Reform in Georgia

The Georgian Dream Coalition was elected to government in October 2012 on a platform of democratic reform, rule of law, promotion of human rights, and European and Euro-Atlantic integration. This factsheet provides a brief overview of the reforms undertaken over the last three years, and the progress made by the government of Georgia in achieving its strategic goals of European and Euro-Atlantic integration.

**European and Euro-Atlantic integration**

- **EU integration:** Since 2012, Georgia has made great strides in meeting European standards and in concretely advancing the country’s EU integration. Despite intense pressure from Russia, the Georgian government completed in record time negotiations on an Association Agreement (AA) with the EU, signed on 27 June 2014. The Georgian side began (unilaterally) implementing the agreement, which implies a high level of regulatory alignment, making the country’s European course irreversible. The AA has to date also been ratified by the European Parliament and by 25 out of the 28 EU Member States; the Deep and Comprehensive Free Trade Agreement (DCFTA) has been in force since 1 September 2014.

  In January 2015 the European Commission and Georgia signed a Financing Agreement, which Commissioner Hahn said was “a clear signal of the EU’s determination to support Georgia with the implementation of the Association Agreement and the DCFTA.” This position of support has been echoed a range of by European leaders since then, including European Council President Donald Tusk, who said on 20 July 2015: “Georgia is definitely a front-runner in the Eastern Partnership. This is not flattery. It is a fact.”

  Georgia has also made rapid progress implementing the Visa Liberalization Action Plan (VLAP) with the EU. In its 3rd progress report on the implementation by Georgia of its VLAP, the European Commission recognised that “Georgia’s progress has been significant in a short period of time and is broadly in line with second-phase benchmarks.” The Joint Riga Declaration of May 2015 “warmly welcome[d] the progress made by Georgia” and committed to advance with visa liberalization by the end of 2015 if all benchmarks are completed. The European Parliament backed this position in July 2015.

  Since signing a Framework Agreement for participation in EU CSDP operations in November 2013, Georgia has furthermore rapidly deepened security cooperation with the EU, providing the second largest contingent of soldiers to the EU Mission in Central African Republic (EUFOR RCA), as well as experts to the EU Mission in Mali (EUTM Mali).

- **NATO membership:** Georgia is rapidly progressing towards NATO membership, in recognition of the democratic reforms of the country and its substantial contribution to international security. At the Wales Summit in September 2014 Georgia received a ‘Substantial Package’ of measures designed to strengthen Georgia’s defence capacity and advance its preparations for membership of the Alliance. In August 2015, NATO opened in Georgia its first “Joint Training and Evaluation Centre” in a partner country. On 29 September Georgia became the 4th non-NATO country to join the Alliance’s rapid response “Spearhead” force, contributing a company of 130 troops.

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1 Donald Tusk comments in Georgia, July 2015:

Georgia was the largest non-NATO contributor and largest per-capita contributor to ISAF in Afghanistan, and is the second-largest overall contributor to the follow-up “Resolute support” mission. Moreover, Georgia continues to provide transit for supplies destined for forces deployed in Afghanistan, and has pledged financial support for the further development of the Afghan National Security Forces. Georgia also participates in NATO’s Operation Active Endeavour, a counter-terrorist maritime surveillance operation in the Mediterranean. Georgia continues to host and participate in joint military exercises with the Alliance.

On an official visit to Georgia in August 2015, NATO Secretary General Jens Stoltenberg highlighted NATO’s positive assessment of Georgia and its NATO integration path, saying: “Georgia is an example, in the region and beyond, of carrying out democratic reforms” and “Georgia already has the necessary tools to make progress towards [NATO] membership.”

- **Improved regional relations:** In line with the calls of its European Euro-Atlantic allies, Georgia is strengthening its regional relations, opening negotiations on regional integration with Turkey, Armenia, and Azerbaijan. Despite Russia’s re-annexation of the Georgian regions of South Ossetia and Abkhazia, Georgia continues to work to reduce tensions, engaging in peace talks and seeking practical cooperation, re-opening for instance limited trade. The [EU, NATO, US](https://mod.gov.ge/c/news/Agile-Spirit-2015-daicko?lang=eng) (here and here), [Council of Europe](https://mod.gov.ge/c/news/Agile-Spirit-2015-daicko?lang=eng), [PACE](https://mod.gov.ge/c/news/Agile-Spirit-2015-daicko?lang=eng) (President and co-rapporteurs for Georgia) and European Foreign Ministers (Latvia, Czech Republic, Poland, UK) have praised these efforts while supporting Georgian territorial integrity. As evidence of the improved stability of the country, the Institute for Economics and Peace “Global Peace Index 2015”, ranks Georgia 79th out of 162 countries (moving up from 111th place in 2014), and 23rd out of 12 countries in the Russia and Eurasia region (moving up from 7th place in 2014).

### Entrenching democracy and the rule of law

- **Ensuring free and fair elections:** Since the Georgian Dream Coalition came to power in 2012, Georgia has, for the first time in its history, held two national polls judged free and fair by the myriad international observers invited to scrutinize the pre-election environment as well as the vote. The [OSCE/ODIHR](https://mod.gov.ge/c/news/Agile-Spirit-2015-daicko?lang=eng) said the 2013 Presidential vote was a “competitive, transparent and well-administered election, in which both the authorities and the opposition played positive roles.” The Council of Europe delegation said the vote was another demonstration of Georgia’s “political maturity”. Municipal elections in June 2014 duplicated this success, while electoral reforms saw direct elections for mayors in 12 cities and run-offs ensuring the strong democratic mandate of those elected. Further reforms include: ensuring that state administrative resources are not used for electoral purposes; upgrading the electoral list to prevent fraud; making voting accessible to disabled citizens; creating an Inter-Agency Task Force on Free and Fair Elections; and ongoing reforms of electoral constituencies to ensure equal suffrage by abolishing single mandate constituencies in favour of a regional proportional system, in line with recommendations from the OSCE/ODIHR and the Venice Commission. The government is committed to ensuring a third free and fair election with the Parliamentary vote in 2016.


- **Creating a parliamentary democracy:** Following the October 2013 presidential election, constitutional amendments came into force increasing the balance of power between the democratic institutions of government in Georgia. The amendments, praised by both the Council of Europe and the [EU](https://mod.gov.ge/c/news/Agile-Spirit-2015-daicko?lang=eng), reduced the powers of the President and Prime Minister while reinforcing the role of the Parliament. The government has also been made accountable to Parliament. Ministers are now required to report to Parliamentary Committees and answer all critical questions. This applies also to the Ministry of Defence. The government also launched a process of decentralization, increasing the independence of local self-government in line with Council of Europe recommendations.

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• **Protecting and promoting human rights:** Recovering from years of human rights abuses, the Georgian Dream Coalition government prioritized reforms to protect and promote fundamental rights and equality, and invited the EU to send a Special Advisor. Thomas Hammarberg’s September 2013 report recognized significant progress. The recommendations formed the basis of the Human Rights Strategy (2014-2020) and subsequent Action Plan (2014-2015), elaborated in cooperation with civil society and international actions and adopted in March and June 2014 respectively. The Plan was welcomed by the Council of Europe Commissioner for Human Rights. Georgia is today a regional leader in the field of protection and promotion of human rights. Key reforms thus far cover:

  o **Freedom of the media:** The independence of the media has increased in Georgia since 2012 and the country enjoys a diverse and vibrant media environment. Legal amendments have improved the democratic composition of the Board of Public Broadcaster as well as financial transparency of television companies. Mandatory must-carry/must offer principles require cable networks and satellite content providers to broadcast all television stations that carry news. The government has also refused to intervene in media ownership disputes, leaving such cases to the courts.

  Continuous progress in the area of media freedom has been widely recognized by independent observers: in 2013 Media Freedom Watch said Georgia was “a leader in the field of media freedom among the countries of the Eastern Partnership”. In 2014 Georgia ranked 1st among Eastern Partnership countries by the Media Freedom Index of Eastern Partnership. In the World Press Freedom Index 2015 by Reporters Without Borders, Georgia moved up 15 places to stand at the 69th place out of 180 countries (84th place in 2014); the country is also the regional leader in the Eastern Europe and Central Asia area (1st out of 13 countries). In the Freedom of the Press 2015 report, Freedom House says “Georgia continues to have the freest and most diverse media environment in the South Caucasus” and the country “has some of the most progressive legislation in the region.” The European Commission also recognized in its latest ENP progress report (March 2015) that “the media environment continued to improve and became more diverse.”

  o **Freedom of speech and assembly:** The government has made freedom of speech and assembly a priority, ensuring within Parliament and in public the full rights to expression and peaceful demonstration of the opposition, as well as those of all members of society, including minority groups. Following the 2012 election, an Amnesty Law which led to the release of 190 political prisoners was praised the International Federation for Human Rights and the Human Rights Centre. In 2014 Freedom House reaffirmed Georgia’s position in the highest category of “free” countries for freedom of speech on the internet in its “Freedom of the Net” report, which ranks Georgia as 12th out of 65 countries and 1st in the Eurasia region (out of 10 countries). A Freedom of Information Act, designed to bring Georgia in line with international standards and best practices, will be submitted to Parliament for adoption by the end of 2015.

  o **Women’s rights:** In January 2014, Georgia adopted a National Action Plan on Gender Equality for 2014-2016. In compliance with the Council of Europe’s Gender Equality Strategy 2014-2016, the Action Plan seeks to combat gender stereotypes, violence against women, integrate gender into all programs and policies, abolish negative traditional gender stereotypes, guarantee equal access to justice and balance the participation of women in decision-making positions. In September 2015, the government of Georgia set out strong new national commitments to advance women’s rights and gender equality, in line with the recommendations of UN Women. In July 2013 the government adopted the National Action Plan for 2013-2015 on the Elimination of Domestic Violence, and in June 2014 signed the on Council of Europe Convention on Preventing and Combating Violence Against Women and Domestic Violence (Istanbul Convention).

  Structural reforms have increased gender mainstreaming, including by the creation of the Gender Equality Council (chaired by a Vice-Speaker of the Parliament) and posts such as the Assistant to the Prime Minister on Human Rights and Gender Equality Issues.

  In July 2013, amendments to the Organic Law of Georgia on Political Unions of Citizens allocate increased financial support to political parties that promote women on their lists. The
number of women in Parliament doubled with the 2012 election, and women have held a number of key leadership posts in the Georgian Dream Coalition government, including ministerial positions for foreign affairs, justice and defence. The Secretary of the National Security Council, the Chair of the Central Election Commission of Georgia and the Chair of the Supreme Court of Georgia are also women.

In May 2015, the Open Society Georgia Foundation published a study assessing Georgia’s substantial reforms for equal treatment.

- **Minority rights:** The Georgian government has taken a strong stand against acts of discrimination on the basis of ethnic, religious or sexual intolerance. The country’s first Anti-Discrimination law, adopted in May 2014, bans all discrimination by both public and private entities on all grounds, including sex, age, religion, language, disability, sexual orientation, gender identity, and political affiliation. To monitor the implementation of the law, the Public Defender’s Office created an Equality Department. The adoption of the law was accompanied by a set of amendments to other legislative acts, in particular the Code of Civil Procedure, the Law on Gender Equality, the Law on Ombudsman and the Criminal Code. In line with European best practice, the State Agency for Religious Issues was established in 2014. The Agency applies interreligious and multicultural dialogues and activities, as an instrument to integrate religious minorities. The government is also committed to the protection of internally displaced persons (IDPs) and refugees, and significant progress has been made in this direction in 2015 with the State Strategy on IDPs and the Action Plan for the implementation for the State Strategy, the Livelihood Strategy and its Action Plan and the Law of Georgia on IDPs from the Occupied Territories of Georgia (2014). The government has provided homes to more than 14,000 IDPs. Additionally, a new Civic Equality and Integration Strategy and Action Plan for 2015-2020 were adopted to ensure ethnic minorities’ full-fledged participation in all spheres of public life.

- **Judicial reforms:** A priority demand of NGOs and international observers, the government has implemented deep judicial reforms. They have increased the independence of judges, depoliticizing the appointment process in line with the Council of Europe’s Venice Commission’s recommendations. The Venice Commission, Council of Europe Parliamentary Assembly, EU Special Representative Hammarberg and the European Commission have supported the amendments and are monitoring their implementation. Prosecutors have been made independent from the Ministry of Justice, the coercive plea bargaining system has been ended, trials have been opened to the public and media scrutiny, access to trial by jury has been expanded, and the rights of defendants and their legal counsel have been increased, including the right to retrial. In June 2013 the government proceeded to review the Criminal Procedure Code (CPC), to facilitate the appeal of pre-trial detention by providing more scope for the introduction of new evidence. Moreover, in July 2015 the country endorsed a series of OSCE/ODIHR proposed amendments to the CPC, including a periodical judicial review of arrest warrants and detention conditions. As a result of these reforms, the use of pre-trial detention measures has reduced from 50% of adult offenders in 2011 to 32% in 2014, and from 30% of juvenile offenders in 2011 to 20% in 2014. Additionally, in 2014 there were 92 remanded persons for every 10,000 facing charges, compared to 146 in 2011. In October 2015, the government welcomed a Constitutional Court’s ruling to close a legal loophole introduced by the previous government and definitively limit pre-trial detention to 9 months. Regarding the rights of prisoners, a new 2015-2016 Action Plan against Torture (APT) was approved ion May 2015.

After their fact-finding visit on 12-14 October 2015, PACE co-rapporteurs Boriss Cilevics and Kerstin Lundgren “welcomed reforms to the judiciary and justice system that have been implemented over recent years and which, in view of most interlocutors, have had a very positive impact on the independence of the judiciary.” In the World Justice Project’s Rule of Law Index 2015, Georgia ranked 1st in Eastern Europe and Central Asia, and 29th globally out of 102 countries (31st in 2014), ahead of EU countries such as Italy, Romania, Greece, Croatia and Hungary in terms of rule of law. According to the World Economic Forum’s “Global Competitiveness Report 2014-2015”, Georgia ranks 56th out of 140 countries on judicial independence. Additionally, the World Bank’s “Worldwide Governance Indicators (WGI) project” shows that since 2012 Georgia has continuously moved closer to the highest rank in the rule of
law indicator, from 54.50 to 64.42 (100 being the highest). In May 2015, the Open Society Georgia Foundation published a study assessing Georgia’s substantial reforms in the judiciary.

- **Ending impunity:** The Office of the Chief Prosecutor of Georgia has since October 2012 been dealing with a deluge of nearly 20,000 citizen complaints citing abuses, theft of property and corruption during the prior administration. Based on the government’s commitment to implementing the rule of law and in response to the call by the Georgian people, human rights organisations and the international community (including the European Parliament, Council of Europe and the UN Commissioner for Human Rights), investigations and trials are taking place for the most serious crimes (violence, murder, torture or the large-scale theft of state assets by senior government officials), with extensive international (including EU, OSCE and ODIIHR) and civil society oversight. The introduction of an Amnesty law envisaging several forms of amnesty such as release, halving the prison sentence or reducing it either by 1/3 or 1/4 according to the category of offence and characteristics of the prisoner, has helped reduce the number of inmates in Georgian prisons. The highest profile case currently in court involves former president of Georgia Mikheil Saakashvili and other senior officials under his leadership. They are being charged with four sets of criminal charges involving human rights violations and embezzlement of state funds. M. Saakashvili was indicted on 28 July 2014 in relation to two incidents of grave human rights abuses in November 2007, namely the violent dispersal of peaceful demonstrators and the violent closure and forceful acquisition of a critical television channel, which drew strong international condemnation and demands for investigations and prosecutions. So far, the courts have delivered verdicts (both guilty and not guilty) in a number of high level cases. Council of Europe Commissioner for Human Rights said after a visit to Georgia in January 2014 that “serious efforts have been made to address the long-standing problems of ill-treatment and impunity, particularly in the prison system.” According to criminal statistics published by the Ministry of Internal Affairs in November 2014, the crime rate in Georgia has been reduced by around 17% in the last year.

- **Ending corruption:** In 2014, Transparency International Georgia recognized that reforms implemented since 2004 have succeeded in almost fully eliminating bribery in the provision of public services. According to the 2013 Global Corruption Barometer survey, only 4% of Georgians had been asked to pay a bribe for public services in 2013. In the 2014 Corruption Perceptions Index published by Transparency International, Georgia ranked 50th out of 175, with the lowest level of perceived corruption in the Eastern Europe and Central Asia region. According to the World Economic Forum’s “Global Competitiveness Report 2014-2015”, Georgia ranks 34th out of 140 countries on ethics and corruption. In May 2015, the Open Society Georgia Foundation published a study assessing Georgia’s substantial reforms against corruption.

**Democratic economic growth**

- **Building a healthy and transparent economy:** Georgia has overhauled its tax payment, inspection, and enforcement systems to increase transparency and decrease onerous fines. This has led to increased investor confidence and interest, and improved financial ratings. The World Bank’s “Doing Business 2015” report ranked Georgia 15th out of 189 countries and 1st out of 26 countries in the European and Central Asia region. Georgia stands out in terms of ease of starting a business (5th out of 189 countries), ease of dealing with construction permits (3rd out of 189 countries), ease of registering property (1st out of 189 countries) and ease of getting credit (7th out of 189 countries). The Heritage Foundation’s “2015 Index of Economic Freedom” ranked Georgia’s economy the 22nd freest out of 178 countries and 11th out of 43 countries in the European region. The country’s overall score reflects “improvements in freedom from corruption, the control of government spending, business freedom, monetary freedom, and investment freedom.” Opening the annual EBRD meeting in Tbilisi in May 2015, President Sir Suma Chakrabarti paid tribute to Georgia’s economic transformation: “to judge by the quality of Georgia’s transition towards a market economy over the past 25 years, this is a country that pursues a long-term vision with great determination.” A Georgia-EBRD Memorandum of Understanding signed ahead of the meeting further established an Investors Council to promote investments and improve Georgia’s business climate.

- **Establishing new trading partners:** Thanks to the EU-Georgia Deep and Comprehensive Free Trade Agreement, trade is increasing with the EU. In the first seven months of 2015, Georgian
exports to the EU were, at $100.5 million USD, up 84% year-on-tear and 149% higher than the same period in 2013. In fact, 1/3 of all Georgian exports over the same period went to EU countries. Given its key position as a regional hub, Georgia is also promoting its role as a reliable transit country for the energy and transport sectors. The government is backing the Silk Road project and has joined the China-led Asian Infrastructure Investment Bank (AIIB) as one of the co-founders. Tbilisi hosted the first AIIB Ministerial meeting on 23-24 August 2015 and the first Tbilisi Silk Road Forum on 15-16 October 2015. Georgia is also seeking to promote pragmatic confidence-building measures in its relations with Russia, while simultaneously pursuing the return of its occupied territories. Georgia achieved a major breakthrough in March 2013 to open the Russian market to Georgian wine, mineral water, and cognac. Georgia and Israel in 2013 also launched negotiations for a new free trade agreement. In March 2015 the Chinese Ministry of Commerce and the Ministry of Economy and Sustainable Development of Georgia signed a joint declaration launching a feasibility study for Georgia-China free trade agreement negotiations.

- **Developing energy and infrastructure:** Georgia is on its way to becoming a net exporter of energy, particularly hydropower. Over 100 new and foreign developers have invested over $1 billion in Georgian hydropower in 2013 alone. Further capitalizing on its natural resources and strategic location, Georgia has invested heavily in modernizing its railway so that it can serve as a fast and efficient transit hub in bringing goods between Asia and Europe. Now that an investment decision has been made for the export of Azeri natural gas to Europe via Georgia (the Shah Deniz II project), Georgia is poised to receive close to $1 billion in foreign direct investment from that project alone. In February 2014, the European Commission and Georgia launched negotiations for the country’s accession to the Energy Community. In May 2015 theEBRD and the government of Georgia signed a mandate letter setting out their readiness to cooperate on the first wind farm project in the country. In July, the EBRD also granted a credit line for energy efficiency to help reduce carbon footprint and support energy efficient industries in Georgia.

- **Creating broad, democratic growth:** The majority of the population in Georgia is dependent on agriculture. The government has launched a no-interest funding arrangement and equipment loans support farmers. Land use and renovation programmes are increasing efficiency and arable land surface. Reforms and increased resources for regional development structures focus on improving public infrastructure, notably transport services. Since October 2012, prices of basic commodities have dropped: electricity prices have dropped nearly 30%, fuel prices dropped an average of 10%, and pharmaceuticals by 30-70%.

- **Modernizing the labour code and improving consumer protection:** Amendments to the labour code, welcomed by the European Parliament, have improved workers’ rights and established employer-employee-trade union dialogues, Georgia is also putting consumer protection legislation in place and dramatically increasing enforcement. All these reforms align Georgia’s legislation and policies more closely with Western standards. In December 2012 the government started a systemic and conceptual review of the labour code to incorporate best international practices, thus significantly enhancing the protection of women’s rights with regards to maternity leave policy (improved in terms of remuneration and length), prohibiting working overtime of pregnant women or women recently having given birth, and ensuring maternity childcare, newborn adoption and extra maternity or childcare leave. In 2015 the government established a Labour Conditions Inspections Department under the Ministry of Labour, Health and Social Affairs. The Ministry ensures that Inspectors are trained by key experts from the ILO. Legislative amendments were developed and are currently reviewed in the Parliament aimed at strengthening the authority of this Department. Furthermore, the legislative package on Occupational safety and Health Law is discussed with partners. A new law on labour migration was adopted, which regulates paid employment and pre-employment relation issues abroad for citizens of Georgia, permanent residents and non-citizens with legal status. In May 2015, the Open Society Georgia Foundation published a study assessing Georgia’s substantial reforms in labour standards.

- **Investing in health and education:** Under the new government, the health care budget has doubled, and, following the launch of the Universal Healthcare Programme in 2013, all Georgians now have access to health insurance. The government has also delivered universal planned and emergency outpatient and hospital services, and a 20% increase in pensions. In 2014 the government adopted the Socio-Economic Development Strategy - Georgia 2020, for the
protection of human rights on health and to ensure the availability of high-quality healthcare. The education system is being overhauled with massive investment: teacher salaries have been increased by 25-50%, schools are being renovated, school transport systems put in place and textbooks have been made free of charge. In the 2013 UNESCO rating “Access to Education”, Georgia moved up to 23rd place (having previously been ranked at No. 150).