contribution to GDP is still very low and their performance remains weak. To address this, GoG has adopted a new SME Development Strategy of Georgia 2016-20. The main aim of this strategy is the enhancement of SME sector competitiveness, which will create solid base for inclusive and sustainable economic growth.

During the initial operationalization of the Swedish reform strategy in 2014, Sida concluded that bilateral support should not specifically target this result, given that several other donors were active in this field. Despite existing efforts however, there are still unmet needs when it comes to strengthening SMEs. Sida has started to work to put a guarantee mechanism in place that would specifically target SMEs and start-ups. Sida will also look into the possibility to support additional efforts with the aim to further facilitate the use of the possibilities created by DCFTA for SMEs where there are relevant entry points and Swedish value added can be identified.

4.2.1 Concluding assessment Results Area 1

This part of the portfolio has had a strong focus on strengthening the administrative capacity of state institutions. This work has given good results and will continue. However, implementation of the results strategy would be strengthened further by interventions targeting also the private sector. A portfolio guarantee would facilitate access to funding for SMEs and start-ups that otherwise would not have this possibility. Additional SME support will also be considered, with the aim to further facilitate the use of the possibilities created by the DCFTA to the broader population and contribute to poverty reduction through income generating activities, in particular for marginalised groups. The regional support to the development of the DCFTA Handbook, provides a good basis for further work on the implementation of the free-trade agreement.

The implementation of the strategy in the result area includes gender mainstreaming though continued focus needs to be placed here. There is potential to develop the environmental integration both in relation to green economy and agricultural development. Initial steps have been taken with the inclusion of a BBE staff focusing on environment and climate change to be placed at ISET-Policy Institute and contribute to their research and policy work.

4.3 Result area 2 A: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law *focusing on strengthened public administration and judicial systems*

R3: More efficient public administration, with administrative capacity to implement reforms for EU-integration

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
World Wide Governance Indicators (Government Effectiveness) ¹⁶	69.668	71.634	67.307 ¹⁷	The value for 2016 is not available yet.	

Georgia is continuing to advance on the implementation of reforms for closer EU integration. Since the signing of the AA with the EU in 2014, the GoG has been preparing annual action plans for its implementation, which creates the preconditions for achieving results related to R3 *Efficient public administration*. However, the annual action plans are not always sufficiently ambitious in terms of proposed reforms. A positive development was the 2015 Public Administration Reform Roadmap and the 2015 Policy Planning System Reform Strategy providing greater coherence and consistency in the reform process¹⁸.

Sida-funded contributions cover the result well. The contributions are balanced, targeting different actors, like a selected number of Georgian authorities and civil society. Sida also works through multilaterals supporting UNDP Governance Reform Fund (GRF).¹⁹ Working on central level with public structures while simultaneously approaching issues/challenges by empowering civil society in its role to monitor and advocate for reforms, contributes to achieving and strengthening results. The work under this result will continue as planned.

R4: Delivery of higher quality public services, based on principles of non-discrimination and equal rights and with less corruption

Year	2014	2015	2016
Assessment of:			
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2014	Actual value/change 14	Actual value/change 2015	Actual value/change 2016	Target 20xx
TI CPI ²⁰		52	57	57 ²¹	

Public services delivery in Georgia has improved dramatically since 2004. During later years the reform process has slowed down but significant work is still ongoing to maintain the achievements and improve service delivery further. The fight against corruption and efficient delivery of services has continued to be a high priority for the government and though progress has slowed down it is still advancing.

¹⁶ <http://data.worldbank.org/data-catalog/worldwide-governance-indicators>

¹⁷ The data is presented in percentile rank term, ranging from 0 (lowest rank) to 100 (highest rank)

¹⁸ Joint Staff Working Document: Association Implementation Report on Georgia, European Commission, 25.11.2016, page 4. (https://eeas.europa.eu/sites/eeas/files/1_en_jswd_georgia.pdf)

¹⁹ Contribution 55030274 UNDP – Governance Reform Fund Georgia – phase III.

²⁰ http://www.transparency.org/news/feature/corruption_perceptions_index_2016 The matrix provides information on Georgia corruption Index Perception scores in 2014-2016..

²¹ Scores scale of 0 (highly corrupt) to 100 (very clean)

The implementation of the result strategy in relation to this result is closely connected to the work in R3 *Efficient Public Administration*, and has progressed well. Sida funded contributions continue to support and improve quality of public services, making them more accessible for all, i.e. strengthening non-discrimination and transparency. One such example is the support to Public Service Development Agency (PSDA)²² which has contributed to opening 44 Community Centers in rural areas ensuring the population access to about 200 services.²³ Additionally, Sweden's support to NAPR²⁴ contributes towards improving quality of service within property/land registration. Although some forms of corruption have been successfully reduced, problems remain. Sweden should contribute to ensure that international development partners keep the issue of corruption on the agenda, in the dialogue with GoG, through mainstreaming in contributions and possibly through targeted interventions.

R5: More efficient judicial systems that guarantee the right to fair trial and include a developed sentencing system in accordance with European standards

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
World Justice Project, Rule of Law index ²⁵		0.60	0.65	0.65 ²⁶	

The Georgian justice system compares well to other countries in the region according to international justice indexes. Despite this there has been serious criticism from civil society organizations as well as international observers and experts. The main challenges are: lack of objectivity and impartiality of the judiciary; political influence over judicial proceedings, and a failure to investigate and prosecute crimes committed by law enforcement agencies and crimes against ethnic, religious and sexual minorities. Despite the fact that reforms in the sector continue, these shortcomings have not been adequately addressed so far. The overall development is therefore assessed as yellow.

During the initial operationalization of the reform strategy, Sida concluded not to work directly targeting this result. A strong presence by the U.S. as well as by the EU in the sector led to the assessment that Sweden should stay out. This decision is still valid. Sweden does however contribute to the result indirectly through the UN Joint Programme on Gender Equality (UNJP)²⁷, core support to TI Georgia and regional support to Council of Europe (CoE)²⁸. It is therefore concluded that no targeted bilateral support to the judiciary will be provided.

²² Contribution no 55000021, PSDA - Fostering Public Sector Development through Efficient Delivery of Urban and Rural Services

²³ <http://www.centri.gov.ge/en/>

²⁴ Contribution no 55030068, NAPR - Confidence in Georgia.

²⁵ <http://worldjusticeproject.org/historical-data>

²⁶ 0 is the lowest and 1 is the highest possible score

²⁷ Strengthening the justice system in the fight against violence against women

²⁸ Contribution ID 55030267 Cooperation with the Council of Europe in Demo/HR/RoL

R6: A reduction in gender-based violence, hate crimes and human trafficking

Year	2014	2015	2016
Assessment of:			
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Gender Gap Index Score ²⁹		0.685	0.687	0.681 ³⁰	

There has been a clear strengthening of the protection and support of victims of gender based violence (GBV), as well as a change in the general attitude towards these crimes during the last years. In relation to hate crimes there have been minor improvements, but so far this has not led to any visible prevention of hate crimes or better justice for victims of hate crimes.

Several contributions in the portfolio focus on the reduction of GBV such as UNJP and Kvinna till Kvinna (KtK)³¹. Sweden's long-term support as well as active dialogue on gender equality has contributed to achieving positive results. Swedish bilateral support against hate crime is more limited in scope but is complemented by regional and global contributions (RFSL³² and RFSU³³) and dialogue efforts, including for example Sweden's recommendations during the Universal Periodic Review (UPR) process. Work against human trafficking is not included in the implementation of the results strategy for the sake of focus and impact. No changes in the implementation of the results strategy are required in this area.

Result area 2 B: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law
focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence

R8: A more pluralistic civil society, including political parties, with strengthened popular support

Year	2014	2015	2016
Assessment of:			
Developments toward the strategy results			
Implementation of contribution portfolio			

²⁹ <https://reports.weforum.org/global-gender-gap-report-2016/>

³⁰ 0= imparity, 1= parity

³¹ Contribution 55000046 Kvinna till Kvinna strengthened women's organizations 2016 -2020

³² Contribution 55030261 RFSL regional program EPR

³³ Contribution 54030478 RFSU Frame 2014 - 2017

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Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Freedom House Democracy Index, on civil society ³⁴		3.75	3.75	3.75 ³⁵	

Commented [CH1]: Vad har hänt med fotnoten?

Georgia has an enabling environment for civil society organisations (CSOs). There has been slow but steady progress towards a more diversified civil society with stronger organisations appearing in the regions. There is also a greater understanding among CSOs, of the importance to reflect the needs and interest of their constituencies in a better way. Recent years have also seen the appearance of new CSOs, some work mainly in regions with service delivery while others have been given a notable role in consultations with the government. The funding and history of several of these actors is unclear but so far they seem to be promoting conservative values rather than contributing to further reforms.

Sida has supported civil society through long term-project support and core support to CSO organisations such as EPF³⁶, Orbeliani³⁷, and KtK with the aim to increase participation and accountability of decision makers. Sida has also worked to involve bigger Tbilisi-based organisations such as TI Georgia and National Democratic Institute (NDI)³⁸ to strengthen civil society in the regions which have given good results. No changes in the implementation of the strategy are required in this area.

R9: Improved conditions for democratic accountability to the people and participation in political processes, including the promotion of free elections

Assessment of:	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Democracy Index, The Economist Intelligence Unit ³⁹		5.82	5.88	5.93 ⁴⁰	

The long-term improvements in this area have been consolidated during the implementation of the strategy even though certain key weaknesses remain, not least in relation a very polarized political

³⁴ https://freedomhouse.org/sites/default/files/NIT2016_Georgia.pdf

³⁵ 1 is the highest score for the best performing countries and 7 is the lowest for the worst performing countries.

³⁷ Contribution 55030169 Core support to Orbeliani

³⁸ Contribution 55030176 NDI – Building more responsive political institutions in Georgia

³⁹ <http://www.eiu.com/Handlers/WhitepaperHandler.ashx?fi=Democracy-Index-2016.pdf&mode=wp&campaignid=DemocracyIndex2016>

⁴⁰ 10 is the highest possible score of full democracy

climate. The elections in 2016 were assessed to be competitive and well-administered and fundamental freedoms were generally respected.

Swedish support to NDI has strengthened the public debate. The work with NDI has also contributed to progress and change in attitude when it comes to women's political participation. Furthermore NDI has contributed to increased outreach and consultations by politicians on the local level. After nine years the support to NDI the expected results have been achieved and Swedish support will come to an end. With several other donors active in the area Sida has concluded that it will limit the contributions under this result during the remaining strategy period. Ongoing efforts with EPF, TI Georgia and GFSIS to strengthen participation and accountability will however continue and the work to strengthen women's political participation will be continued through UNJP's activities.

R10: Freer and more independent media

Assessment of:	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Freedom House, Freedom of the Press Index ⁴¹		47/100	48/100	49/100 ⁴²	
Reporters without boarder, World Press Freedom Index ⁴³		29.78	27.70	27.96 ⁴⁴	

Media pluralism increased during the 2012-15 and the media is generally considered free and allowed to be openly critical against the government. The recent development with owner concentration, the temporary reduction of the programmes offered by the public broadcaster and the trial concerning the ownership of the most popular TV channel, may however indicate the start of a more negative development towards a less pluralistic media landscape. Because of these worrying trends the overall development is assessed to be yellow.

Sida chose from the beginning of the strategy period not to target this result in the implementation of the results strategy. Several contributions do however include capacity development of journalist and close cooperation with the media. The planned support of EPF by Danida will also strengthen EPF's work with media literacy and communication. Regional Swedish media-support is currently being considered. No changes are therefore needed in the implementation of the strategy.

⁴¹ <https://freedomhouse.org/report/freedom-press/2016/georgia>

⁴² 0 is the worst and 100 is the best score

⁴³ <https://rsf.org/en/ranking#>

⁴⁴ The scores ranks from 8 to 84 worldwide with the lower the score the greater the press freedom

R11: Partner countries better fulfil their international and national commitments on human rights, gender equality (including the EU's strategy for equality between women and men) and non-discrimination

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
World Justice Programme, Rule of Law index, Equal treatment and absence of discrimination		0.76	0.69	0.73 ⁴⁵	
Level of non-discrimination of LGBTI persons ILGA Europe Rainbow map ⁴⁶	21%	26%	36%	30% ⁴⁷	

The law on anti-discrimination was adopted in 2014 which was an important legal step for Georgia; however the implementation of the law remains problematic. The Human Rights Action Plan for 2016-17 is intended to address the main difficulties. However, there are important shortcomings when it comes to implementation. Especially noticeable is the state's failure to protect and ensure speedy justice to members of sexual, ethnic or religious minorities that have become victims of violence, discrimination or harassment. From this perspective there is a lack of progress when it comes to minority rights. Progress in this area is challenged further by the conservative values often promoted by representatives of the Orthodox Church. Despite the lack of progress in the area of minority rights Sweden assesses the overall development to move in the right direction (green). This could however easily change and the development will be followed closely.

The implementation of the portfolio has focused on strengthening women's rights through targeted interventions (UNJP, KtK and NDI) and mainstreaming (e.g. NAPR and Public Service Development Agency (PSDA)⁴⁸). The implementation of the strategy has not included any targeted intervention focusing on non-discrimination more broadly, something that was foreseen in the initial operationalization of the strategy. During the second part of the results strategy it could therefore be considered to include support which would specifically target other aspects of non-discrimination and minority rights.

⁴⁵ 1 is the highest score and 0 is the lowest score.

⁴⁶ http://www.ilga-europe.org/sites/default/files/Attachments/side_a_rainbow_europe_map_2016_a3_small.pdf

⁴⁷ 100% is fully equal respect of human rights of LGBTI persons.

⁴⁸ Contribution 55000021 Public Service Development Agency (PSDA) – Fostering Public Sector Development through Efficient Delivery of Urban and Rural Services

R12: Women and men have, to a greater extent, the same power to shape society and their own lives

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
The Global Gender Gap Index, political empowerment		0.214	0.089	0.089 ⁴⁹	
Number of women parliamentarians ⁵⁰		12%	11% ⁵¹	15%	

There have been improvements in gender equality in Georgia. Controversial issues such as early marriages and sex selective abortion can be discussed more openly and with a greater understanding than in the past, and there is higher support for women's political participation. Promoting women's economic empowerment is relatively new and the wage gap is still large. When it comes to sexual and reproductive rights there was some progress until 2015 but unfortunately this seems to have changed as the question of introducing life skills in the school curricula has come to a political standstill.

The implementation of the strategy in relation to this result is strongly connected to the work with R6 *A reduction in gender based violence, hate crimes and human trafficking*, R8 *Improved conditions for democratic accountability and participation and political processes* and R11 *Commitments on human rights gender equality and non-discrimination*. This result is covered well by the contributions and the work has contributed the positive developments in relation for example the public debate on women's empowerment, reduced gender stereotypes and men's involvement in gender equality. Gender mainstreaming throughout the portfolio also contribute to the achievement of greater gender equality. Work will continue in the same way under this result.

R13: Increased trust between parties in protracted conflicts

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
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⁴⁹ 1 is the highest possible score and 0 the lowest.

⁵⁰ <http://data.worldbank.org/indicator/SG.GEN.PARL.ZS?locations=GE>

⁵¹ Info from 2014 and 2015 see <http://data.worldbank.org/indicator/SG.GEN.PARL.ZS?locations=GE>.

Global Peace Index Ranking ⁵²		score 2.279	score 2.089	score 2.057 ⁵³	
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Though there have been some positive signs of improved willingness by the Georgian government to engage with the de facto structure in Abkhazia and South Ossetia it is the Sweden's assessment that lately the negative signs outnumber the positive. In real terms the changes compared to previous years are relatively small, however, the overall lack of progress when it comes to the level of trust between the parties to the conflict and the slow but continued strengthening in the structural ties between the breakaway territories and Russia makes Sweden assess the overall development as yellow. Due to the political reality and limitations as to what can realistically be achieved the implementation of the results strategy has focused on the increase of trust between the conflicting parties on an individual rather than on a systemic level. This has limited Kvinna to Kvinna's work in the area of women's participation in peacebuilding and Security Council Resolution 1325. However, within these limitations the implementation of the contributions has given results and facilitated cross ethnic meetings within Abkhazia as well as across the ABL. The work in Abkhazia through Unicef also contributes to conflict prevention in that it seeks to strengthen those most vulnerable and thus alleviated the pressure experienced by the population somewhat. A continued presence in Abkhazia is important, while South Ossetia is currently not accessible for development partners.

4.3.1 Concluding assessment for Results Area 2

Results area 2A Focusing on strengthened public administration and judicial systems

The current portfolio contributes towards public administration reform, improved quality of public services, increased transparency and non-discrimination in lines of EU values and standards and promotes closer links with the EU.

The portfolio includes both support directly to Georgian authorities, through twinning like arrangements via Swedish authorities, and to civil society in its efforts to influence public administration reforms through different avenues, acting as watch dog, providing recommendations and facilitating public-private dialogue. Sweden also supports an on-demand instrument for helping Georgian Government initiatives, through GRF, managed by UNDP. Thus contributions embrace almost all target groups, and while complementing EU and other EU member states bilateral development initiatives achieving synergies.

It is therefore suggested to continue the work within result area 2A in the same way as Sida has supported it in 2014-2016, no changes suggested.

Result Area 2B Focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence

The implementation of the strategy in this results area has had a strong emphasis on the empowerment of rights holders, but also included research and policy support for the duty bearers. In this perspective the work complements the reforms efforts under result area 2A very well. It could however be noted that the result area does not include any direct support to Georgian institutions. This may change in the future if strategic openings for direct support occur.

⁵² <http://visionofhumanity.org/indexes/global-peace-index/>

⁵³ The scores are given on a scale 1-5 with the lower scale the more peaceful the country

The human rights based approach is generally well integrated in the result area, with an especially strong focus on participation and non-discrimination of women. There is however a lack of contributions that specifically target international human rights standards or that work extensively with other aspects of non-discrimination beyond gender equality.

There is complementarity with regional funds and global funds in this results area. There is an especially good coordination in the area of LGBTI rights where bilateral, regional and global funds all come together. Additional synergies with the regional contributions could possibly be developed through a closer cooperation with CoE on the human rights dialogue. As EU sees gender equality mainly as a mainstreaming question the targeted efforts in this area complements the EU priorities well. Additionally Sweden has a broader and more long term perspective when it comes to CSO support with greater focus on organizational strengthening and core support which complements EU's CSO support.

Gender equality is mainstreamed throughout the result area in a strong way, while integration of environment has been initiated but could and should be strengthened further, which considering the broad inclusion of civil society in the portfolio also could contribute to R 15 *Enhanced environmental responsibility*.

The suggested changes in results area 2B are to reduce somewhat the work under R 9 *Improved conditions for democratic accountability* while strengthen the implementation of R 11 *Commitments on Human Rights, Gender Equality and Non-discrimination*. Additionally stronger integration of the perspective of the poor, HRBA, gender equality and conflict analysis in the other result areas will also contribute to the results under result area 2B.

4.4 Result Area 3: A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

R 14: Partner countries increase compliance with EU regulations and international agreements on the environment, climate and energy

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Environment Performance Index		47.23 ⁵⁴	n/a	64.96 ⁵⁵	

The Association Agreement remains a strong driver of change for the country in relation to environment and climate change. Several important legal frameworks and policies have been adopted,

⁵⁴ <http://archive.epi.yale.edu/epi/country-profile/georgia>. Score out of maximum 100.

⁵⁵ See <http://epi.yale.edu/country/georgia>

e.g. the Waste Management Code (launched in 2015), National Waste Management Strategy and Action Plan (launched in 2016) and National Biodiversity Strategy & Action Plan (2014 – 2020). In 2016 Georgia signed the accession protocol on joining the Energy Community Treaty. However so far resources and capacities for enforcement to effectively reduce pressure on the environment and to protect public health remain limited, but a gradually increased attention to environmental issues justifies that the overall development is assessed to be green.

The implementation of the results strategy has up until now mainly focused on the municipal level, through the Clean Up Georgia project. It will now be complemented with broader capacity building cooperation between SEPA (Swedish Environmental Protection Agency) and the Ministry of Environment Protection and Natural Resources⁵⁶ within the area of hazardous waste management. Sweden has also increased its focus on this result by adding additional funding for strengthening government reform in the environment sector through the GRF, managed by UNPD. Another important area of support is the development of environmental statistics in the collaboration between SCB and GeoStat. The overall assessment of the contributions under this result is that they are on track and developing according to plan.

R15: Enhanced environmental responsibility among the general public, the business sector and civil society

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx

Low public demand is identified as one of the underlying cause to the low priority given to environment in Georgia. However, public demand for environmental improvements is increasing through civil society activities, and environmental concerns appear gradually at decisions makers' level. Priority is given to improvement of air quality, waste management, water and waste water management. Development on increasing environmental responsibility is slowly moving in the right direction. The implementation of the Policy Planning System Reform Strategy 2015-2017 is expected to improve monitoring and support the integration of environment in the other policy areas.

The implementation of the results strategy address awareness rising through civil society support which targets local actors as well as the general public is considered to be on track. An efficient way of increasing knowledge and awareness is the inclusion of the local communities in mapping of waste that pollutes soil, water and air. The annual Clean up Georgia campaign has also contributed to increased awareness and responsibility. Sweden will continue to focus on this result.

R16: More sustainable public services in areas such as water and sewage, waste management, energy efficiency and renewable energy

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Environment Performance Index (Water and Sanitation)		64.39 ⁵⁷	n/a	79.31 ⁵⁸	

Georgia continues the implementation of several reforms to improve public services in water, sanitation, waste management, energy efficiency and renewable energy. Development of municipal infrastructure is high priority for the Government of Georgia and the country made progress in implementing several grant and loan financing investment projects such as landfill constructions, hydro power projects, new EU standard buses for Tbilisi, wind renewable energy project, water, waste water and collection of waste projects through the support of IFIs and other development partners. Capacity building through technical assistance is ongoing almost under each investment projects. The country cannot increase the improvement of services much faster without facing high risks.

The implementation of this result has been covered partly by Clean up⁵⁹ and its efforts to strengthen local government in relation to waste management. The implementation has also been covered by the funding of two planned waste water plants in cooperation with the WB⁶⁰. This contribution had suffered a series of delays during recent years which is why the implementation has been marked as yellow. Swedish support towards implementation of this result the bilateral portfolio is complemented by Sida regional programs managed by Sida Stockholm, improving sewage, waste management, and energy efficiency services.

4.4.1 Concluding assessment Results Area 3

In environment and climate change Sweden should use a wide range of instruments/tools including bilateral and regional grants, mainstreaming of environment and climate change in all projects and programmes, promotion of Demo/Environment, BBE/JPO-postings etc. Swedish bilateral support should not be used for investments, but rather strategic institution and capacity development in government and civil society. Sweden should also encourage Swedish government agencies to take part in EU-funded twinning programmes.

⁵⁷ <http://archive.epi.yale.edu/epi/country-profile/georgia>. Score out of maximum 100.

⁵⁸ <http://epi.yale.edu/country/georgia>

⁵⁹ Contribution 55010001 Clean Up Georgia Phase III.

⁶⁰ Contribution 76004162 World Bank – Trust Fund for Support in Sustainable Wastewater Management in Georgia

For the bilateral support there will be a continued focus on R 14 *Compliance with EU regulations and international agreements on the environment, climate and energy* and R 15 *Enhanced environmental responsibility*. Under R 16 *Sustainable public services*, the bilateral support will focus on capacity development and institutions buildings mainly regarding waste management. Environmental aspects are to some extent mainstreamed in results area 1 and 2 and work to strengthen our partners' capacity in this regard should continue.

5. Synergies with Other Swedish Strategies (and EU)

Annual amount within other appropriation items that reach/es the country/region 2016:	MSEK
Humanitarian assistance (Appropriation 1)	n/a
Support through Swedish NGOs (Appropriation 5)	1,831
Research assistance (Appropriation 32)	n/a
Guarantees	n/a

Georgia receives Swedish support through a number of different actors and instruments. Opportunities to fully coordinate and develop synergies are often hampered due to limited communication and lack of overview. It is also a matter of low priority when time and human resources are limited; this is probably particularly true for Sida's bilateral and regional support within the reform strategy.

There is good complementarity with some of the global/thematic strategies at the national level including ITP courses, secondments (JPO, SARC, BBE) and civil society support through framework organisations.

Small contributions from the Swedish Ministry for Foreign Affairs (UD-EC) have been used during the reporting period for projects particularly in democracy (including election monitoring), youth and civil society. This type of small grants is usually complementing the larger programmes well.

Funding from the Swedish Institute for cultural promotion has mostly been well adapted to strengthen priority areas for development.

Other Swedish government actors providing support to Georgia include the Swedish Armed Forces involved in defense sector reform since 2009, the Swedish National Audit Office supporting its Georgian counterpart, and the cooperation between the Swedish Radiation Safety Authority and the Georgian authorities⁶¹.

There is complementarity between EU cooperation and Swedish development cooperation. On the one hand EU's strong focus on agricultural development and justice reform complements the Swedish support well as we are not directly involved in those sectors. In the area of public administration one other hand, which is a priority for the EU support as well as for Sweden, differences in methodology and actors ensure complementarity of the work.

⁶¹ <http://www.stralsakerhetsmyndigheten.se/Om-myndigheten/Internationellt/Utvecklingssamarbete/>

6. Donor Context

Development assistance make up 9,3 % of the national budget. (2016)	Sweden's share of the total of development assistance constitute 8 %.
n/a	Status of EU joint programming: A draft Joint Strategy (consisting of six sector fiches + cover note) is expected to be approved in 2017.
The five largest donors (organisations or countries) are: EU, Germany, US, Sweden and Switzerland. Among the bilateral donors Sweden in the 3 largest (after USA and Germany).	Sweden is the 9 largest donor (including IFIs and EU) Of the EU member states Sweden is the 2 largest donor (2015) after Germany.

77% of total aid to Georgia is multilateral and 23% bilateral (2015). The largest donor countries are USA, Germany and Sweden. These three countries provide over 90% of the total bilateral ODA. Potential cuts in US aid under the new US-administration could have a major impact.

Overall donor coordination is gradually improving in Georgia. In 2015 the government adopted a Rule on External Aid Coordination. However, in 2016 the governments' capacity to lead and engage in donor coordination was hampered by the elections. Furthermore, the Donor Coordination Unit in the Government Administration, lost several key staff members, and is currently suffering from that.

Sweden co-chairs the EU Gender Equality donor coordination group. Recently Sweden has also taken the initiative to organise an informal donor coordination group focussing on support to the breakaway regions.

The process of EU joint programming has been a learning process for all involved. A Joint Programming Roadmap was prepared in 2014, which led to the development of a draft Joint Strategy approved by Heads of Missions in April 2017. The process has not been without difficulties along the way but it has advanced and there have been extensive consultations both within EU+ and towards the end with GoG and civil society. Sweden has had an active role in the process. The draft final documents provide a reasonably good framework for the EU and its member states (+Switzerland) for coordination.

Programmes jointly co-funded by several development partners are not very common in Georgia, however many organisations (government and non-government) receive support and funding from several donors for various projects. There is potential for better coordination in many cases. Swedish core support to NGOs in this context is very valuable as it promotes institutional development and complements activity based funding from other donors.

7. Conclusions, Lessons Learned and Recommendations

7.1 Suggested Adjustments to the implementation of the Strategy

- A stronger focus on pro-poor and inclusive development should be applied in all cooperation.

- R 2 *Small and Medium Sized Enterprises* will be addressed with the aim to further facilitate the use of the possibilities created by the DCFTA and contribute to poverty reduction through income generating activities, in particular for marginalised groups.
- In order to focus and not spread ourselves too thinly results R5 *More efficient judicial systems* and R10 *Free and independent Media* will not be prioritised for direct targeted interventions for the remainder of the strategy period. In relation to R9 *Participation in political processes and promotion of free elections*, no new contributions will be added but ongoing support will continue.
- For result area 3 (Environment and climate change), the bilateral support should continue to be complemented by Sida's regional and global support to reach the best possible results. More synergies and complementarity could be identified. Swedish bilateral support should not be used for investments, but rather for strategic institution building and capacity development.
- Gender equality and women's empowerment is an area where Sweden has a clear value added and we should keep our focus in this field, through targeted interventions, mainstreaming and dialogue.
- During the period under review opportunities to engage the private sector as a driver for change have been limited. Sweden should look for entry points for dialogue and collaboration with local and international businesses and business associations to promote their role in working towards the sustainable development goals.
- A lesson learned is that the budgetary turbulence of 2015 and 2016 led both to additional imbalance of the portfolio and delays in adjusting and developing it. It also came at a high cost in terms of stress for the staff and impacted negatively the perception of Sweden as a stable and reliable partner.
- A relatively large share of the funding is channelled through large UN-managed programmes in Georgia. The UN was chosen due to its comparative advantages in three specific areas of support: 1) in Abkhazia, 2) in the area of broad support to gender equality where adequate national institutions were missing and 3) in the administration of the fund for short term support to public reform initiatives. In these areas the UN has proven to be an effective modality with good results, which compensates for the higher cost of delivering aid built-in to this mode of cooperation, and a good complement to other Georgian and Swedish implementing agencies in the work for EU approximation.