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# GOVERNING FOR GROWTH (G4G) IN GEORGIA ANNUAL REPORT (PUBLIC)

YEAR 1

USAID GOVERNING FOR GROWTH (G4G) IN GEORGIA

30 October 2015

This publication was produced for review by the United States Agency for International Development. It was prepared by Deloitte Consulting LLP. The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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# ACRONYMS

AA	Association Agreement
ACCESS	Advancing CSO Capacities and Engaging Society for Sustainability
ADB	Asian Development Bank
ADR	Alternative Dispute Resolution
AEO	Authorized Economic Operator
AmCham	American Chamber of Commerce
BAG	Business Association of Georgia
CCC	Culture of Collaborative Consultations
CENN	Caucasus Environmental NGO Network
CIPE	Center for International Private Enterprise
CPWG	Capital Markets Working Group
CSO	Civil Society Organization
CzDA	Czech Development Agency
DAP	Day Ahead Planning
DCFTA	Deep and Comprehensive Free Trade Area
DEA	Data Exchange Agency
DSO	Distribution System Operator
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EC-LEDS	Enhancing Capacity for Low Emission Development Strategies
EDA	Enterprise Development Agency
ENVSEC	Environment and Security Initiative
EPAC	Economic Policy Advocacy Coalition
EPI	Economic Prosperity Initiative
EPRC	Economic Policy Research Center
ETM	Electricity Trading Mechanism
EU	European Union
GA	Georgian Amelioration
GCCI	Georgian Chamber of Commerce and Industry
GEA	Georgian Employers Association
GEMM	Georgian Electricity Market Model
Geostat	National Statistics Office of Georgia
GFA	Georgian Farmers Association
GIA	Georgian Insurance Association
GIG Energy	Georgian Investment Group Energy
GITA	Georgian Innovation and Technology Agency
GiZ	German Society for International Cooperation
GoG	Government of Georgia
GSE	Georgian State Electrosystem
GSE	Georgian Stock Exchange
GSMEA	Georgian Small and Medium Enterprise Association
HEPA	Hazelnut Exporters and Producers Association
HIPP	Hydropower Investment Promotion Project
HPEP	Hydro Power and Energy Planning Project
HPP	Hydro Power Plant

ICC	International Chamber of Commerce
ICT	Information and Communications Technology
IDFI	Institute for Development of Freedom of Information
INRMW	Integrated Natural Resources Management in Watersheds
ISET	International School of Economics at Tbilisi State University
IWRM	Integrated Water Resources Management
JILEP	Judicial Independence and Legal Empowerment Project
MARKAL	Market Allocation
MENRP	Ministry of Environmental and Natural Resources Protection
MoA	Ministry of Agriculture
MoESD	Ministry of Economy and Sustainable Development
MoF	Ministry of Finance
MoJ	Ministry of Justice
M-TAG	Media for Transparent and Accountable Governance
NAPR	National Agency for Public Registry
NARUC	National Association of Regulatory Utility Commissioners
NBE	National Bureau of Enforcement
NGO	Non-Governmental Organization
OSCE	Organization for Security and Cooperation in Europe
PM	Prime Minister
PMCG	Policy and Management Consulting Group
PMP	Performance Monitoring Plan
PPD	Public-Private Dialogue
PR	Public Relations
PSDA	Public Service Development Agency
REC	Regional Environmental Center for Caucasus
RFA	Request for Applications
RIA	Regulatory Impact Assessment
RPTS	Reform Progress Tracking System
RS	Revenue Service
SIDA	Swedish International Development Agency
SME	Small and Medium Enterprise
SoW	Scope of Work
TFS	Trade Facilitation System
ToR	Terms of Reference
TI	Transparency International
TYNDP	Ten Year Network Development Plan
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
VAT	Value Added Tax
VOLL	Value of Loss Load
WB	World Bank
WG	Working Group
WP	Work Plan
G4G	Governing for Growth in Georgia
USAID	United States Agency for International Development

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# 1. INTRODUCTION

Governing for Growth (G4G) in Georgia is USAID's five-year \$19.3 million US dollar project designed to support the Government of Georgia (GoG) to create an improved enabling environment in which legal and regulatory reforms are fairly and transparently conceived, implemented and enforced through consultative dialogue.

G4G aims to enhance governance in select business enabling areas:

- Tax and customs administration;
- Electricity trading policy, including cross-border trading;
- Water resource management;
- Trade facilitation;
- Land registration;
- Other reform areas as identified during implementation of the Project.

The G4G approach is through the promotion of constructive Public-Private Dialogue (PPD), to support the effective formulation of the government policies necessary to drive economic development. This requires strengthening of the governmental institutional capacity to develop, implement, and enforce reforms, and strengthening the capacity of private sector and civil society actors to effectively engage the government on the development, implementation, and enforcement of reforms.

G4G is implemented through five main components:

1. Support inclusive public-private dialogue;
2. Strengthen GoG capacity to develop, implement and enforce reforms;
3. Improve water resource management across multiple competing interests;
4. Improve governance of energy trading policy, including cross-border electricity trading;
5. Strengthen the capacity of private sector and civil society actors to advocate for reforms.

Reflective of G4G's approach and the cross-cutting nature of Components 1, 2, and 5, this report documents the results and progress made by G4G during the project Year 1. The report covers the period from August 20, 2014, through September 30, 2015. Within each reform, activities are organized by component. This structure permits a view of activities focused on a given reform area, seen in the context of a project-wide effort.

## 2. SUMMARY

During Year 1, a number of milestones were reached, including finalizing remaining implementation steps for the Trade Facilitation System (TFS), the support of five potentially permanent PPD platforms, the Parliament approval of a new Energy Policy, establishment of the Economic Policy Advocacy Coalition (EPAC), set of the *VAT Approximation Action Plan* and G4G assistance in drafting the procedures for the Minister of Finance to issue Public Rulings in Taxation.

At the close of Year 1 G4G has:

- Leveraged approximately \$29,745 in project delivery cost-share;
- Issued 20 technical deliverables;
- Hosted 26 PPD events with over 1190 attendees;
- Conducted 27 trainings with over 511 participants;
- Issued 26 event releases;
- Issued 3 newsletters;

- Employed 15 interns;
- Conducted outreach to over 40 other donor-funded projects;
- Issued 16 RFAs with 12 Grants signed;
- The total amount of signed grant awards is \$455,508.50 and grantee cost-share contribution is \$89,409.50.

### 3. PROJECT HIGHLIGHTS DURING THE REPORTING PERIOD

G4G’s Year 1 timeline covered the period from August 20, 2014 to September 30, 2015. During the period from August 20 - December 31, 2014, G4G dedicated its efforts to project start up and the work planning process. Start-up activities included the hiring of project staff, the location and establishment of a project office, procedural, technical, legal and contractual details.

Work planning activities included meetings and interviews with key GoG and private sector counterparts to gain an understanding of current and long term government priorities to enable development of the G4G draft work plan. A principal component of G4G success was the careful integration of all five unique component teams around the objective of building a culture of collaborative consultation through the targeted reform areas.

On November 18, 2014, G4G submitted the G4G Work Plan, Performance Monitoring Plan (PMP) and Knowledge Management (KM) Plan to USAID for approval. On December 16, after revisions based on USAID comments the G4G Work Plan, PMP and KM Plan were approved.

During the summer of 2015, G4G again conducted work planning and submitted the Year 2 Work Plan in August. The staff reviewed their Year 1 accomplishments and continuing actions for Year 2, as well as the addition of new reforms including Innovation and Technology, Building Code, and Procurement. In September 2015, the Year 2 Work Plan was approved.

Key events and milestones related to the project’s areas of work in Year 1 include:



G4G Open House - Project Launch Event

**G4G Open House - Project Launch Event.** On December 11, G4G held its official launch event, which brought together representatives of Georgian Government, non-governmental organizations, the private sector, and international organizations. USAID Mission Director, Stephen Haykin, delivered welcoming remarks emphasizing the US Government’s strong support for Georgia’s economic development. G4G Chief of Party, Milo Stevanovich, underlined that the project would work to build a culture of collaborative consultation, where policies and laws have the benefit of constructive public input. He stated - “We believe that a quality, inclusive dialogue – and especially well-informed evidence-based policy making – will lead to laws that work more effectively, with better compliance.”

**PPD Platforms.** During Year 1, G4G broke ground for five potentially permanent PPD platforms including:

- **Business Alliance Coalition** - G4G facilitated the formation of the *Economic Policy Advocacy Coalition* (EPAC), formed by thirty-three leading Georgian business associations at a three-day workshop on advocacy effectiveness in May 2015.
- **Permanent Platform on Trade Issues** - G4G provided technical assistance for the establishment of a permanent platform for PPD on trade issues in coordination with the Ministry of Economy and Sustainable Development (MoESD).
- **Investors Council** - G4G will provide technical support to the planned European Bank for Reconstruction and Development (EBRD)-led *Investors Council* which is expected to be a permanent platform for high-level government dialogue with the business community.

- **Parliament and Business Platform** - G4G explored plans to partner with Business and Economic Centre (BEC) to enhance their engagement with parliamentarians on key reform issues, including: land registration, energy policy and strategy, water resource management, and capital markets development. In Year 2, G4G will continue cooperation with BEC as this platform develops.
- **Journalists Dialogue** - G4G conducted dialogue sessions on key reform issues with leading journalists to enhance the quality of reporting on economic reform issues, bringing industry experts and key officials in an informal setting to facilitate open discussion.

**33 Associations form grand coalition.** On 15 September 2015, thirty-three business associations, chambers of commerce, and think tanks united to form the Economic Policy Advocacy Coalition (EPAC). Coalition members agreed to join together to identify common objectives and collectively work to advance selected economic reforms needed for the improvement of Georgia’s business climate. Through EPAC, thirty three founding organizations, and more joining subsequently, agreed to work together to promote economic reforms. Proposed areas of priority are: access to finance for small and medium enterprises (SMEs); property rights; taxation; trade facilitation; human and institutional capacity building; and land registration.



*Founding Members of EPAC after signing the memorandum*

The ceremony was opened by Irma Kavtaradze, Deputy Minister of Economy and Sustainable Development and Lasha Khutsishvili, Deputy Minister of Finance. Signatories cover a wide and diverse range of Georgian institutions, including the Atlantic Council of Georgia, Association of Young Economists of Georgia (AYEG), American Chamber of Commerce (AmCham), Association of Business Consulting Organizations of Georgia (ABCO Georgia), Economic Policy Research Center (EPRC), Association of Law Firms in Georgia (ALFG), Tax Payers Union (TPU), BEC, Georgian Bar Association, Georgian Farmers Association (GFA), Georgian Association Women in Business (GAWB), Georgian Microfinance Association, ISET Policy Institute (ISET), Young Entrepreneurs Association (YEA), International Investors Association (IIA).

**Government and EPAC agree to regular Deep and Comprehensive Free Trade Area (DCFTA) discussions.** On September 22, 2015 GoG and G4G hosted a DCFTA awareness meeting for EPAC members to discuss the DCFTA reforms agenda with GoG officials. Marika Gabunia, Head of Foreign Trade and Policy Department of the MoESD presented the general obligations and an outline of the reforms planned for 2014-2017. Additionally, department heads and agencies under the MoESD as well as the Ministry of Agriculture (MoA) presented plans on how to reach successful milestones under the DCFTA. EPAC members discussed the reforms impacting the business enabling environment and the opportunities DCFTA might present. At the closing, both expressed readiness and willingness to continue such discussions on a regular basis in the future.



*EPAC members on DCFTA Awareness Meeting*

**First PPD on tax issues.** On November 19, 2014, G4G hosted the first PPD on Tax Payment Simplification Reform, where the representatives of public and private sectors, including the Ministry of Finance (MoF), Revenue Service (RS), Liberty Bank, PricewaterhouseCoopers (PwC), International Chamber of Commerce (ICC), Business Association of Georgia (BAG), Georgian Small and Medium Enterprise Association (GSMEA), gathered to discuss the opportunities of cooperation on tax payment simplification issues within the project scope. G4G Consultant, Irakli Siradze, presented the proposed reform and its main directions. The event participants highlighted the reform benefits and expressed a deeper interest to be involved in the consultative process around this reform.



*PPD event on Tax Payment Simplification Reform*

**VAT approximation Action Plan Set.** G4G completed efforts on the approximation of Georgian VAT rules with EU VAT Regulation. The final report was presented at a working group (WG) meeting at the MoF. The WG consisted of mid-level tax policy experts from the MoF, Revenue Service (RS) as well as the EU Twinning Project “Strengthening Administrative Capacity of the Georgian Revenue Service in Taxation” and G4G. According to the Association Agreement (AA), the GoG has 5 years to complete the approximation of VAT legislation. The report provided by G4G will help the MoF to plan the VAT drafting process, which is an important legislative step in Georgia’s EU accession process.

**New system of public ruling benefits from stakeholder input.** On September 25, 2015, the MoF, in collaboration with G4G, held a meeting to discuss the draft decree of the Minister of Finance elaborating the procedures for the issuance of public rulings. Presenting the draft to the “Big 4” auditing firms, private sector stakeholders, MoF and RS representatives, G4G’s tax consultant sought input with government’s participation. The public ruling document was released to the public for viewing, providing interpretation of complex issues of Tax Code for the public’s knowledge and reference to ensure greater consistency in the application of tax law.



*Georgian electricity market players meeting*

**Electricity market players agree to cooperate.** On December 14, G4G gathered Georgian electricity market players to identify electricity market development issues of common concern and organize them for a PPD discussion with GoG. Eleven private hydro power plant (HPP) owners and developers interested in electricity trading and investing in Georgian hydropower attended the meeting. G4G Chief of Party, Milo Stevanovich, emphasized the importance of unity among energy market players; concentrating on common issues and presenting their concerns to the Government in a unified voice. G4G Energy Market Expert, Giorgi Chikovani, presented a case study of the Turkish Energy Association. The participants discussed and prioritized the issues of common interest for bringing them up to the Government’s attention to promote competitive electricity market development.

**Private market players speak to GoG with a unified voice.** On January 29, 2015, G4G organized the second workshop for Georgian Electricity Market Players to identify common issues in electricity market development in preparation for a public-private dialogue discussion with the GoG. Over 20 private hydropower plant (HPP) owners and developers, interested in electricity trading and/or investing in Georgian hydropower, attended. Participants expressed their interest in establishing a professional association of market players and requested G4G support in this process. “G4G support to facilitate cooperation between the private market players is instrumental for resolving the issues of our common concern,” noted Paata Tsintsadze, director of a hydropower development company “Georgian Investment Group (GIG) Energy.”



*Giorgi Chikovani, G4G Water and Energy Policy Advisor, at the 2<sup>nd</sup> Market Players workshop.*



*Aragvi HPP representatives at G4G PPD on SHPP Consolidator*

**Small hydropower plants consolidate to trade electricity.** Creation of a Small Hydropower Plants (SHPP) Consolidator was the main topic of discussion at G4G’s first energy related public-private dialogue attended by the Ministry of Energy (MoE), Georgian State Electrosystem (GSE), Electricity System Commercial Operator (ESCO), State Security, Crisis Management Council of Georgia, and key private energy market players including a number of SHPPs convened to explore the benefits of establishment of a SHPP Consolidator. Discussions facilitated by G4G experts resulted in the acknowledgement of the need for a Consolidator, as it will serve as a platform for SHPPs for getting access to the Turkish electricity market and trade more effectively. “G4G’s initiative to organize such dialogues will benefit us greatly as private HPP owners,” noted Taras Nizharadze, Director of Aragvi HPP. “We have to prepare for competitive electricity market.”

**Energy policy approved.** The G4G energy team continued to advance and build upon efforts commenced by USAID Hydro Power and Energy Planning (HPEP). On 24 June, 2015, the Parliament of Georgia approved a new energy policy. It states: “Competitive market activities represent the most effective instrument for optimization of supply and demand for natural gas and electricity, which can be achieved through competitive market conditions.” This indicates strong commitment to establishment of the ETM, which is at the core of G4G Energy work.



*Above: Paata Dvaladze, MENRP representative and G4G Experts: Marika Bakhtadze, Elene Ghubianuri, Jake Delphia at Mtskheta town-hall meeting*

**Government discussed water management.** Two town hall meetings, sponsored by G4G, were held in June in Dusheti and Mtskheta, both beneficiaries of the Aragvi River Basin. Due to its proximity to Tbilisi and competing interests, the basin was selected for developing a pilot water allocation plan framework. Over seventy members from the public and private sector took part in the discussions. G4G presented the findings of its Initial Water Assessment Report, discussed European Union (EU) AA requirements regarding water resources and the new draft water law. G4G encouraged meeting attendees to cooperate on the development of a viable action plan for water resource management. Private entrepreneurs were very active and concerned by mismanagement of water resources and lack of disaster mitigation measures.

**Government receives stakeholder input on draft water legislation.** On August 10, 2015 Ministry of Environment and Natural Resources Protection of Georgia (MENRP) with G4G support held a discussion on the Water Resource Management draft law planned to be adopted by Parliament this fall. The draft law introduces a new approach of water management compatible with EU standards, improving freshwater resource standards. Thirty representatives from the private and non-governmental sectors attended the meeting and expressed their opinions and regarding the draft law. Stakeholders agreed to continue the dialogue in September to discuss comments and recommendations. MENRP will consider the feedback prior to submitting it to Parliament for adoption.



*Deputy Minister Murghulia of MENRP discusses the draft law*

**G4G supports MoESD in increasing awareness on DCFTA.** On December 26, G4G, together with the MoESD, facilitated the “EU – Georgia, DCFTA Food Safety Awareness Raising Event” to support the GoG to build awareness of DCFTA requirements and potential benefits for Georgian agri-business development. The Deputy Minister of Economy and Sustainable Development and Deputy Minister of Agriculture spoke of the importance of Georgian food producers meeting DCFTA requirements. Detailed presentations covering the measures carried out by the MoA and other related Government agencies towards signing the DCFTA were delivered by the representatives of the MoA. Since civil society and agri-business representatives were able to speak with a common voice to the GoG, this sets the stage for more inclusive and effective consultations on specific codes and regulations covered by the DCFTA.



*PPD event on DCFTA*

**Deputy Minister promotes DCFTA through regions.** On March 23-24, together with the MoESD, G4G conducted targeted PPD events in Ozurgeti and Poti to discuss the requirements under the DCFTA with private sector representatives. Speaker panel was represented by the Deputy Minister of Economy and Sustainable Development of Georgia, Head of European Harmonization Division, Head of Agricultural Projects Management Agency, and the Mayor of Ozurgeti Municipality. Deputy Minister emphasized the importance of DCFTA for the economic development of the regions as it opens European markets for Georgian products and services. The meetings were attended by 75 representatives of local businesses and non-governmental organizations (NGOs) in both municipalities.



*DCFTA awareness meeting in Ozurgeti*



*11-member panel representing a broad cross-section of parties*

**Foreign Land Ownership Conference stimulates dialogue across constituencies.**

G4G, together with International School of Economics at Tbilisi State University (ISET) Policy Institute, organized an open public discussion of the proposed *Foreign Land Ownership Law Amendments* on February 13, 2015. An eleven member panel representing a broad cross-section of parties debated amendments to the controversial law that limits land ownership by foreigners. Over 120 guests attended the event, including experts, students, farmers, investors and government officials.

Panelists included Chairman of the Agrarian Committee of Parliament, Deputy Minister of Agriculture, EU Delegation Attaché for Agriculture, Executive Director of AmCham, as well as other representatives from NGOs, foreign investors and businesses. Georgian broadcasting and printed media broadly represented at the event expressed great interest in the land ownership issues, and covered them extensively through media outlets in the following week.

As a result, certain proposed land ownership prohibitions were reconsidered by Parliament Committees. No further prohibitive foreign land ownership legislation has been introduced by Parliament to date.

### Cooperation yields results on Land

**Registration.** G4G conducted an offsite workshop for Georgian National Agency of Public Registry (NAPR) to discuss the first draft of the Law on Pilot Registration of Land Titles and Improvement of Cadastral Data. The workshop was attended by the Chairman of NAPR and Heads of NAPR Registration, Geodesy & Cadastral, Data Processing, PR and Legal Departments and G4G contractor Transparency International (TI) representatives. Consensus was reached on solutions to the procedural and regulatory issues that currently hinder land title registration. “This is the best example of successful collaboration and effective partnership between the GoG and civil society in policy reform development process,” stated NAPR Chairman.



G4G Offsite Workshop with NAPR and TI



Gigla Agulashvili, Chairman of Parliament's Agrarian Committee addressing Conference participants

### PPD changes government's crop insurance policy.

On February 10, 2015 G4G facilitated a dialogue between the Georgian government, the Agrarian Committee of Parliament, private sector and civil society representatives to resolve crop insurance challenges and set policy. The session led by Mr. Gigla Agulashvili, former Chairman of Parliament's Agrarian Committee, included the MoA, Agrarian Committee, insurance companies and farmers' organizations. Discussions covered the results of the 2014 pilot crop insurance project implemented by the MoA, as well as status of the draft Law on crop insurance. The pilot project benefitted farmers and insurance companies alike, as farmers received over

10 million GEL to cover hazards. Following to the PPD meeting, on February 19, the GoG approved the 2015 Agricultural Insurance Program. According to the Minister of Agriculture, the new program was adjusted to accommodate recommendations received from different stakeholders at the G4G conference, such as, increased ceiling of insurable grain farm from 5 ha to 15 ha.

**Four capital market reform discussion sessions help shape policy.** During June and July 2015, after the issuance of the Capital Markets Working Group's (CMWG) Georgian Capital Market – Diagnostic Study and Recommendations Report, a series of four public-private dialogue (PPD) sessions were held to discuss findings, recommendations, and generate feedback from stakeholders. The sessions were jointly organized by the MoESD, CMWG, and G4G. The sessions were moderated by Ilia Gogichaishvili, G4G Capital Markets expert, and Robert Singletary of the CMWG.



Robert Singletary of CPWG, George Kvirikashvili, Minister of Economy and Sustainable Development, and Milo Stevanovich and Ilia Gogichaishvili of G4G

Comprehensive aspects for development of effective capital markets in Georgia were covered in the four sessions, the first occurring on 30 June, with the final on 21 July. The broad range of topics included the legal framework, international regulatory practices and compliance, structure of the legal regime and infrastructure, issuer transparency, harmonization of tax policy centralization of trading, price discovery and trading methodology. During the first session entitled, *Improving Legal and Regulatory Framework for Capital Markets Development in Georgia*, Minister of Economy and Sustainable Development, George Kvirikashvili stated: “We are very interested to develop a [legislative] package shortly and implement it in close consultations with all private sector stakeholders.”

Capital market reform discussions were broadly covered by the media, namely, by interviews with G4G Capital Markets Advisor, Ilia Gogichaishvili on a television program, as well as in the journal “Foreign Business in Georgia,” with the headline: “Georgia Needs More Domestic Savings to Spur Investment.”

**Insolvency system reexamined.** On May 8, G4G and the Ministry of Justice (MoJ) held a public-private dialogue session to discuss the findings of an analysis of the Georgian insolvency system. G4G Senior Insolvency Advisor, Robert Gourley, and G4G Chief of Party, Milo Stevanovich, conducted an evaluation of the Georgian insolvency system, covering both its legal framework and current practice. Deputy Minister of Justice, Mikheil Sarjveladze, discussed the policy with representatives of the National Bureau of Enforcement (NBE), a key implementing body. He stated plans to establish a working group and expects amendments to be submitted to parliament within the current year. G4G produced the report *Assessment of the Insolvency System in Georgia* which was approved by USAID July 6, 2015.



*Deputy Minister of Justice, Mikheil Sarjveladze discusses moving forward*

**Georgian Innovation and Technology Agency (GITA) discussed development and policy.** On April 7, G4G and GITA held a coordination meeting to discuss Innovation and Technology Development Policy in Georgia. Public sector representatives, civil society organizations (CSOs), and universities met at the National Parliamentary Library of Georgia and discussed innovation policy issues and potential areas of coordination, expressing readiness to cooperate with GITA on development of Innovation and Technology Policy and Infrastructure.



*Attendees of the GITA meeting*

**Innovation field studies.** Supported by G4G, GITA hosted several field studies for journalists and NGOs with where they received details of innovation developments in Georgia.

On July 18 –19 nineteen journalists participated in a field study, visiting various innovation laboratories in Tbilisi. Following the lab visitations, the study continued in Gudauri where staff members of GITA and G4G presented updates within GITA’s programs that support innovation.



*Innovative music box with a wooden cover made by the laser cutter*

On September 29 GITA held an activity presentation to familiarize the civil society with the development of innovation and technology in Georgia. GITA and G4G discussed their plans for the next year with participants at the National Library of Georgia. During the field studies innovation labs at Ilia State University, Georgian American University (GAU), Georgian Institute of Public Affairs (GIPA) and Techno Park in Okrokhana were visited, where journalists and civil society representatives received presentations from the head of each lab covering how they function and support local students and entrepreneurs. The study took them to a fabrication lab, a gaming development lab, a design lab, and an innovation lab for mobile applications.

**Inspiring future women leaders.** On March 31, jointly with Georgian Women Business Association (GWBA), G4G organized a conference “Women’s Role in Economic Growth and Policy Development” aimed at empowering women to take part in economic development of the state. About 170 women from different professional spheres heard, first hand, the stories of accomplished Georgian women who have traversed obstacles in order to succeed. This conference honored the role that women around the world play in the development and healthy functioning of their societies.



*Successful entrepreneur Anna Mikadze-Chikvaidze sharing her story of Cheese Business*

The market exhibition of the products and services produced by successful women entrepreneurs and the charity auction, organized after the conference by GWBA, greatly encouraged the businesswomen. The conference was broadly covered by Georgian media.

**Multi-project coordination.** G4G initiated a multi-project coordination strengthening effort to better leverage USAID resources in achieving reform results. During the reporting period G4G convened two

meetings of USAID project representatives where potential areas of collaboration were explored and joint measures identified, particularly, in gender, youth and grant related activities which are common for almost all USAID projects. It was agreed to hold coordination meetings on a regular, bimonthly basis. “By coming together in multi-project coordination meetings each and every partner will save time avoiding the need for series of bilateral interaction,” said Milo Stevanovich, G4G COP. “This will reduce the likelihood of any duplication of efforts.”



Georgian media representatives, Nana Khidashel, IPN and Giorgi Kaladadze, Palitra

**Journalists Information Sessions:**

**Session on economic reform areas.** April 4-5, Policy Management Consulting Group (PMCG) Director Aleksi Aleksishvili spoke with journalists about the perspectives of Economic Journalism. G4G experts presented and discussed with media the project’s reform areas such as, Land Registration Pilot Project, Crop Insurance, and the Electricity Trading Mechanism (ETM). The meeting was followed by producing articles and TV reports based on the session’s presentations and interviews with G4G staff members (Milo Stevanovich, Giorgi Chikovani, Ilia Gogichaishvili).

**Session on TFS.** May 2, G4G conducted an information session for 10 media professionals from economic media outlets. G4G invited Irakli Gvenetadze, the Head of Data Exchange Agency (DEA), who presented TFS and its current status. Journalists raised questions about benefits and annual estimated savings related to TFS streamlined procedures. Aleksi Aleksishvili of PMCG, and former Minister of Finance, also spoke of the positive and negative effects of the GEL devaluation.

**Session on hydropower.** May 30-31, G4G and the MoE travelled to Kazbegi with twenty journalists from leading Georgian media companies providing a first-hand look at the development of hydropower energy. The journalists observed the development of the Dariali hydropower plant 500m deep inside a mountain, and observed the water intake structure which diverts the water flow into the powerhouse of the plant where turbines generate electricity. At the de-brief session, Deputy Minister of Energy, Ilia Eloshvili, discussed the energy investment climate in Georgia. He highlighted the importance of communicating the realities of energy sector development to the public. Journalists posed questions to Mr. Eloshvili for an extended dialogue. The informal format created a unique “open atmosphere” for the exchange of opinions on issues of public support for energy sector reforms.



Deputy Minister of Energy Ilia Eloshvili

**Session on capital markets reform.** In addition to the PPD sessions, journalists participated in a media information visit Kakheti on July 4-5, to meet with capital market experts for information on technical areas of capital market reform. Sessions covered financial instruments, issuing corporate bonds in Georgia, foreign direct investment, the role of capital markets, investment banking and the findings of the diagnostic study. George Paresishvili, CEO of the Georgian Stock Exchange, George Pertaia, Head of the Georgian National Investment Agency, and Aleksi Aleksishvili of Policy Management Consulting Group (PMCG) presented, in addition to Gogichaishvili and Singletary.



Giorgi Paresishvili making a presentation to the journalists at G4G event

**Five events to inspire and develop youth:**

**International Black Sea University (IBSU) presentation.** April 23, G4G in partnership with the International Black Sea University, organized a meeting for students to introduce the G4G Internship Program. Fifty students from a variety of faculties participated in the event. G4G Deputy Chief of Party, Natalia Beruashili presented the G4G project and discussed internship opportunities. G4G is planning to conduct further meetings with other universities for the project’s duration.

**Georgian Technical University (GTU) energy conference.** April 29, G4G together with GTU, held the “Youth Integration in Electricity Trading Mechanism Development” conference at the University Conference Hall. Vice-Prime Minister and Minister of Energy of Georgia, Kakha Kaladze, delivered a welcoming speech stimulating students to consider careers in the energy sector as youth talent and enthusiasm are vital for its development. He emphasized USAID assistance to Georgia particularly towards ensuring energy security and developing an ETM to enable Georgia in trading its clean energy across borders.



*Vice-Prime Minister and Minister of Energy Kakha Kaladze*

**Setting the path for success for young women.** May 7, 2015, G4G in collaboration with the Academy of the Ministry of Finance conducted a seminar, “Setting the Path for Success.” The seminar was held to provide perspective and role models for young women for their future. Successful women from various professional backgrounds shared their knowledge and experience. Speakers included: Tamar Japaridze, Director of the Academy of the Ministry of Finance, Nato Beruashvili, Deputy Chief of Party at G4G, Ana Mikadze – Chikvaide, Chairwoman of Georgian Cheese Producers Union, Manana Manjgaladze, Georgian Industrial Group, Head of the Public Relations Department, and Marina Kurtanidze, “Mandili” wine company founder.



*Stuart Nelson, GM of Hilton Batumi*

**Youth entrepreneurship.** May 29, 2015, G4G and the Academy of the Ministry of Finance conducted a seminar for students to learn the key aspects of starting up and managing a business. Students from a variety of universities attended to hear from three professionals in the areas of starting business, maintaining business, and insolvency. Misha Chkuaseli, founder and owner of Gurieli Company, described the challenges he experienced in starting up and maintaining his company. Business Consultant, George Eminashvili, presented 10 keys to success for running a business. Milo Stevanovich described international insolvency practices, business rescue options, and advice on how to manage the process.

**Career skills workshop.** June 19, 2015, G4G and the youth organization AIESEC held a joint seminar on personal and professional skills for career development for students in Adjara. Sessions were conducted by AIESEC leadership, General Manager of the Hilton Hotel, Batumi Stuart Nelson who discussed the challenges of management and personal outlook, techniques for management he has utilized for success. Michael Martley, G4G Communications Lead, provided an overview on resume writing, motivation letters, interview skills, and career planning. Forty-one students from Batumi Shota Rustaveli State University and AIESEC attended the event; many of them requested follow up information for reference.

**G4G staff supports disaster relief.** During the June flood in Tbilisi, Georgian citizens rose to the occasion of helping each other in a time of need. G4G staff members, on their own initiative, also contributed to the cause within their capacity.



*Zaza Chelidze, Eka Chitchinadze from G4G*



*Hippopotamus escaped from Tbilisi Zoo*



*Image of damage*

## 4. MANAGEMENT & OPERATIONS

### 4.1 WORK PLANNING

G4G uses its quarterly and annual reports to report additions or revisions to activities during the duration of each year's work plan. These adjustments will be made in consultation with USAID during scheduled meetings, and new (or cancelled) activities will be annotated in the work plan output table in each G4G contract report.

### 4.2 KNOWLEDGE MANAGEMENT AND COMMUNICATION

During Year 1, G4G implemented activities and programs outlined in its Knowledge Management (KM) Plan, providing outreach to all project constituents (200 contact persons) and the public in general.

**Table 1: Year 4 Outputs, Communication**

OUTPUTS	STATUS
Weekly, quarterly and annual reporting	Ongoing
Quarterly newsletters issued	Ongoing
Press releases developed and issued	Ongoing
Case studies and success stories	Ongoing
Event briefing reports (Event memos)	Ongoing
USAID DEC report submission of approved deliverables on weekly basis	Ongoing
Use of social media (Facebook)	Ongoing
Google web site: G4G Public Files was created and Project reports and studies were shared with ten major universities to make available for their students and scholars. New reports continue to be added for public viewing.	Ongoing
Development Data Library (DDL) – G4G is working on identifying and collecting structured intellectual work/data to submit to DDL sight, as a contractual requirement.	Ongoing

### 4.3 PROCUREMENTS & GRANTS

After approving the G4G Grants Manual in February 2015, G4G started to develop Scopes of Work (SoWs) and Requests for Applications (RFAs) for upcoming grant projects to implement in Year 1. G4G has allocated additional resources to manage grant procedures in compliance with USAID rules and regulations to administer them in a fair and transparent manner, including additional grant staff.

As part of its procurement process, Deloitte secures financial and programmatic buy-in from stakeholders and counterparts to leverage its funds and ensure beneficiaries have a stake in achieving results. To date, \$27,138 of Project procurement have been allocated toward events and other activities, and generated an additional \$29,785 in contributions by Project stakeholders and beneficiaries.

Under the grant program, sixteen RFAs were issued. Eleven grant awards have been signed and are in the implementation process. Two applications are currently under the selection process and two more awards will be signed by the end of October. Only one RFA was canceled and service contract signed for development of the Exporters Guide to Free Trade Conditions under the DCFTA Regime.

The total amount of signed grant awards is \$455,508 and grantee cost share contribution is \$89,409.

For Year 2, G4G plans to award approximately twenty-seven grants under a total approved Year 2 Grant Budget \$750,000.

The summary of grant activities is provided in Annex 7.

## 4.4 G4G PMP

G4G is submitting the required Geographic Information System (GIS) compatible information about project activities to USAID along with its required contract reports. The project has filled out the “Project General and Activity Data Template” that will be submitted to the USAID/Caucasus Program Office.

**Table 2: Year 1 Outputs, PMP**

OUTPUTS	STATUS
Semi-annual GIS Reporting	Ongoing
Semi-annual PMP Reporting	Ongoing

**USAID’s Development Data Library (DDL).** G4G began preparatory work in order to implement requirements for DDL. G4G personnel are working on understanding the DDL requirements and policy. There is ongoing work to identify the data that shall be incorporated in DDL.

**Indicators annual targets fulfilment.** At the close of Year 1, the project met or exceeded all indicators. Annual targets were increased for the indicators 1.2, 1.4, 1.5, 2.3, 2.4, 4.5, 5.1, 5.3, 5.4, 6.1. The annual targets for the indicator 1.3 were revised in accordance to the definition of USAID FTF indicator. More detailed information can be found in Appendix A.

## 4.5 GENDER EQUALITY

G4G mapped gender organizations and issued the women’s empowerment grant which will build capacity of women entrepreneurs to effectively participate in economic governance and national PPD. In addition, G4G in cooperation with the Academy of the MoF, conducted a session “Setting a Path for Success” for female students from Tbilisi State University and Caucasus University (See section 5.1.1).

## 4.6 YOUTH SKILL DEVELOPMENT AND CIVIL PARTICIPATION

G4G mobilized its internal internship program for university students to build professional skills and capacity to participate in G4G supported reform processes, including policy reform formulation, advocacy and public-private dialogue. During the reporting period, G4G mapped the youth organizations and conducted several open lectures in Tbilisi and Batumi for the youth community. In addition, G4G designed a grant to build the students’ capacity to effectively advocate for reforms. A RFA was issued, proposals received, and are currently under review. (See section 5.1.1).

## 4.7 ENVIRONMENTAL EVALUATION

The environmental threshold finding for the G4G program (the Initial Environmental Examination [IEE]<sup>1</sup>, DCN: 2013-GEO-053) evaluates current and future activities under the G4G program and states that the proposed interventions of the G4G program will not have significant adverse environmental and social impacts. Hence, the G4G program received Categorical Exclusion Determination according to approved IEE. No activities with significant negative environmental and social impact were implemented during this rating period.

In order to identify potential adverse environmental effects associated with planned activity(s) and processes, G4G developed the Threshold Environmental Checklist and Review (TECR) template and

<sup>1</sup> The Initial Environmental Examination (IEE) is the document prepared by USAID and represents the initial screening of G4G program activities. IEEs establish mandatory environmental “conditions” [mitigation actions] that must be fulfilled during project or activity implementation to protect the environment and human health and welfare. The Initial Environmental Examination (IEE) for the G4G program was drafted and approved by the Europe and Eurasia Bureau Environmental Officer (BEO) on July 9, 2013 (DCN: 2013-GEO-053).

received USAID approval for use. The TECR was used for all activities implemented by G4G and is attached to final deliverables.

## 4.8 SMALL BUSINESS (SB) UTILIZATION

During Project Year 1, Deloitte subcontracted 2% of the funds with Women-Owned Small Business. The goal for the period was set at 1.46%. This is also the overall small business utilization percentage.

# 5. PROGRESS OF ACTIVITIES BY REFORM

## 5.1 OVERALL INSTITUTIONALIZED FRAMEWORK FOR PUBLIC CONSULTATION

### REFORM OBJECTIVE

Sustainable institutionalized dialogue platform to improve the quality of all legislations; emergence of a Culture of Collaborative Consultation (CCC).

### 5.1.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**Support National PPD platform.** Strengthening a structured and participatory civil society platform and supporting constructive dialogue between state officials and the civil society are the central objectives of G4G. During Year 1, G4G identified five platforms where the project can interact to track government policies and engage stakeholders to actively participate in collaborative consultations. These platforms are: Trade Advisory Group, EBRD Investment Council, Business-Parliament PPD Platform, EPAC and Journalists Dialogue.

The MoESD requested technical assistance for the establishment of a consultative body on trade policy issues. In response to the MoESD request, G4G sought a consultant to develop and design a governance model for a Trade Advisory Group (TAG). Findings revealed that the TAG requires a functioning governing structure, support from the MoESD, high engagement of civil society groups and continued efforts to strengthen the appropriate institutions that will support a consultative group. The consultant recommends the members of the group to be composed of regular members, a chair, a vice-chair, and *ex officio* members. In Year 2, G4G will assist the MoESD in operating procedures and ongoing management of the TAG. G4G will also work with the MoESD and relevant CSOs to conduct TAG meetings and subcommittee meetings as appropriate.

In Year 1, G4G collaborated with the EBRD Investment Council Secretariat and planned joint activities to build a high-level PPD platform. G4G also collaborated with the BEC and established a relationship to support (in Year 2) the Business-Parliament PPD Platform. The objective is to strengthen the legislative dialogue on economic issues between the business community and the Parliament of Georgia. Under the umbrella of EPAC, G4G mobilized 34 CSOs, think-tanks and chambers of commerce to confer with the government and address key challenges with a unified voice.

In order to study existing PPD mechanisms in Georgia, G4G issued a grant to conduct assessments on collaborative governance gaps and existing and emerging national platforms. The study diagnosed the problems and revealed the distrust between public and private sector actors resulting in limited responsiveness of public sector institutions to the requests of the private sector. Meanwhile, an increasing number of policy and governance challenges such as inclusive growth, government accountability, and creating a business enabling environment demands private sector participation to generate viable solutions. The grantee developed a PPD reform roadmap aiming at building legitimacy into policy processes, catalyzing reforms and promoting inclusive policy making.

G4G components closely collaborate with each other to build trust among stakeholders and narrow gaps between the public sector and civil society, to inform them of the benefits of constructive dialogue and build their capacity to effectively engage in the implementation of G4G target reforms. Throughout Year 1, G4G organized a number of PPD events to set policy priorities, improve legislative proposals, and incorporate feedback into regulatory implementation.

- PPD on Tax Payment Reform, November 19, 2014;
- PPD on Food Safety Reform under DCFTA, December 26, 2014;
- PPD on Foreign Land Ownership, February 13, 2015;
- PPD on Crop Insurance Development, Current Challenges and Perspectives, February 10, 2015;
- PPD on Establishment of Consolidator for Small Hydropower Plant, March 11, 2015;
- PPD on DCFTA Awareness Raising Event (Ozurgeti), March 23, 2015;
- PPD on DCFTA Awareness Raising Event (Poti), March 24, 2015;
- PPD on Customs Legislation, March 26, 2015;
- PPD on Women's Role in Economic Growth and Policy Development, March 31, 2015;
- PPD on Developing Competitive Energy Market, April 2, 2015;
- PPD on Trade Facilitation System, Fifth Steering Committee Meeting, April 8, 2015;
- PPD on Innovations and Technology Development, Coordination Meeting, April 7, 2015;
- PPD on Georgian insolvency System, May 8, 2015;
- PPD on Customs Issues, April 13, 2015;
- PPD on TFS with freight-forwarders, April 20, 2015;
- PPD on Water Resource Management (Dusheti), June 9, 2015;
- PPD on Water Resource Management (Mtskheta), June 24, 2015;
- PPD on Capital Market Reform, June 31, 2015;
- PPD on Capital Market Reform, July 7, 2015;
- PPD on Capital Market Reform, July 14, 2015;
- PPD on Capital Market Reform, July 21, 2015;
- PPD on Planned and Implemented Changes to Tax Legislation, July 9, 2015;
- PPD on Draft Water Law, August 2, 2015;
- PPD on Electricity Sector Development Next Steps, August 3, 2015;
- PPD on GITA's Activities for Civil Society, September 29, 2015;
- PPD on Customs Legislation and Enforcement, September 29, 2015.

### **Engage Media in the National PPD.**

During Year 1, G4G issued a grant for conducting an “Assessment on Constraints Journalists Face in Covering Economic Reforms.” During the first phase of activities, the grantee conducted interviews and focus group discussions as well as studied the constraints of economic profile media outlets in Georgia. The final assessment will be developed in Year 2, when the grantee develops recommendations and an action plan that will help G4G to design a comprehensive program improving the economic reporting on G4G target areas. By the end of the grant program, the grantee will organize a roundtable discussion with media professionals on the constraints identified by the assessment, and discuss the action plan and its impact on economic journalism development.

G4G convened a WG of twenty economic profile journalists (*from the following media outlets: Georgian National Broadcaster, Rustavi 2, Imedi, Maestro, Tabula, Liberali, IPN, BPN, GHN, Commersant, Messenger, Georgia Today, Financial*) to provide an accurate understanding of economic reforms and economic policy issues through informational seminars, training sessions, as well as practical field study tours. The activities provide the WG with appropriate knowledge of G4G target reforms and facilitate their involvement in PPD. G4G observed that journalist dialogue improved the quality and quantity of media coverage on economic policy, particularly on G4G reform areas.

As part of the above mentioned activities, G4G conducted the following events:

- Offsite workshop to present G4G and its initiatives, April 4-5, 2015;
- Coffee and Conversation on TFS, May 2, 2015;
- Offsite study tour on hydropower plants and ETM, May 30-31, 2015;
- Off-site study tour on Capital Markets, July 4-5, 2015;
- Site tour on Innovation and Technology, July 18-19, 2015;

- Offsite Media Tour on Waste Management, September 19, 2015.

**Engage Youth in the National PPD.** Prior to beginning capacity building activities with youth, G4G mapped the existing youth organizations. This was followed by a number of open sessions conducted in cooperation with different educational institutes.

On April 30, 2015, insolvency experts delivered a seminar “Insolvency: Overview of Emerging Standards and Practices,” for students at International Black Sea University (IBSU). The session was designed to inform the attendees on the basics of insolvency and discuss general principles of the framework used in the international community.

On May 29, 2015, G4G in cooperation with the Academy of the Ministry of Finance conducted a session “10 Rules – How to start your own Business,” for students from Tbilisi State University. The objective of the session was to inspire students for a successful future and provide them with useful tips for starting their own businesses. The event was opened by a lecture that focused on issues that must be taken into consideration when starting a business. The lecturer, George Eminashvili, discussed products and services, start-ups, competition, investments and consumers. He also provided students with professional advice and helped them put their business ideas on paper. The students made short presentations of their business ideas while Mr. Eminashvili challenged them. The students were also given an opportunity to meet Mikheil Chkuaseli, the owner of the tea company “Gurieli,” and learn how one of the most successful companies in Georgia was established, what challenges he faced, and how he overcame obstacles. The event was closed by Milo Stevanovich, G4G Chief of Party, who delivered a presentation on insolvency. All sessions were very interactive and produced great interest among the students. G4G will continue cooperation with the Academy of the Ministry of Finance on a permanent basis.

Another seminar, “Path to Success,” was held in Batumi on June 19, 2015. The purpose of the seminar was to enlighten students on trends and methods for increased employability, as well as learning from experienced professionals on effective management skills. The sessions focused on personal branding, management, and employability skills. Specifically, the opening session was delivered by the student organization AIESEC leadership, Paulina Rogala and Eze Ikechukwu, who gave the students relevant perspective on how to interact in today’s society, emphasizing the careful use of social media. Mr. Ikechukwu further discussed the image one portrays in personal life and its importance in relation to professional life. The second session was held by Mr. Stuart Nelson, General Manager of the Hilton Hotel, Batumi. Mr. Nelson discussed the challenges of management and techniques he has utilized for success. The seminar was closed by a session delivered by G4G Communications Lead, Michael Martley, who provided an overview on resume writing, motivation letters, interview skills, and career planning. In addition, an overview of internship opportunities at G4G was discussed.

G4G has issued a RFA for a youth governance program aimed at building students’ capacity to effectively advocate for reforms. The proposals have been received and a decision is under review for grantee selection.

**Engage Women in the National PPD.** During Year 1, G4G conducted a number of gender-related activities. The project mapped local gender organizations and awarded the grant program “Empowering Women in Business” aimed at strengthening women’s capacity in leadership that includes business planning, effective management, communication, etc. This six month grant program was awarded to the Association of Young Economists of Georgia (AYEG) and commenced on June 29, 2015. The grantee started activities with an outreach campaign in Tbilisi and the regions. The meetings were conducted in Telavi, Mtskheta, Gori, Tserovani, Khashuri, Kareli, and Tbilisi. AYEG in cooperation with G4G selected twenty participants for the first 4-day training session on business management. The training was held on September 16 - September 19, 2015, at AYEG’s office. Training topics included: spirit of entrepreneurship, business registration and legal forms of business, business plan, management, risk management, and marketing. In addition, the participants had an opportunity to participate in two case studies: the two Georgian stores “Butterfly” and “Goodwill.” The participants were required to complete pre- and post- tests to determine the extent of their knowledge increase. The pre- and post-tests demonstrated the participants’ knowledge increase by 34% on average. The training sessions will be followed by mentoring and individual consulting sessions in October.

**Reform Progress Tracking System (RPTS).** During Year 1, G4G prepared the grant RFA for the Georgian Reform Tracking System. In August, the grantee was selected to develop, implement and operate the reform tracking mechanism during the next 3 years. This tracking system is expected to provide a diagnosis of government reform progress on G4G and other key reform areas.

**PPD Tracking System.** G4G has developed a RFA and tendered the 3-year grant for PPD Quality Tracking. The objective of this grant is to develop and implement a “PPD Quality Tracking Mechanism” for which each major law or regulation proposed by selected key ministries will be evaluated upon the extent and quality of inclusive consultation and assign a rating in terms of four PPD quality parameters:

- A. Policy Design and Development;
- B. Legislation/Policy Drafting;
- C. Regulatory Impact Assessment (RIA);
- D. Circulation and public comment.

## **GOG CAPACITY STRENGTHENING**

**Support National PPD Platform.** Refer to paragraph 1 under the section “**SUPPORT PUBLIC PRIVATE DIALOGUE.**”

**Support National RIA Framework.** During Year 1, G4G held consultations with the GoG and other donor projects on potential support for institutionalization of the RIA process in Georgia. In the beginning of May 2015, the EU funded project “Legislative Impact Assessment, Drafting and Representation Location,” was launched with a separate component on RIA. On May 15, 2015, G4G met the EU funded project and agreed to coordinate RIA related activities in order to avoid any overlaps.

On May 19, 2015, G4G held a meeting with Ana Gvenetadze, Head of the Policy Planning Unit at the State Chancellery, Shalva Tadumadze, the Government’s Parliamentary Secretary, and USAID Good Governance Initiative (GGI). The meeting covered G4G, GGI and EU project involvement and roles in the implementation of RIA. It was agreed that the Prime Minister’s (PM) office will come up with a final plan and specific areas of support by all three projects. According to the PM’s Office request, G4G will assist the government to design the overall framework of RIA across the GoG. The advisory support will include: the description of the RIA process; definitions of stakeholder roles and responsibilities; criteria to identify regulations subject to RIA and; RIA methodologies. G4G was requested to provide international expertise and advisory support in designing the concept.

G4G selected an international RIA expert who will arrive on October 5, 2015, the beginning of Year 2. The expert will conduct the work in October 2015.

## **PRIVATE SECTOR & CSO STRENGTHENING**

During its first year of activities, G4G developed stakeholder maps of CSOs including gender, youth and media to expand opportunities for their meaningful participation in policy and decision making processes.

Meetings and capacity building workshops were held with business associations, NGOs, and think-tanks. As a result of these activities, the idea of establishing EPAC was created. EPAC will actively engage in G4G activities and participate in constructive dialogue with the GoG.

**Develop Reform Progress Tracking System.** Refer to “**Develop Reform Progress Tracking System (RPTS)**” under the section “**SUPPORT PUBLIC PRIVATE DIALOGUE.**”

**Engage Media in National PPD.** From the beginning of its operation, G4G designed a program to educate media professionals on economic reforms and economic policy issues through informational seminars, training programs, as well as practical field study tours, providing them with appropriate knowledge on G4G target reforms and facilitate their involvement in PPD. During Year 1, G4G has convened a WG of influential economic reporters from the following media outlets: Georgian National Broadcaster, Rustavi 2, Imedi, Maestro, Tabula, Liberali, IPN, BPN, GHN, Messenger, Georgia Today, The Financial.

G4G issued a grant for conducting a study on constraints of economic journalism in Georgia. The assessment will help G4G to further design a comprehensive program in order to improve the economic reporting on G4G target areas, break the barriers between journalism and technical fields, and improve access to institutional information for media professionals. (Refer to the previous section “**SUPPORT PUBLIC PRIVATE DIALOGUE.**”

**Engage Women in the National PPD.** On March 31, 2015, G4G in cooperation with the Georgian Women Business Association (GWBA) conducted the conference “Women’s Role in Economic Growth and Policy Development.” The conference, the first of its kind in Georgia, focused entirely on strengthening women’s leadership in the policy making process on economic growth. Among those who shared their knowledge and experience with the conference participants were: Ketevan Bochorishvili, the Deputy Minister of Economy and Sustainable Development, Mariam Valishvili, the Deputy Minister of

Energy, and other distinguished women leaders. The conference was attended by approximately 170 women and was followed by the market exhibition of Georgian women entrepreneurs and a live charity auction organized by GWBA.

On 7 May 2015, G4G in cooperation with the Academy of the Ministry of Finance conducted a session “Setting a Path for Success” for female students from Tbilisi State University and Caucasus University. The objective of the session was to inspire students for successful futures. The event was opened by the Director of the Academy, Tamar Japaridze, and G4G Deputy Chief of Party, Natalia Beruashvili. Ms. Japaridze and Ms. Beruashvili shared their personal success stories with the attendees. This was followed by a lecture that focused on steps that can lead to success. G4G invited Manana Manjgaladze, Head of PR of the Georgian Industrial Group, Ana Mikadze-Chikvaidze, the Chairwoman of Georgian Cheese Producers Union, and Marina Kurtanidze, founder of the wine company “Mandili.” The guests shared their experiences, as well as obstacles and challenges they overcame on their path to success. The session inspired students and demonstrated that success can be reached through hard work, knowledge, and determination.

**Engage Business Associations in PPD.** In Year 1, G4G conducted many capacity building activities for business associations. On April 22-24, 2015, G4G consultant Camelia Bulat, held an Association Capacity Building Workshop for Georgian Business Associations. The workshop was attended by representatives of eleven associations. The workshop focused on the following three topics: advocacy, membership, programs and services. Ms. Bulat discussed these topics using real world scenarios from associations represented at the workshop and challenged them with opposing opinions. She also introduced to the participants what is advocacy, its difference from lobbying, and how associations should advocate for the benefit of their members. This newly gained knowledge will help the associations to engage in meaningful advocacy campaigns in the future and represent their members’ interests in PPDs. The sessions were very interactive and gave the participants the opportunity to ask Ms. Bulat numerous questions related to their activities. In addition, it helped the association representatives to generate new ideas for membership attraction, new services and programs, as well as strengthen their network.

On May 19-21, 2015, G4G consultant Carmen Stanila, conducted a Coalition Building Workshop for Georgian business associations. The objective of the workshop was to introduce the benefits of working together as business associations and emphasize the importance of approaching the Government with one unified voice.

The workshop presented how coalitions work in other countries and why it is important to advocate for policy reforms in a unified manner. In addition, the G4G GoG Component Lead, Nino Chokheli, discussed the challenges and ways of cooperation with the government, while G4G Deputy Chief of Party, Natalia Beruashvili, introduced to the participants the concept of the G4G reform progress tracking system. The theoretical piece was followed by discussion that was facilitated by Ms. Stanila and G4G Chief of Party, Milo Stevanovich. The discussion led to the identification of issues for further cooperation. Specifically, the participants expressed their interest to join the EPAC and acknowledged the value and benefits of approaching the GoG with one unified voice. The participants agreed on a common mission of a new coalition, and identified four reform priorities.

**Establishment of the EPAC.** Following two workshops and several meetings with business associations, think-tanks, NGOs, and chambers of commerce operating in Georgia G4G supported finalization of the Memorandum of Cooperation. The draft was shared with all founding members and their feedback incorporated into the final version. The mission of EPAC which unites 33 founding members is to support the development of a business-friendly policy environment through inclusive dialogue between public and private sector actors. EPAC members will meet regularly to initiate and advocate new policies to improve business environment in Georgia. The launch of EPAC with a public memorandum signing ceremony took place on September 15. All EPAC members were awarded certificates to acknowledge their foundational contribution to EPAC establishment. The first PPD meeting with the participation of EPAC members took place on September 22, 2015. At this event DCFTA related issues were discussed.

## 5.1.2 PPD SUCCESSES AND LESSONS LEARNED

During Y1, G4G observed that the GoG lacks capacity to properly communicate with stakeholders in the PPD process and bring the appropriate level of interest and engagement of the private sector in the policy making process for constructive dialogue. The poor coordination among government bodies prevents the formation of credible reforms and to achieve results. In addition, civil society institutions and businesses do not effectively interact with each other in most cases. The lack of consensus and the different priorities among the CSOs act as a barrier to advocate on certain issues improving the business climate.

Businesses (particularly SMEs) typically have limited capacity to provide relevant feedback to the GoG due to insufficient knowledge of certain issues.

The Foreign Land Ownership PPD provided G4G with the first lesson learned for successful dialogue. The private sector played a very active role in criticizing amendments to the law which have not been adopted to date. This PPD showed that a well prepared and dynamic business community joined with an informed media can present a strong message to the government and be effective in achieving outcomes.

### 5.1.3 CHALLENGES TO ACHIEVING REFORM RESULTS

The biggest challenge to strengthened national PPD is in improving the level of cooperation between the public, private and civil society actors. The individuals willing to participate in PPD tend to lack the capacity to effectively engage in constructive dialogue.

High level of engagement of the private sector in the policy formulation process takes time and requires a medium to long-term strategy composed of capacity building, measurable goals, and commitment. Frequent change of top management in GoG entities hinders successful implementation of planned initiatives.

While USAID support has been instrumental in introducing isolated and generally *ad-hoc* examples of public-private dialogue, effective collaborative governance is lacking.

## 5.2 ENERGY STRATEGY REFORM

### REFORM OBJECTIVE

Coherent Strategy that leads to the effective, economically justifiable and sustainable energy production, delivery and consumption consistent with environmental requirements.

### 5.2.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**PPD on Energy Strategy Reform.** On August 3, 2015, G4G organized a PPD event on Electricity Market Development for Market Players (MPs) and the government stakeholders. Representatives of the GSE, Electricity System Commercial Operator (ESCO) and Georgian National Energy and Water Supply Regulatory Commission (GNERC) discussed issues related to electricity sector development and advanced Georgia's progress towards a competitive electricity market. GSE introduced its strategic view on electricity sector development, particularly introduction of the ancillary service market in Georgia, promoting electricity system security and energy independence which is a primary goal of Georgia's energy strategy. Additionally, GNERC's role in the process of market development was discussed.

#### GOG CAPACITY STRENGTHENING

**Ministry of Energy Capacity Building on Energy Strategy.** Consistent with G4G recommendations, the MoE created WGs comprised of energy sector stakeholders to draft the Energy Strategy. G4G guided members of the WGs on the structure of the content and outline of each chapter. WGs were focused on the following areas: Electricity, Natural Gas, Oil and Energy Efficiency and Renewable Energy Sources (RES).

G4G supported the Analytical Department of the MoE in developing a set of assumptions for the "Business As Usual" (BAU) scenario of the MARKAL (Market Allocation) Georgia model. On the basis of these assumptions, the MARKAL model will deliver projections on economic growth and its potential impact on energy demand for various energy consumers.

G4G produced a report on the inputs for the BAU/reference scenario of the MARKAL Georgia model. The document provides a comprehensive overview of the assumptions and data sources for various energy sectors including electricity, natural gas, oil, coal, geothermal, wood and hydropower.

G4G collaborated with USAID's Enhancing Capacity for Low Emission Development Strategies (EC-LEDS) Clean Energy Program implemented by Winrock International to develop the BAU scenario for the MARKAL Georgia Model. G4G will use data sets developed by the Analytical Department of the MoE supported by the EC-LEDS project and will use different scenarios for strategic planning in MARKAL Georgia. The outputs of the MARKAL Georgia will be used by the MoE for the Energy Strategy development.

The G4G energy team developed a scope of work and commenced competitive bidding for the survey that includes energy and water use, development of customer category load shapes and issues related to the “Value of Lost Load” (VOLL). The VOLL will indicate a value that consumers place upon electricity lost due to power outages which is commonly used by energy regulators in evaluating individual investment programs proposed by transmission and distribution network operators. This data will be used in the process of energy strategy development. The survey will support ministries, agencies, and private sector companies to perform planning, allocation and development of resources through obtaining complete end-use consumption data that is crucial for long term policy and strategy development, for both the energy and water sectors. At the first stage, the results will be used by the MoE in the MARKAL Georgia model.

The G4G energy team, together with MoESD, initiated discussion on the national electricity demand forecast and elasticity related to Gross Domestic Product (GDP) and electricity consumption. The absence of analytical tools and capacity to forecast energy demand is a challenge for the MoESD. Currently, the GoG decisions on energy infrastructure investments leading to additional state liabilities are based on calculations of rough forecasts of energy demand. The aim of the MoESD is to build internal analytical capacity to address this issue. G4G, together with the MoESD, worked on electricity demand forecasting and on relationship between electricity consumption and GDP growth. Meetings with Irma Kavtaradze, Deputy Minister of MoESD, and her working group were held during Year 1. G4G presented a draft excel model on Electricity-GDP analysis. It was agreed that the MoESD will provide input and G4G will develop a short report on the status of the work in order to be presented to the GoG.

A New Energy Policy was adopted on June 24, 2015, by the Parliament of Georgia. The MoE is working to finalize the strategy paper. The MoE has requested G4G to provide technical support on strategy development process in the second year.

## **PRIVATE SECTOR & CSO STRENGTHENING**

No specific activities were implemented within the reporting period related to Energy.

### **5.2.2 PPD SUCCESSES AND LESSONS LEARNED**

G4G has been assisting energy stakeholders in identifying issues and concerns. PPD participants unanimously agreed that regular dialogue between the state agencies and the private sector is necessary to ensure a smooth transition to the competitive electricity market. In addition, the consensus among the event participants was that competitive market prices are more fair and nondiscriminatory than the regulated prices.

After observing the PPD process, it became obvious that MPs need capacity building on market development issues. It is also important to have more coordination between GoG institutions and GNERC in development of energy policy and strategy.

### **5.2.3 CHALLENGES TO ACHIEVING REFORM RESULTS**

The MoE created an additional WG for Energy Strategy Development to discuss energy supply security issues. This is a closed group comprised of MoE and state owned Energy companies, which unfortunately at this stage does not include private sector and civil society representatives. As energy security is becoming an increasingly important part of the strategy, all relevant stakeholders should be involved in discussions.

While the MoE is G4G’s primary counterpart, Energy as a policy area crosses a number of boundaries and ministry portfolios. Disagreements between ministries are not uncommon, and they have the potential to delay, distract or even derail the strategy development process.

Despite the attention historically given to hydro and other energy sources in Georgia, there is a surprising lack of hard data or substantive analysis in the sector. There has been no formal study on the potential of different resources.

G4G progress on Energy Strategy reform greatly depends on the MoE’s schedule of completing the draft Energy Strategy paper. Process was pending due to adoption of Energy Policy by Parliament, as it is the legal basis for a future energy strategy.

## 5.3 ELECTRICITY TRADING MECHANISM REFORM

### REFORM OBJECTIVE

Effective ETM to enable Foreign Direct Investment (FDI) necessary for development of small and medium hydropower plants which are vital for clean and low cost energy for Georgia.

### 5.3.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**ETM PPD.** On March 11, 2015, G4G organized a PPD event between Energy MPs and GoG representatives (MoE, State Security and Crisis Management Council of Georgia, GSE and Electricity System Commercial Operator (ESCO). Topics of discussion included: initiative of small power producers to consolidate in order to effectively trade in the Turkish electricity market; GoG's activities on implementation of ETM and; MPs involvement in the process. Representatives of GSE explained the benefits of the ETM and presented the new web-based software to the MPs. Using modern IT technologies will improve MPs' ability to trade in competitive markets and forecast their next day electricity trades. The PPD participants requested G4G's support in organizing regular meetings on the ETM. At the request of the event participants, G4G will continue to provide assistance in holding additional meetings of the representatives of the Small Hydro Power Plants (SHPPs) to discuss further activities related to the establishment of the SHPP Consolidator and possible future cooperation.

On April 2, 2015, G4G organized a PPD session between Energy MPs and GoG representatives (State Security and Crisis Management Council of Georgia, GSE and ESCO). Main topics of discussion included recent developments in the energy market and planned activities related to cross-border electricity trading, congestion management, and capacity auctioning procedures. Representatives of the GSE explained the benefits of ETM and presented a new web-based software program to the MPs. The event had active discussions on various topics and GoG representatives were challenged by the MPs. At the conclusion of the session, participants agreed to further discuss the following topics: Introduction of concept of Distribution System Operator (DSO) and establishment of Ancillary Services Market in Georgia.

#### ENERGY (ELECTRICITY) TRADING POLICY GOVERNANCE

**ETM Capacity Building.** During Year 1, G4G actively supported the MoE, ESCO, GSE and GNERC in assessment of the future market model and detailed steps towards ETM implementation.

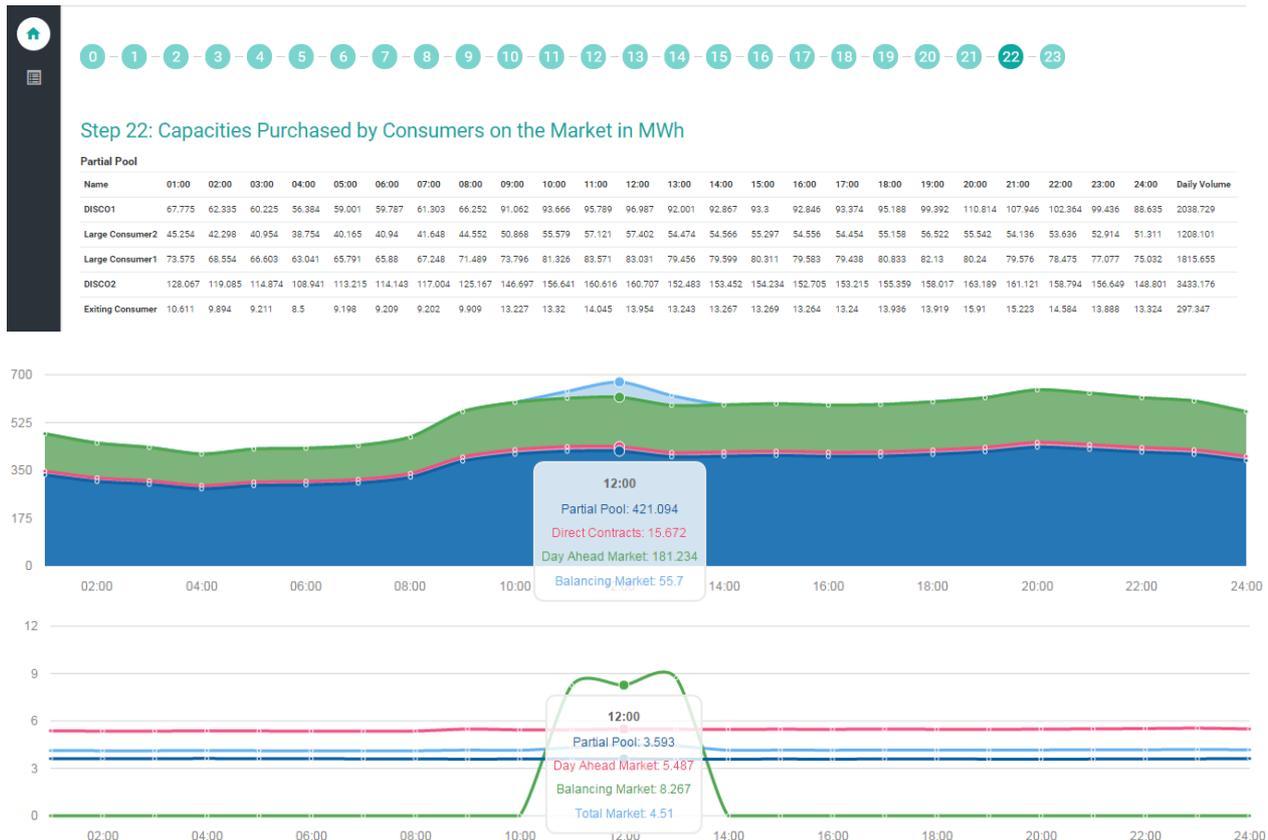
The MoE created an electricity sector WG to resolve a dispute on the future electricity market design between GSE and ESCO. The WG consisted of representatives from the MoE, ESCO, GSE and GNERC.

ESCO and GSE have different approaches towards the development of the electricity market. Existing concerns include the impact on the retail electricity tariffs due to gradual market deregulation. In order to resolve the issues of concern, G4G began to support the WG in analyzing impacts from movement towards a competitive market. In order to analyze a smooth transition to the hourly balancing market, a Market Simulation Model was developed by G4G and commenced simulation works together with GSE.

During the reporting period, subcontractor of G4G, Georgian Resource Development Services, completed the development, testing and installation of the Georgian electricity market simulation software at GSE. The software is a tool for assessing impacts of ETM implementation on the electricity market. The software is capable of simulating different market designs taking GSE's historical planned/actual metering data as an input. Results of simulations will assist the MoE in:

- Determination of Partial Pool (regulated market) optimal structure by seasons;
- Implementation of the Full Pool concept for additional daily agreements;
- Optimization of bi-lateral contracts system;
- Simulation of Day Ahead Market trading;
- Determination of the possible degree of pricing liberalization on Day Ahead Market;
- Balancing mechanism optimization including deviations and choosing appropriate pricing system;
- Impact of partial liberalization of generation prices on average generation price and comparison with existing market model;
- Impact of large consumers entry into the competitive market from regulated market (market opening);
- Impact of new ETM implementation (first stage) on retail tariffs;

- Analysis of transition to hourly/daily settlement.



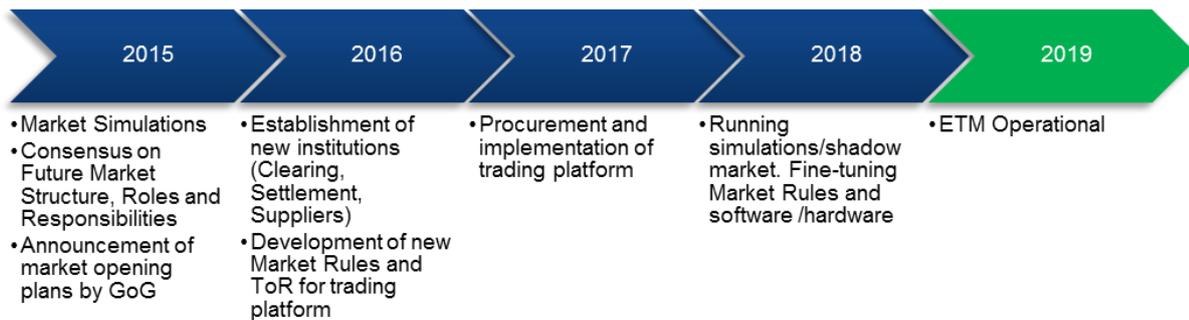
*Illustrative example: Screenshot of G4G developed Electricity Market Simulation Software*

**Technical assistance to MoE.** At the end of 2014, the MoE created an electricity sector WG to resolve differing opinions between stakeholders on the future electricity market design. Strong differing opinions still remain within the WG raising concerns that movement toward implementing the ETM will result in increased retail electricity tariffs and significant negative impact on some of the market players. In order to resolve the differences in opinion on the impacts on retail tariffs and to individual MPs from a transition to a competitive electricity market in Georgia, the WG has requested USAID’s assistance to the WG to fully analyze these impacts. The first request by the WG was to develop market simulation software for completing the analysis “**ENERGY (ELECTRICITY) TRADING POLICY GOVERNANCE,**” and “**ETM Capacity Building.**”

During Year 1, G4G held numerous working meetings with Deputy Ministers Iliia Eloskvili, Irakli Khmaladze and Mariam Valishvili on the software development process, updates on current activities and future steps.

On the accomplishment of Georgian Electricity Market Model (GEMM) 2015 milestones, G4G assisted the MoE to prepare the Energy Policy White Paper for Georgia setting out a strategic policy framework that addresses the priorities and challenges in the energy sector of Georgia. Based on this White Paper, the MoE developed the Energy Policy for Georgia which was adopted by the Parliament on June 24, 2015. Based on G4G’s recommendation, the GoG included ETM development as a core component of the Energy Policy.

Additionally, G4G developed the Road Map towards ETM implementation. The objective of the Road Map is to build consensus between stakeholders on initiating competitive electricity trading within Georgia, to establish responsibilities and deadlines and monitor the progress of implementation milestones. The Road Map includes the introduction of hourly trading and settlement, balancing the market, day ahead market, ancillary services market, clearing mechanism, electricity traders and gradual retail electricity market opening.



*ETM Implementation Plan: Activities for Market Opening and Introduction of Trading Software*

During Year 1, MoE, GSE and GNERC, with G4G support, took a number of important actions towards GEMM 2015 and ETM implementation:

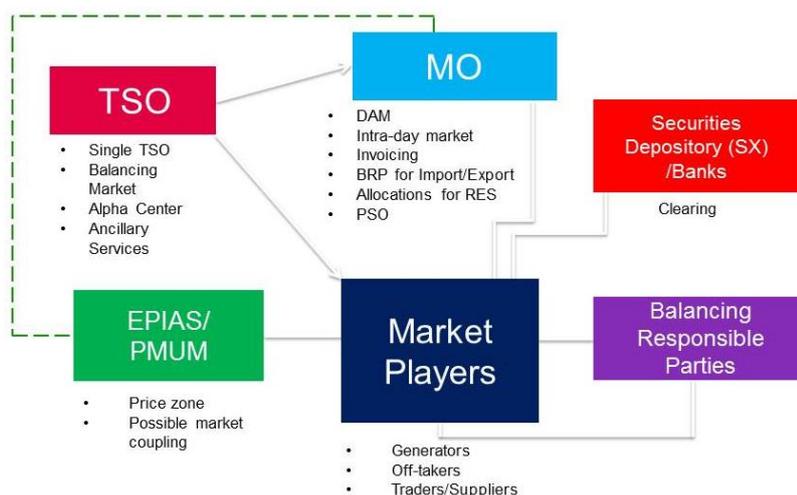
**Amendments to the Law of Georgia on Electricity and Natural Gas.** On December 12, 2014, changes to the *Law of Georgia on Electricity and Natural Gas* were adopted at the third hearing of the Parliament. The changes include the following areas initiated and recommended to the GoG during implementation of USAID Hydropower Investment Promotion Project (HIPP), HPEP and G4G projects:

- Settlement issues covering transit through Georgia;
- Obligation of the MoE to draft all needed changes to legal acts in regards to establishment of Ancillary Services Market by October 1, 2015;
- Establishment of Transmission System Operator (TSO);
- Obligation of the TSO to provide concept of organizing Ancillary Services Market and also recommendations for needed changes into the legislation regarding introduction of Ancillary Services by June 1, 2015;
- Obligation of the TSO and other transmission companies to sign transmission agreements within a month after these amendments are in effect;
- Obligation of the TSO to provide the first draft of Ten Year Network Development Plan (TYNDP) to the MoE and GNERC by January 31, 2015. The purpose of the Plan is to ensure reliability, safety and sustainable development of transmission network, and power quality, as well as, increase state electricity network’s transit potential;
- Obligation of the MoE to approve the first TYNDP by April 15, 2015.

**GoG and the Government of Turkey signed the “Agreement Concerning the Cooperation in the Field of Energy.” The agreement was supported by USAID and it is compliant to GEMM 2015. The Agreement covers the following issues:**

- Repayment of the electricity supplied historically by Turkey to Georgia;
- Joint development of an action plan of energy infrastructure projects by the end of the year 2016;
- Development of a relevant framework for annual, monthly, and daily interconnection auctions;
- Approval of a mutually agreed long term network development plan before the end of 2016;
- Use of European Network of Transmission System Operators for Electricity’s (ENTSO-E) best practices for all capacity allocation and congestion management activities;
- Signing of an agreement on building Akhaltsikhe - Tortum Power Transmission Line no later than 2016;
- Implementation of the Batumi-Muratli Project will be supported by both parties;
- Support by Turkey for Georgia to join ENTSO-E, in case Georgia decides to join.

**Technical assistance to ESCO.** Transformation of ESCO into an Electricity Market Operator (MO) is a major step towards ETM implementation. G4G played a major role in organizing discussions on roles and responsibilities of MOs in the competitive electricity market. G4G shared the proposed electricity market structure with ESCO and identified critical issues (market opening, clearing, protection of vulnerable customers, cross-border trading, etc.) to be addressed. G4G received comments from ESCO regarding the proposed ETM for Georgia. These comments highlight that the major difference between the proposed ETM and ESCO’s approach for the future market is only in the level of detail and not one of basic disagreement on the future power market design. Based on further discussions, ESCO and G4G agreed on the general concept of future market structure.



*Concept of Future Electricity Market Structure*

**Market rules amendments.** G4G identified several legal amendments needed for Georgia’s legal infrastructure to accommodate ETM. Four amendments were made to the Market Rules during the reporting period:

- Restriction of purchasers of subsidized thermal power plant produced energy to distribution companies;
- Softening of terms for providing bank guarantees to the Market Operator by exporters who are exporting electricity through the Black Sea Transmission Line. This amendment benefits private investors;
- Introduction of a term - Market Operator - another step forward towards ETM. “Electricity System Commercial Operator” is replaced by “Electricity Market Operator,” the term introduced by GEMM 2015;
- The fourth amendment is an echo of the latest GEL - USD exchange rate fluctuations. The amendment introduces the exchange rate loss/gain effect incorporation (arising through import of electricity) during the price formation of balancing electricity. This is a step forward to price formation on competitive grounds.

**Technical assistance to GSE.** G4G developed recommendations for GSE on improvement of the *Ten Year Network Development Plan (TYNDP)* by drawing attention to international best practices and providing practical recommendations taking into consideration Georgia’s requirements. Those recommendations were provided in a report finalized in Year 1.

G4G also developed a report on Interconnection Capacity Allocations and Congestion Management for GSE. The report includes concepts to be considered for development of cross-border electricity trade and interconnection capacity auctioning.

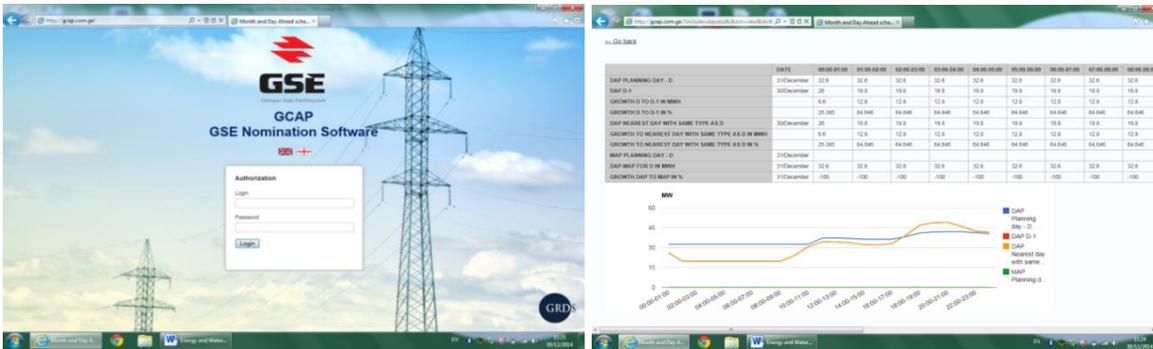
G4G organized meetings between GSE and the Georgian Stock Exchange. The purpose of the meetings was to discuss options for the introduction of a market clearing mechanism. During the meetings, similarities and differences between securities and electricity trading processes were identified. The Georgian Stock Exchange expressed its interest to become a clearing house and participate in the development of the Electricity Day Ahead Market (DAM). G4G held two workshops with the Georgian Stock Exchange on competitive electricity markets and the ETM.

G4G participated in joint harmonization meetings between GSE and Turkish Electricity Transmission Company - TEIAS. Topics covered during the meeting: Connection of Turkish Power System to European Transmission System, harmonization of the Turkish and Georgian Grid Codes Turkish Electricity Market development, perspective of development of the joint TYNDP between Turkey and Georgia.

At the end of the reporting period, G4G in partnership with GSE began electricity market simulations using newly developed simulation software. G4G held regular working meetings with GSE to discuss electricity market simulation process, possible scenarios, and input data. G4G developed more than 25 different scenarios for electricity market covering different market models, taking into consideration seasonality, liberalization of the market, and market opening. Initial results of the simulations are expected in October, 2015.

Other major achievements were met during the reporting period including:

**GSE began using Day Ahead Planning (DAP) software.** From December 1, 2014, the GSE began receiving DAP hourly nominations from electricity producers and consumers using web-based software. The DAP software was developed locally and allows GSE to plan next day hourly generation/consumption schedules based on electricity market participants nominations. To introduce an hourly electricity balancing market, every market participant must have capabilities to forecast their generation/consumption a day ahead, for each hour. DAP will be the precursor to the Hourly Balancing Market and DAP Exchange. DAP is an initial phase of the GEMM 2015 supported by USAID/G4G.



Sample Screenshots of GSE's DAP Software

**GSE started electricity transit (establishment of regional trading).** GSE held its first auction on electricity transit through a Georgian power system. The winner will begin selling 300 MW from Russia to Turkey starting December 1, 2015. This is the first transit transaction on the network. The changes in the Electricity and Natural Gas Law in 2013 and the revised market rules provided the basis for the auction.

**World Bank (WB) approved a loan (approximately \$6 million USD) to GSE that includes a significant level of funding for ETM-related software development.** WB approved a loan to GSE/GoG including funds dedicated to the electricity market software. WB is developing Terms of Reference (ToR) for assessment for a software and requested G4G support to review and comment on the proposed ToR for consistency with GEMM 2015. G4G continued close cooperation with WB on electricity trading software procurement, shared its current activities related to ETM implementation, and expressed readiness to support World Bank in establishing a trading platform in Georgia.

**Technical assistance to GNERC.** During Year 1, G4G actively engaged with GNERC to advise on the ETM implementation process. GNERC is currently developing the pricing methodology for new connections to the electricity transmission and distribution networks and rules for monitoring of cross-border capacity auctioning and trading. G4G was asked to support GNERC and conduct workshops on best international practices of the connection process, tariffs and associated monitoring. In response, G4G held the "Network Connection Pricing Methodology and Monitoring" workshops at GNERC. The workshops covered issues related to electricity network connection policy and rules, connection tariffs, template connection agreements and monitoring for connections. Key issues were also identified for instruction at the follow-on workshops. With the recent decision (Summer 2015) by GNERC to actively pursue opening of the retail electricity market, the level of market monitoring will greatly increase; therefore G4G developed a report on *General Framework for the Electricity Market Monitoring* which includes monitoring framework for the competitive retail market. G4G will continue to support GNERC capacity building on market monitoring areas in the next quarter. G4G was also asked to support the newly formed ETM WG in GNERC to address market opening challenges by providing capacity building and technical assistance to GNERC's staff. The objective of the WG is to review and assess Georgia's sector and international best practices on retail market opening in order to develop, adopt and monitor the implementation of a road map to follow for opening up Georgia's retail energy markets.

**Regulatory framework harmonization meetings between Georgia and Turkey.** G4G supported harmonization WG meetings between GNERC and the Turkish Energy Market Regulator (EMRA). The activity of this WG (harmonization of market regulations between Georgia and Turkey) is one of the main components of GEMM 2015. The WG was created during USAID HPEP and since then it conducts frequent meetings in both Georgia and Turkey.

**Private Sector MPs Support.** During Year 1, a series of training sessions were held for private sector MPs in the electricity sector. The training provided knowledge on competitive market operations in the EU and Turkey, models of electricity market structure and models for design. Advantages on market based price formation and clear allocation of responsibilities to different stakeholders in the energy market were highlighted. Interest to further develop the electricity market in Georgia and implement EU market principles was expressed by most of the participants. Training participants requested G4G's support in organizing regular meetings on ETM involving the MoE, GNERC, ESCO and GSE. MPs also expressed interest to organize a study tour to Turkey and an EU country to gain practical experience in competitive energy trading.

On February 17, 2015, TBC Bank, with the support of G4G and MoE, held an energy conference "Challenges and Developments in Hydropower Sector." The goal of the conference was to discuss the challenges and future development opportunities of Georgia's energy sector. It also aimed at sharing the experiences between the members of the Government, major MPs of the sector and field specialists. The conference was attended by over 100 attendees. G4G developed a presentation on the ETM that USAID delivered during the conference.

## **PRIVATE SECTOR & CSO STRENGTHENING**

**Women integration in Energy Sector.** No specific activities were implemented within the reporting period.

**Promotion of Energy Sector Associations.** An important role of G4G is to convene and organize private sector energy representatives to prioritize issues, gain consensus and support them to articulate their concerns to the GoG in an organized manner.

On December 17, 2014, G4G organized a workshop for the electricity market players. The purpose of the meeting was to introduce G4G to the private sector electricity market players and emphasize the importance of the private sector engagement in the reform advocacy process. The workshop participants shared their concerns related to the competitive electricity market and cross-border electricity trading. The common problems were identified for further discussion and planning the PPD event on electricity market issues. G4G presented a case study of the Turkish Energy Association to show the opportunities to address market development issues through the development of sector associations or unions. Currently, there are no energy associations or unions working in Georgia. G4G plans to promote the development of associations through individual and joint meetings with energy market players.

On January 29, 2015, based on preliminary discussions with electricity private sector stakeholders, G4G conducted a second workshop for electricity MPs. At this workshop, participants prioritized electricity market issues of common concern and formed a WG. MPs agreed to hold a third workshop to develop recommendations on possible solutions to the issues identified for PPD discussion with the MoE. The possible creation of a professional association of MPs was discussed during the workshop to achieve better coordination between different MPs. One of the MPs - Director of GIG Energy, suggested the establishment of the Market Players Professional Association, and asked for G4G support in this process. The managing directors of Schulze Global Investments and GIG Energy expressed their appreciation for USAID/G4G assistance.

On April 2, 2015, based on preliminary discussions with electricity private sector stakeholders, G4G conducted the third workshop for electricity MPs. At this workshop, participants discussed prioritized electricity market issues of common concern and planned next steps. MPs agreed to hold the fourth workshop to develop recommendations on possible solutions to the issues identified for PPD discussion with the MoE. The possible creation of a professional association of MPs was discussed during the workshop to achieve better coordination between different MPs. The next workshop is planned to take place at GSE.

**Youth integration in ETM policy development.** G4G plays a role to stimulate youth interest into the Energy Sector. On April 29, 2015, G4G together with Georgian Technical University organized the conference "Youth Integration in Electricity Trading Mechanism Development," opened by the Minister of Energy. The conference was designed to develop future leadership in the energy sector, stimulate an open discussion and exchange of information, and foster stakeholder coordination on recent developments in hydropower investment issues.

### 5.3.2 CHALLENGES TO ACHIEVING REFORM RESULTS

There are different approaches proposed by ESCO and GSE concerning ETM implementation: (1) ETM's impact on electricity retail tariffs and; (2) Their respective roles in providing electricity market services. G4G is engaging with both entities and targeted capacity development is focused on their respective missions. Should the two organizations be unable to clearly define and undertake their roles, it will present challenges to the successful implementation of this reform. The MoE holds the key role in resolving this issue.

### 5.3.3 PPD SUCCESSES AND LESSONS LEARNED

G4G has conducted 2 PPD events for the GoG and private stakeholders on major electricity trading issues and planned government initiatives. After observing the PPD process, it became obvious that MPs need capacity building on market development issues, international best practices on current market operations, competitive electricity trading, risk mitigation tools and effective management. Support in developing advocacy and consensus building skills are also essential for a successful PPD process. The biggest challenge for MPs is to agree on priorities and speak with one voice to the GoG.

## 5.4 WATER RESOURCE MANAGEMENT REFORM

### REFORM OBJECTIVE

Equitable transparent sustainable allocation of fresh water resources across multiple competing interests is necessary to prevent grave failure to serve legitimate needs.

### 5.4.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**Water Resource Management Green Paper PPD.** G4G held consultations on Green Paper issues with GoG stakeholders, CSOs and local government. The Green Paper identifies challenges and provides analysis for the GoG to consider when implementing the Law on Water Resources Management. During Year 1, the new Law on Water Resources Management was drafted by the GoG. The MENRP received comments on the new Law on Water Resources Management from various ministries. However, due to the lack of consensus between the respective ministries on the introduction of the permitting system (water discharge and abstraction) and payment issues the draft law was not finalized during Year 1. The MENRP is ready to engage in the dialogue with the private sector and general public on the key concepts of the draft and discuss major changes that the new legislation will introduce. G4G will work with MENRP in supporting PPD sessions and public hearing meetings during the law elaboration process.

In order to support this initiative, G4G held a PPD on the draft Water Resource Management Law at Courtyard Marriott Tbilisi on August 10, 2015. The event was jointly organized by MENRP and G4G. The objective of this workshop was to present and discuss the draft law with stakeholders before its submission for official adoption by the government. Approximately 30 participants attended the event, including representatives of NGOs, the private sector, governmental and donor agencies. It was agreed that comments received during the discussion will be incorporated in the draft version of the proposed law.

In addition, G4G conducted two PPD events in Dusheti (held on June 9, 2015) and Mtskheta (held on June 15, 2015) municipalities, focused on initiating dialogue between the GoG and the private sector regarding water resource management. Challenges and opportunities for sustainable use of Aragvi river basin water resources were discussed during the meetings. Participants showed interest at both meetings. Entrepreneurs asked questions on issues of interest and were given thorough information on the future plans of local government and G4G planned activities regarding water management. It was agreed that G4G will continue meetings in Mtskheta and Dusheti Municipalities and will serve as a link between the local government, private companies and NGOs to ensure better planning and management of water resources at Aragvi river basin level. Over 100 participants attended both events.

**Tbilisi Municipality Environmental Strategy PPD.** G4G supported Tbilisi Municipality in holding consultations with stakeholders on Tbilisi Municipality Environmental Strategy. During July 22-23, G4G supported Tbilisi City Hall in conducting a public discussion of the Tbilisi Environmental Strategy 2015-2020. The event was organized in response to the request coming from municipal department of ecology and planting of Tbilisi City Hall. The Tbilisi Environmental Strategy aims to integrate environmental concerns into the different sectoral areas to improve state of the environment in the city. Around 15

representatives of NGOs, private organizations, and governmental agencies participated in 2-days of workshops and discussions of water resource management, air pollution, waste management and other topics important for Tbilisi's environment. Feedback from the different stakeholders was reflected in the Environmental Strategy. Tbilisi City Environmental Strategy was approved by the City Hall Council on September, 2015.

## **GOG CAPACITY STRENGTHENING**

**Water Resource Management PPD Capacity Building.** G4G conducted several meetings with the GoG, National Association of Local Authorities of Georgia (NALAG) and Regional Environmental Center for Caucasus (REC) to identify the key thematic areas for developing a curriculum for water resources management training program. Moreover, G4G developed questionnaire to analyze the training needs of various levels of officials of Water Resource Management Services (WRMS) unit and Environmental Information and Education Centre (EIEC) unit under the MENRP. Based on the training needs assessment (TNA), an evolving curriculum has been developed and submitted to USAID on September 30, 2015. Training will be developed based on modules to address the specific capacity needs for practitioners who are active in water management. The training modules will be developed to address these capacity needs and to place them within the River Basin Management (RBM) context.

G4G international water resources management expert, Luca Palazzoto, provided the first draft report on a water management roadmap for Georgia. On June 29, 2015, G4G organized a webinar with the technical staff of the MENRP. The webinar participants reviewed and validated findings and recommendations suggested by G4G consultancy. The MENRP suggested preparing a detail concept note for implementation of water management roadmap in Georgia, which would include information such as definitions of the stakeholder roles and responsibilities, outputs and an implementation timeframe.

G4G supported the panel discussion on the Road Map on Climate Change organized by USAID funded Institutionalization of Climate Change Adaptation and Mitigation in Georgian Regions (ICCAMGR) program. G4G water sector environmentalist, Mariam Bakhtadze, made a presentation on G4G planned activities in water resource management. The discussion covered issues related to the institutionalizing climate change adaptation as well as integration of the water resource management issues.

**Water Resource Management Capacity Building.** G4G, in close cooperation with its subcontractor GAMMA (environmental consulting company), commenced a study on pilot river basin selection methodology. The study was developed using the web-based decision-making instrument (HIPRE program) developed by the Helsinki University of Technology. The final findings of the study were presented to the water service of the MENRP. The river basin selection report discusses selection criteria being used to identify a river basin for development of water balance. Based upon the report, the Aragvi river basin was selected as a pilot for conducting further studies (Aragvi river basin covers Dusheti and Mtskheta municipalities). G4G continues work on developing recommendations at the Aragvi river basin level on developing water balance and a river basin management plan.

G4G provided capacity building to the GoG. On August 12, G4G conducted a half-day training session on technics of delivering the position paper on water management at the MENRP. G4G aimed to equip its counterparts with the skills in position paper writing for the purpose of the effective public engagement during the water resource management planning. To this end G4G held training for the Environmental Information and Education Centre on the techniques of delivering position papers related to water management (August 10, 2015) and discussed challenges in water sector with the different stakeholders, including CSOs. Key aspects of training included introduction of new approaches on engaging stakeholders in the process of water resources management planning and delivering clear messages related to water management topics to different stakeholders.

**Capacity Building to United Amelioration Systems Company of Georgia.** From September 2014, new management at the Ltd Georgian Amelioration (GA) commenced a series of reforms to improve performance of the company. The reforms are targeted to deliver better services to customers and to ensure financial stability of the company. To help GA, the State Audit Office audited the company, identified the gaps and developed recommendations. The audit report identified a list of urgent measures to be implemented which include development of an irrigation strategy and introduction of new, fair and transparent tariffs for irrigation and drainage services. At the same time, GoG, in its Strategy for Agriculture Development in Georgia 2015-2020, recognized the need to commercialize GA. Currently the state owned GA the provider of irrigation and drainage services in Georgia is subsidized from the state budget and is by far Georgia's largest consumptive water user and water withdrawer.

The proper pricing together with regulatory reforms are expected to improve the economic efficiency of water use and the irrigation sector as a whole (e.g. investment, operations and asset management), including ensuring that consumers are protected from excessive prices in natural monopoly markets. Moreover, efficient water pricing should help ensure that production and consumption decisions across a range of sectors and industries dependent on water and services delivered through the irrigation infrastructure reflect the efficient costs of water as an input.

GA applied to G4G and USAID asking for support in development of tariff methodologies. Later, GA also asked G4G to support development of framework law outline, which will further regulate the irrigation and drainage sector and will incorporate tariff methodology as well. In response to the request, decision was made to support GA in regards to development of tariff methodology and draft law outline. A series of workshops and training sessions were conducted to discuss best practices and methodologies used in tariff development. The initial tariff methodology concept was drafted and presented to GA for further discussion. G4G will conduct a RIA through a grant on tariff methodology policy options in order to assist the GoG to make an informed decision for tariff methodology selection.

During reporting period, to make G4G and GA collaboration more effective, a WG was established. The group includes members from G4G: Davit Mujirishvili, Elene Ghubianuri and Neli Danelia and from GA: Nikoloz Abuashvili, Eduard Oganessian and Davit Chitanava.

## **WATER RESOURCE MANAGEMENT**

During the reporting period, G4G concentrated on several activities: (1) developing water sector initial assessment report; (2) commencing work at pilot Aragvi river basin; (3) initiating work on the Green Paper (4) issuing grant awards and initiating work on following grant projects: (5) Freshwater Resources Management Training: Computer Models for Water Resources Planning and Management; and (6) on Water Resources Guidance Document Applicable for Georgia. This section provides an overview of Component 3 activities during G4G's first year and highlights the accomplishments and the results against WP tasks.

**Water Sector Assessment.** G4G conducted several meetings and interviews with the GoG, CSOs and private sector in order to identify the challenges pertaining to the water sector and key thematic areas for future work.

In October 2014, G4G prepared a water sector analysis on the EU Directives and obligations under EU-Georgia AA and analyzed the draft Water Resource Management Law. The findings were presented to USAID.

On January 28, 2015, G4G submitted the first project deliverable: Water Sector Initial Assessment Report. This report briefly reviews the water sector in Georgia, provides an overview of existing legislation, identifies main water users and discusses existing conflicts in the water sector (illustrated by case studies), and lastly maps out the relevant institutions and identifies their inter-relations and responsibilities in managing water resources. This assessment report serves as an instrument in creating and improving a sustainable national water resource management system. The main gaps identified by this report showcase the need of improvement of the enabling water resource management legislation and shifting towards river basin management, improving water related data management and flow network while promoting PPD in the planning and policy-making process.

The activities identified in the Water Sector Initial Assessment Report document were designed to create an integrated approach to policy analysis among various key GoG stakeholders (Ministries). Findings within the document were shared with the PM's Office's and the Economic Council, all respective ministries for discussion.

**Water Sector Data Assessment.** In the period of September-December several meetings/consultations were organized with USAID, various ministries responsible for water management issues, and one subcontractor to discuss and agree upon a G4G project implementation strategy for the water component. As a result the scope of work for G4G Component 3 subcontractor – 'Ltd GAMMA' has been developed and agreed between all parties. The contract agreement between GAMMA and G4G were finalized and signed in January 2015.

On February 12, 2015 G4G delivered a half day on-the-job training for MENRP on water resource and data management issues. G4G trained representatives of the MENRP's Water Resource Management Services Department and the Environmental and Education Center on various water balance calculation methodologies, freshwater resources management, water resource management planning software and data management instruments. This is the start of G4G's support of the GoG by providing different decision-making tools for sustainable freshwater resources management practices. After intensive consultations with MENRP, pilot Aragvi river basin area was selected for further studies.

**Fresh Water Resource Management Training.** During the reporting period, G4G held number of workshops/trainings/presentations on best international practices on key concepts, used in Irrigation tariff methodologies relied on best international practices. More specifically GA representatives were capacitated in the pricing schemes which supports elimination of cross subsidies between the schemes and customer groups, as well as tariff calculation principles which should protect customers from monopolistic rates. Case-studies from different countries were discussed in details with the counterpart. Selected principles and approaches for pricing schemes will be used during the second reporting year for the development of the draft tariff methodology, considering the concepts applicable for local needs. At the same time, G4G representatives were asked to participate in drafting process of the law outline.

## **PRIVATE SECTOR & CSO STRENGTHENING**

**Water Resource Management Green Paper.** One of the important tasks of the G4G Component 3 is to develop a water sector Green Paper through an active involvement of the private sector and CSOs. G4G conducted several preparatory meetings with GoG officials and CSOs to plan the G4G's assistance on the Green Paper scope. As a result of above exercise, G4G drafted detailed SoW and announced the associated Request for Application (RFA) and select a capable NGO for developing the Green Paper. G4G awarded a competitive grant to NGO "Regional Environmental Center for Caucasus (REC Caucasus)," to implement a green paper on "Water Allocation Plan Framework – Challenges for Implementation." On September 30, the G4G team finalized and submitted to the USAID the first draft of the green paper report. In upcoming months the Grantee will organize field visits in the selected watershed area and familiarize representatives of local municipalities, public and private sector with EU best practice on concept of Water Resource Allocation Plans (WRAP) and develop recommendations for the implementation of the WRAP concept. Comments received from public discussion meetings will be incorporated to the final Green Paper document. The final document of Green Paper will discuss principles, procedures and approaches for the establishment of the framework for freshwater allocation planning in Georgia. Successful delivery of the Green Paper will create the basis for PPD and support GoG's sound decision-making process. The Green Paper discussions will lead towards the next stage of the process – the production of a White Paper (discussion on water allocation policy document).

**Fresh Water Resource Management Training.** In Year 1, G4G issued two awards for the following grant projects: (a) "Freshwater Resource Management Training: Computer Models for Water Resource Planning and Management"; and (b) "Develop Water Resource Management Guidance Document Applicable for Georgia."

### **5.4.2 PPD SUCCESSES AND LESSONS LEARNED**

Since there is a lack of coordination and cooperation between stakeholders from each sector, the relevant success was bringing the key players together through PPDs, facilitating the communication process. During the PPD sessions, gaps were identified in regards to water allocation and resource management. Stakeholders agreed the major setbacks for moving forward are a lack of cross communication and collaboration in planning.

### **5.4.3 CHALLENGES TO ACHIEVING REFORM RESULTS**

G4G faced an overall lack of coordination between GoG institutions involved in water resource management. MENRP is the key institution dealing with water management issues, however, water related responsibilities are scattered among various GoG institutions. G4G attempted further coordination

within the GoG on water resource management and will continue to seek sustainable coordination mechanisms in the future.

## 5.5 TAX ENFORCEMENT AND ADMINISTRATION REFORM

### REFORM OBJECTIVE

Direct and immediate positive effect on tax compliance for all businesses.

### 5.5.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**Tax Payment Simplification Reform.** During Year 1, G4G hosted a PPD on Tax Payment Simplification Reform on November 19, 2014. The session was attended by representatives of the Revenue Service (RS), MoF, leading audit firms and business associations. G4G and the RS presented the major features of the new system and summarized key legislative amendments. The new tax payment system received very positive feedback from the private sector representatives. Due to the GoG decision to launch the system on December 1, 2015, the next PPD events and other public outreach activities were moved to Year 2.

**Tax Code Review.** To facilitate the dialogue between private sector and government on ongoing tax policy and administration issues, G4G organized a PPD event on July 9, 2015. The meeting was moderated by the Minister of Finance and attended by more than 50 businesses. MoF and RS officials presented the changes in the Tax Code effective from July 1, 2015. The changes included revisions in the VAT chapter based on the recommendations of G4G in the framework of Support to Approximation of Georgian VAT with the EU VAT Directive. The MoF also presented ongoing and planned improvements in tax administration and taxpayer services, including its proposed tax payment simplification reform.

Another PPD session on September 25, 2015, was dedicated to establishing a mechanism for issuing Public Rulings. Public Ruling is a normative act approved by the Minister of Finance, which provides the interpretation of the complex issues of the Tax Code based on the analysis of the current practice of taxation. G4G together with the RS, presented the draft Decree of the Minister of Finance laying down the format of the Public Ruling document and procedure of its adoption. The representatives of Big Four accounting firms, other tax audit companies and business associations provided their feedback on proposed rules and procedures.

#### GOG CAPACITY STRENGTHENING

**Tax Payment Simplification Reform.** G4G commenced its technical assistance to tax payment simplification reform since November 2014, as part of G4G Immediate Reform Activities. In Quarter 1, G4G short-term tax consultant, Irakli Siradze, helped the RS and MoF to shape the final design of the reform and to draft the underlining legislative package. The respective changes and amendments to the Tax Code were adopted by the Parliament on May 1, 2015. According to the Tax Code, the changes enabling the launch of the new tax payment system were set as effective from December 1, 2015.

In Year 1, the G4G tax consultant also conducted several sessions of on-job-training for RS Service Department staff to operate the new system, developed the Methodological Instructions on Operation of the Taxpayer Card and the plain language manual for taxpayers.

In addition, G4G assisted the RS in analyzing and documenting the business requirements for the new tax payment system. This analysis includes present and future tax payment processes, as well as organizational changes. The work was completed in February 2015.

**Tax Code Review.** Legal approximation in the area of tax legislation and, in particular, VAT-related rules is defined as one of the priority areas under the EU-Georgia AA. During Year 1, G4G provided technical assistance to the MoF in analyzing the EU Value Added Tax (VAT) Directive,<sup>2</sup> prioritizing its provisions on agreed criteria and developing recommendations on approximation of the Tax Code of Georgia with the Directive. To support the process, G4G and the MoF established a WG consisting of middle-level tax policy experts from the MoF, RS, G4G as well as EU Twinning Project “Strengthening Administrative Capacity of the Georgian Revenue Service in Taxation.” G4G provided analytical support to the WG,

<sup>2</sup> Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.

facilitated issue-based discussions, collected feedback and provided the recommendations for legislative approximation. Three WG meetings were conducted in December 2014, as well as March and April 2015 respectively.

The work was finalized in April, 2015. The Final Report classified all required legislative changes by priorities in three groups and defined their implementation timeframe: (1) regulations which are the most critical and need immediate solutions; (2) regulations with significant impact on the private sector; (3) technical changes with minimal implementation requirements.

**Public Ruling.** As part of the Tax Code review assistance, G4G provided technical support to the MoF on Public Ruling. In June 2015, G4G in close coordination with MoF's Tax Policy department developed: (1) draft Decree of the Minister of Finance on Issuing the Public Ruling; and (2) draft Public Ruling on Exemption of Revenues from Agricultural Activities from Profit Tax. According to G4G recommendations, the draft Decree set the standard layout and procedures for adoption of Public Ruling. Following G4G recommendations, each public ruling will cover one specific issue rather than the whole subject. All public rulings under the same subject will be endorsed by a single order of the Minister of Finance to simplify finding the relevant document. Further, all public rulings will have the standard layout of (1) issue, (2) interpretation, (3) justification, and (4) examples. G4G consultant developed the draft Public Ruling on Exemption of Revenues from Agricultural Activities from Profit Tax that provides interpretation of taxation related to the reinvested portion of profit gained from agricultural activity.

**Estonian Corporate Income Tax (CIT).** As the GoG considered implementation of the Estonian CIT model, G4G was requested to provide assistance to the MoF to better understand the model and analyze the consequences of its implementation in Georgia. G4G engaged an Estonian Tax Consultant to conduct a comparative analysis of Estonian and Georgian CIT rules, identify differences and develop recommendations. The consultant also delivered workshops to raise the MoF's understanding of legal and administrative aspects of Estonian CIT. In parallel, G4G issued a grant to the local NGO "Young Economists' Association of Georgia (YEAG)" to conduct a regulatory impact assessment (RIA) on Estonian CIT model implementation in Georgia. An Estonian Ministry of Finance analyst assisted the grantee in assessing fiscal and macroeconomic effects of the change using different econometric calculations. The RIA is planned to be completed in November 2015.

## PRIVATE SECTOR & CSO STRENGTHENING

**Tax Code review.** G4G conducted several meetings with CSO representatives and business associations in order to collect information about the specific needs of small business associations on Tax Code advocacy. Based on the collected information G4G designed the grant program Capacity Building of Small Business Associations and SME's on Tax Code Advocacy. The grant was awarded to the local NGO "Knowledge and Experience Transfer" in June 2015. In Quarter 4, the NGO delivered training sessions and coaching for 56 organizations. The training module included information channels for taxpayers, rights of taxpayers, tax disputes, tax agreement and advocacy through business associations. The grantee also organized workshops and roundtables where SMEs and business association representatives had an opportunity to meet with officials from the RS, MoF and Business Ombudsman's Office to discuss the existing practice of tax code advocacy and possible methods of improvement.

In order to understand the business community's perception toward tax policy, tax authorities and administration, G4G issued a grant to the local organization CRRC - Georgia to conduct a tax perception survey. During Quarter 4 the grantee developed the survey questionnaire and conducted pilot survey. One-thousand small, medium and large size companies in Tbilisi and regions were selected for the survey. The field work started in September and is planned to be completed in November 2015.

**Estonian Corporate Income Tax (CIT).** In Quarter 4 of Year 1, G4G issued a grant to the Young Economists Association of Georgia (YEAG) to conduct a regulatory impact assessment (RIA) on the implementation of the Estonian CIT model in Georgia. For further information refer to "**GOG CAPACITY STRENGTHENING**" and "**Estonian Corporate Income Tax (CIT)**."

## 5.5.2 PPD SUCCESSES AND LESSONS LEARNED

During the reporting period G4G provided an effective forum for private and public sector to discuss tax policy and administration issues. As a result of G4G involvement, various policy initiatives have been communicated to the private sector at a design stage, which made it possible to reflect private sectors feedback in an effective manner as well as secure private sector's support to the reforms.

Through these public-private discussions, G4G identified the areas for further support and technical assistance that were incorporated in the Year 2 Work Plan.

### 5.5.3 CHALLENGES TO ACHIEVING REFORM RESULTS

**Tax payment simplification reform.** Due to the decision of the GoG to shift the launch of a new tax payment system from July 1 to December 1, 2015, PPD events related to the reform were rescheduled respectively for October-November, 2015. G4G will implement the targeted outreach (banks, taxpayers and general public) through a series of PPD events and production of a promotional video. Tax payment simplification reform is an innovative project, replacing the 164 separate treasury codes with a single treasury code, allowing the RS to more accurately collect and allocate taxpayers' payments according to their tax declarations. However, it is also a complex reform implying significant modifications to existing business processes; therefore, the smooth implementation of the new system requires sound change management and strong coordination between the RS and Treasury Service of the MoF. It is important that the MoF continues close monitoring and coordination of all pre-launch activities after G4G's closing of support for this effort in July 2015.

Some of the reforms on MoF's agenda have a long-term timetable. Approximation of Georgian Tax Code to the EU VAT Directive under the EU-Georgia AA possesses a 5-year timeframe. Given G4G's limited duration, it may happen that reform will not bring desired results in the lifetime of the project. However, this should not diminish the importance of such initiatives and prevent the project from being engaged.

## 5.6 CUSTOMS ADMINISTRATION AND ENFORCEMENT REFORM

### REFORM OBJECTIVE

Elimination of barriers and inefficiencies that has an immediate impact on cross-border trade.

### 5.6.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**Customs Code.** The MoF embarked on a far-reaching effort of drafting a new Customs Code based on EU customs legislation in 2013. Since then the target dates for beginning public consultations have moved a number of times. Due to the fact that the MoF could not finalize the Code on time, the discussions were delayed. A political decision was then made to postpone the adoption of the new code, however, the MoF and RS expressed readiness to engage the private sector and listen to any suggestions or alternative opinions from the trade and transport sector.

The first PPD on the draft Customs Code was held on March 26, 2015, at G4G's office with participation of the RS, MoF, Freight-Forwarders Association, AmCham, BAG, Georgian Logistics Association (GLA) and ICC Georgia. The MoF and RS explained to the private sector at a very conceptual level the changes dictated by the EU approximation agenda and explained the process and methods of approximation. MoF and RS representatives covered in general terms the EU approaches to post-clearance audit, customs regimes, authorized economic operator (AEO), and preliminary customs declaration.

Two more PPD sessions organized by G4G in May and September, 2015, were dedicated to ongoing drawbacks of the customs legislation and administrative practice. Business associations and business representatives, mostly from the transport and logistics sector, had an opportunity to present their views and concerns regarding customs valuation rules (method one); customs status of goods for VAT taxation of international transportation services; waste and losses of goods under customs control; traders liabilities to submit all necessary information in Georgian; etc. During the meetings the RS agreed with the majority of concerns raised and discussed possible solutions.

In July 2015, the RS established the permanent PPD platform on customs policy issues - "Consultation Council." G4G Customs Advisor, Bondo Bolkvadze, was invited as a member of the Council.

#### GOG CAPACITY STRENGTHENING

**AEO concept.** During Year 1, G4G provided technical assistance to the RS in implementation of the EU program on AEO - the DCFTA requirement Georgia needs to comply with by 2018.

To support the process in March 2015, the RS established an AEO WG consisting of representatives of the RS legal, administration, post-clearance audit, customs clearance departments and G4G. At the initial stage G4G conducted the comparative analysis of AEO and Georgian Gold List programs. The analysis drew parallels between provisions regulating EU AEO and Gold List programs and identified key discrepancies. The WG focussed on several key aspects of AEO implementation: potential benefits;

criteria; authorization process; participants. As revealed there are not only conceptual gaps between the Gold List and AEO but also institutional and capacity gaps of the RS to implement the AEO program.

From May 19-22, 2015, WG members attended the AEO workshop organized by the RS and World Customs Organization (WCO) and had an opportunity to learn the practical details about the AEO concept implementation stages. The discussion included: legal framework of AEO, application and authorization process, eligibility criteria, benefits, monitoring of authorized operators, etc.

To get hands-on knowledge and learn practical aspects of AEO implementation in July 13-17, G4G organized an study visit of customs officials to the Lithuanian Customs Administration. Four representatives from the RS (Administrative, IT, Legal and Post-Clearance Audit departments) and the G4G Customs Advisor received hands-on knowledge of Lithuania's AEO scheme and learned first-hand from their experience in introducing and implementing their system. The intensive three-day visit included thematic presentations and workshops at different departments of the Lithuanian Customs Administration as well as a site-visit to one of the Lithuanian companies granted AEO status.

Based on the information gained through desk research, WCO workshop and Lithuania study visit G4G developed AEO Implementation Action Plan in Georgia for 2015-2018. The document summarizes all necessary legislative, institutional and capacity building activities and sets the respective timeline. G4G will support the implementation of the action plan in Year 2.

**Customs post-clearance control.** Strengthening of customs post-clearance audit (PCA) is another DCFTA-related area where G4G supports the RS. G4G in collaboration with Federal Customs Service of Germany involved German experts to provide the technical assistance to the RS to develop post-clearance customs audit (PCA) procedures. In July, 2015 Mr. Rainer Nepl and Mr. Karl Sporny from Federal Customs Service of Germany conducted a needs assessment of Georgian Customs Post-Clearance Audit (PCA) system. In the course of the mission the consultants studied the existing legal framework, held several meetings in RS Post Clearance Audit Department and Clearance Economic Zone, and conducted a workshop on PCA methodology and techniques covering areas such as audit planning, information collection, analysis, risk assessment, reporting, etc. The findings of the assessment were reflected in the PCA Development Action Plan prepared by the experts. German experts also conducted a workshop for 10 customs post-audit officers and shared with them the German experience of handling field and desk audits. It is planned to continue the support in Year 2 of the project.

## **PRIVATE SECTOR & CSO STRENGTHENING**

**Customs Code.** No specific activities were implemented within the reporting period.

### **5.6.2 PPD SUCCESSES AND LESSONS LEARNED**

The MoF should engage in public-private consultations from the early drafting stage, rather than after the law or regulation is finalized. Despite the fact that the first draft of the Customs Code has been developed for several months now, MoF is still hesitant to release it for public consultations. G4G is working with MoF and other GoG institutions to start a consultative process in the beginning of policy-making.

### **5.6.3 CHALLENGES TO ACHIEVING REFORM RESULTS**

The major challenge faced by the project in the area of customs policy was related to the draft Customs Code. Government couldn't follow its own plans and G4G witnessed changes in the Government's priorities which led to the cancellation of a number of Year 1 Work Plan activities.

## **5.7 TRADE FACILITATION/TRANSPORT AND LOGISTICS REFORM**

### **REFORM OBJECTIVE**

Elimination of barriers and inefficiencies that has an immediate impact on cross-border trade and facilitate greater integration with EU countries.

### **5.7.1 PROGRESS AGAINST THE WORK PLAN**

#### **SUPPORT PUBLIC PRIVATE DIALOGUE**

**DCFTA.** In addition to implementing DCFTA approximation GoG intends to communicate the benefits of DCFTA to business community and society. G4G and the MoESD organized series of joint awareness raising events on DCFTA. The first joint event was conducted on December 26, 2014, dedicated to Chapter 4 of DCFTA on "Sanitary and Phyto Sanitary Measures (SPS)." The speakers included Mikheil Janelidze, the Deputy Minister of the MoESD, and Nodar Kereselidze, the First Deputy Minister of the

MoA. The meeting, hosted by the Georgian Chamber of Commerce and Industry (GCCl), was attended by more than 80 representatives of civil society and the private sector. The event combined plenary and panel discussions which provided a platform for the participants to interact and learn about recent developments in food safety and veterinary legislation as well as planned reforms. The MoA representatives introduced to the audience the comprehensive reform agenda under DCFTA SPS, which presumes gradual transposition of around 450 EU regulations in the area of food safety, veterinary and plant protection.

On March 23-24, 2015, DCFTA awareness meetings were held in Ozurgeti (Guria Region) and Poti (Samegrelo Region) led by Deputy Minister of the MoESD, Mikheil Janelidze, with the participation of the MoA. More than 80 participants from civil society and the private sector attended the events where they learned about the opportunities offered by DCFTA for businesses and ordinary citizens. MoAg also presented the program of Preferential Agro Credits, which should enable the farmers to raise product quality, comply with EU regulations and enter the European market.

On September 22, 2015, G4G organized a meeting for EPAC members to discuss DCFTA related upcoming changes and reforms accomplished by various Governmental institutions of Georgia. Key speaker from MoESD, Marika Gabunia, presented general obligations and the agenda of reforms planned for 2014-2017. The meeting ended with a public-private discussion where EPAC members asked questions about the changes and opportunities they may explore with DCFTA.

G4G, in collaboration with the MoESD, developed and printed DCFTA awareness brochures on both the Georgian and English languages. The first brochure provides a brief overview of all 15 chapters of the agreement. The brochures have been distributed to businesses, media, NGOs, and local municipalities as a part of the DCFTA public awareness campaign. The second brochure provides a brief annual report on measures implemented by the GoG towards EU approximation and DCFTA implementation during 2014.

G4G developed a DCFTA promotional video in cooperation with the MoESD through its subcontractor company, "Production 42." The video highlights business opportunities to be explored by DCFTA. It is focused on export promotion from Georgia to the EU. The subcontractor produced two versions of the video: a long version (1 minute) and a short version (30 seconds). It will be used as part of G4G's DCFTA awareness campaign during year two.

**Trade Facilitation System (TFS).** In the first half of Year 1, G4G actively engaged in mobilizing the private sector and GoG stakeholders to accelerate the launch of TFS. G4G held meetings with the Minister of Finance, Nodar Khaduri, Secretary of Economic Council, Giorgi Gakharia, the First Deputy Minister of Economy and Sustainable Development, Dimitri Kumsishvili, as well as series of meetings with leadership of the DEA and RS. As a result of these efforts, the DEA and RS mapped the remaining technical issues and began working on their resolution.

On April 8, 2015, the Fifth TFS Steering Committee Meeting took place to discuss a system launch timeline and implementation issues. The meeting was led by the Minister of Justice, Tea Tsulukiani, and attended by representatives of the DEA, RS, Economic Council, USAID and G4G. The private sector was represented by sea ports (Batumi and Poti), shipping lines (Maersk, Mediterranean Shipping Company (MSC), Evergreen, EISA, Catoni and Co, ZIM, China Shipping Company) and the Freight Forwarders Association. At the meeting, G4G highlighted the importance of the TFS implementation and sensitivity of tariff policy's potential impact on the competitiveness of Georgia as a transit corridor. In conclusion, the Committee members agreed on the renewed TFS implementation action plan; 6-month grace period on user fee; establishment of fee based on study; and periodic meetings to discuss and resolve any issues occurring in the process of implementation.

## **GOG CAPACITY STRENGTHENING**

**Trade Facilitation System (TFS).** G4G has been facilitating the coordination between the DEA, RS and private sector stakeholders to resolve outstanding technical and legal issues related to system development. Due to the fact that information transmitted through TFS might include taxpayers' confidential information, it was decided to introduce in the Tax Code the provisions authorizing DEA to receive and transfer confidential information. The relevant changes were drafted by MoJ and pending submission to the Government and then Parliament for approval.

In August and September of 2015, the DEA conducted the first round of the pilot phase. G4G and DEA staff were mobilized in the field to facilitate the testing process. Messages were tested between shipping lines (Maersk, Evergreen and MSC), Poti Sea Port and Customs. The initial testing revealed certain technical deficiencies that are being addressed by the DEA. It is planned to implement the next phase of

the pilot in November, during which the system will work in real time and in parallel with existing processes.

Following the Fifth TFS Steering Committee decision to set up a user fee based on a sensitivity analysis and stakeholder consultation, G4G hired short-term consultant Thomas Beck to conduct an analysis. In August-September, 2015 interviews were held with all key stakeholders to better understand the local trade environment and competitive situation currently that exists in Georgia. The consultant also conducted desk research on trade facilitation fee structures utilized in other countries. The study will be completed in October, 2015.

Once implemented, TFS will improve the efficiency of cross border trade through decreasing transaction time, it is also expected to improve Georgia's ranking in the WB "Doing Business Report."

## PRIVATE SECTOR & CSO STRENGTHENING

**DCFTA.** G4G has been instrumental in preparing explanatory materials on DCFTA. In September 2015, G4G subcontractor Research And Consulting Group started the development of "*Exporters Guide - Free Trade Conditions under DCFTA*." The Guide will provide plain language information on rules of origin and customs tariffs and quotas for goods produced in Georgia under DCFTA. The Guide is being developed in close cooperation with RS and MoESD. The target audience of the Guide will be potential investors and export oriented companies. The manual is expected to be completed in December 2015, as planned.

In September, 2015 G4G subcontracted TBSC to develop three policy papers on DCFTA issues and organize analysis-based public-private discussions. In consultations with G4G and MoESD, the subcontractor identified three topics for policy papers and discussions: (1) labeling of food products; (2) regulatory framework of usage food supplements in agriculture; and (3) competition policy. The activity will be implemented in October-December, 2015.

### 5.7.2 PPD SUCCESSES AND LESSONS LEARNED

**DCFTA.** As part of DCFTA awareness campaign G4G and MoESD conducted events in Tbilisi, Ozurgeti and Poti. The events in the regions revealed several problems mainly related to the knowledge of the subject, level of interest among the stakeholders, and lack of GoG capacity to properly communicate with the stakeholders in the PPD process. Therefore, G4G has been assisting GoG in identifying the key issues, areas and actors, as well as in crafting appropriate messages and selecting communication campaign tools.

**Trade Facilitation System (TFS).** The Fifth TFS Steering Committee meeting and bilateral consultations between DEA and private sector revealed that the issue of user fee and overall financial model of TFS remains a significant concern of the private sector, and, if not conducted properly, may undermine the success of the system. To mitigate this risk, G4G launched TFS fee sensitivity analysis to help the Government to understand the potential effects of the TFS fee on the stakeholders and on the transport and logistics sector in general and come up with a reasonable fee structure.

### 5.7.3 CHALLENGES TO ACHIEVING REFORM RESULTS

The success of the TFS depends on close coordination and effective dialogue between the GoG and private sector stakeholders, which has not always been the case. This was again demonstrated by legal issues that suddenly appeared on the agenda. G4G is actively facilitating communication between stakeholders, however, the DEA needs to raise the level of commitment and take additional steps to ensure effective leadership of the process.

## 5.8 BANKRUPTCY AND LIQUIDATION REFORM

### REFORM OBJECTIVE

Reformed bankruptcy regime to remove barriers to entrepreneurship, efficiently recycle assets back to productive use and restore viable businesses to financial health through business rescue.

### 5.8.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**Insolvency Assessment.** At the request of the GoG, G4G has been engaged on bankruptcy reform with the preparation of the Diagnostic Assessment of Insolvency System issued in June 2015. On May 8, 2015, G4G in collaboration with the MoJ, organized a PPD event to discuss the tentative results of the Diagnostic Assessment, to ensure that G4G had identified all major areas of concern and, had not

misunderstood some critical issues. The event was attended by 27 representatives from government, (MoJ, National Bureau of Enforcement (NBE), RS) and the private sector (law firms and banks). Highlights of the discussion included the conceptual issues such as purpose of the Law on Insolvency, bottlenecks in the Law, such as inadequate description of the duties and powers of insolvency office holders, inconsistent treatment of security interests, NBE roles vis-à-vis other functionaries.

## **GOG CAPACITY STRENGTHENING**

**Insolvency Assessment.** In the beginning of Year 1, the MoJ and the NBE requested G4G assistance in conducting a comprehensive analysis of the existing legal framework, institutional infrastructure and practice of the insolvency system of Georgia.

Between April 15 and May 8, 2015, G4G (Chief of Party, Milo Stevanovich, G4G Policy Advisor, Tamar Buadze, and international bankruptcy expert, Robert Gourley) conducted a Diagnostic Assessment of the Insolvency System of Georgia. The team conducted a series of interviews with persons deeply familiar with the functioning of the Law on Insolvency in practice, such as the Deputy Minister of Justice, Head of Legal Drafting Department of MoJ, representatives of NBE and RS, Tbilisi City Court insolvency judges, representatives of banks, law firms, audit companies and insolvency experts. The study was completed in June, 2015. It identified the basic areas in the Law and system which are not operating effectively or are not consistent with international best practices for insolvency systems. The study also suggested recommendations for the reform of the system consistent with current and emerging international best practice and the needs of the current Georgian economy.

As a part of the assessment, G4G also revised and provided comments on the proposed amendments being prepared by the WG within the MoJ, provided to the G4G team on May 22, 2015, after the conclusion of the field work. As a result, the assessment includes references to the proposed amendments as they relate to the issues raised.

On July 28, 2015, G4G presented the major findings of an assessment and recommendations to the MoJ. MoJ representatives requested additional period to study the assessment in depth and then present the findings to other GoG and private sector representatives.

## **PRIVATE SECTOR & CSO STRENGTHENING**

No specific activities were implemented within the reporting period.

### **5.8.2 PPD SUCCESSES AND LESSONS LEARNED**

The PPD event held on May 8, 2015, clearly demonstrated that there is a clear consensus among all parties about a need for insolvency system reform.

### **5.8.3 CHALLENGES TO ACHIEVING REFORM RESULTS**

Bankruptcy reform is a complex technical area that inherently affects more than one ministry (i.e. MoJ, MoESD, MoF). Failure to effectively engage these ministries and gain full and complete buy-in can delay or altogether thwart the effectiveness of the reform. The unexpected re-assignment of Deputy Minister Mikheil Sarjveladze may impact the momentum of reform as his role as a primary contact and driver of this effort is no longer clear. The Minister of Justice has assumed direct responsibility over the reform, leaving it unclear as to who will manage day to day activities.

## **5.9 LAND OWNERSHIP REGISTRATION REFORM**

### **REFORM OBJECTIVE**

Certainty, clarity and predictability in land rights that is crucial for effective economic development of land.

### **5.9.1 PROGRESS AGAINST THE WORK PLAN**

#### **SUPPORT PUBLIC PRIVATE DIALOGUE**

**Legal Strategy PPD.** On January 15-16, 2015, G4G held an off-site PPD event with National Agency of Public Registry (NAPR), Transparency International (TI) and Tbilisi State University Alternative Dispute Resolution (ADR) Center to discuss the draft Law on Registration of Land Titles and Improvement of Cadastral Data. The participants reached a consensus on the majority of its provisions. According to feedback received and through additional consultations with NAPR staff, G4G finalized the draft law and submitted to NAPR.

Even though G4G planned to conduct several other PPD events and round tables with public and private sectors' and civil society stakeholders to discuss Pilot Land Registration Legal Strategy and the draft law, the key GoG counterpart, NAPR decided to postpone consultations due to lack of commitment on the GoG's side regarding the starting date of the pilot project.

## **GOG CAPACITY STRENGTHENING**

**Land Registration Strategy.** G4G started the support to land registration reform under G4G Immediate Reform Activities. In November, 2014 G4G short-term land advisor, Vincent Morabitto developed the "Illustrative Tool for the Development of Pilot Land Registration Action Plan". The action plan was provided for the implementation of the project in four phases: Phase 1 - Land Registration Strategy Development; Phase 2 - Preparation for Pilot Land Registration Field Activities; Phase 3 - Implementation of Land Registration Pilot Activities in Selected Pilot Areas and Phase 4 - Distillation of Lessons Learned and Design of National Rollout. For each task identified under the relevant phases, the document provided the description of the resources, indicative level of effort, timing, and job aids. On December 9, G4G presented the document NAPR. NAPR used the document in the process of drafting its operation plan for the Pilot Land Registration project.

**Preparation for Pilot.** From October 2014 through March 2015, G4G subcontractor Transparency International (TI), commenced its assignment on Streamlining Land Ownership and Registration Legislation and Procedures. G4G assessed the rule of law and regulatory environment for non-agricultural land ownership and court practices, and through a series of interviews and round table discussions with NAPR, agreed on the primary challenges hindering non-agricultural land registration process. G4G together with NAPR's WG developed recommendations for regulatory solutions. Based on agreed approaches, G4G revised the Pilot Land Registration Legal Strategy and draft Law on Registering Rights and Related Obligations on Land Plots for the Purpose of Pilot Land Registration, originally developed with USAID Economic Prosperity Initiative (EPI) support.

In parallel TI worked on the concept of ADR. The concept was developed in collaboration with the National Center for ADR, established under Tbilisi State University with the support of the USAID Judicial Independence and Legal Empowerment Project (JILEP). The basic principles of mediation mechanism were incorporated in the above-mentioned draft law.

In April 2015, G4G submitted the Pilot Land Registration Legal Strategy along with finalized draft Law on Registration of Land Titles and Improvement of Cadastral Data and Practical Guideline for the Mediators to NAPR. In June the draft was submitted to the MoJ and awaits Minister of Justice's submission to the Government and then to the Parliament for approval. All further activities in this area are contingent upon Parliamentary adoption of the draft law.

During Year 1, G4G supported NAPR in developing a Communication Strategy and Action Plan for the Pilot Land Registration project. After several site visits to the pilot project municipalities and interviews with representatives of local government and farmers in the Governor's Office, G4G short-term communications advisor developed Communication Strategy and Action Plan, which pursues a targeted approach and sets multiple goals for the land registration communication campaign that are specifically tailored to the needs of different groups of society. The strategy includes a message dissemination plan and defines the communication channels, including electronic, print and other media. The consultant also developed the design samples of brochures, pamphlets, banners, and billboards for the communication campaign.

## **PRIVATE SECTOR & CSO STRENGTHENING**

**Preparation for Pilot.** All activities in this area are contingent upon Parliamentary adoption of the Law on Pilot Registration of Land Titles and Improvement of Cadastral Data.

### **5.9.2 PPD SUCCESSES AND LESSONS LEARNED**

G4G facilitated a consensus between civil society in the face of Transparency International and government on wide range of contentious technical issues surrounding the land registration. This resulted in a draft Law on Registration of Land Titles and Improvement of Cadastral Data.

### **5.9.3 CHALLENGES TO ACHIEVING REFORM RESULTS**

GoG did not submit the draft Law to the 2015 Spring Session of the Parliament as was originally planned, which will inevitably delay the start of the pilot project. As Parliamentary elections are coming closer, the GoG may lose interest towards the reform due to its high sensitivity.

## 5.10 PENSION REFORM

### REFORM OBJECTIVE

Effective public dialogue on anticipated pension reform which is crucial to its acceptance by the public.

### 5.10.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**PPD on Pension Reform.** Due to the GoG's decision to postpone the implementation of the new pension system to 2017, G4G moved related PPD events to Year 2 of the project.

**Public Outreach and Legal Drafting.** Due to the GoG's decision to postpone the implementation of the new pension system to 2017, G4G moved related PPD events to Year 2 of the project.

#### GOG CAPACITY STRENGTHENING

G4G sponsored the MoF official member of the pension reform WG to attend the World Bank Pension Core Course, a two-week course held from April 27 through May 8, 2015. The course provided an in-depth understanding of the conceptual and practical issues involved in the design and implementation of pension and social security programs and linkages to social protection systems.

#### PRIVATE SECTOR & CSO STRENGTHENING

**Regulatory Impact Assessment.** Postponed to Year 2 of the project.

### 5.10.2 PPD SUCCESSES AND LESSONS LEARNED

None at present.

### 5.10.3 CHALLENGES TO ACHIEVING REFORM RESULTS

The implementation of pension reform will impose considerable pressure on the state budget, therefore it is politically sensitive decision to make and there are conflicting positions within the government in this regard.

## 5.11 CAPITAL MARKETS REFORM

### REFORM OBJECTIVE

Effective public dialogue on anticipated capital market reform to stimulate participation by business community.

### 5.11.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC PRIVATE DIALOGUE

**Capital Market PPD.** Following the release of the Capital Markets Diagnostic Study and Recommendations, G4G organized series of PPDs, the first session of which was welcomed by George Kvirikashvili, Minister of Economic and Sustainable Development. Four PPD events organized in June and July brought together high-level executives from the Government of Georgia, Parliament of Georgia, National Bank of Georgia, Georgian Stock Exchange, commercial banks, brokers and other private sector participants as well as International Financial Institutions (IFIs) and donor community to discuss the development of capital markets in Georgia. The results of the PPD events were reflected in the Capital Market Development Roadmap.

#### GOVERNMENT OF GEORGIA CAPACITY STRENGTHENING

**Diagnostic Assessment.** During the reporting year G4G worked closely with Robert Singletary, Asian Development Bank (ADB) Consultant and the member of GoG CMWG, on Capital Market Diagnostic Study. G4G contributed to the study by providing financial and legal analysts. The G4G capital markets team analyzed 21 commercial banks operating in the Georgian market to identify in what capacity banks can participate in the country's capital market development and researched the linkages of Georgian commercial banks to the international clearance and settlement system; consolidated 2006-2014 trading data provided by Georgian Stock Exchange, and conducted market share calculations for on-exchange, off-exchange and share registry trades, as well as analysis of trading for the given period. G4G short-term legal consultant provided expertise of capital market related legislation and identified legislative barriers for the development of the capital market.

In June, 2015, CMWG released the Capital Markets Diagnostic Study. The study revealed that Georgia possesses all the necessary components required to operate a healthy capital market; however there are 43 recommendations that need to be implemented to significantly improve functioning of the securities market. The recommendations cover wide range of issues from improving the legal and regulatory framework, harmonizing the tax policy, increasing international regulatory linkages and transparency of legal regime to improving issuer transparency and market infrastructure. The English and Georgian versions of the study were posted on MoESD’s website for public review.

Following the public-private consultation on Capital Markets Diagnostic Study held in June-July, 2015 CMWG papered Capital Market Development Roadmap. On August 18, 2015 the Roadmap was presented to GoG’s Economic Council.

## PRIVATE SECTOR AND CSO STRENGTHENING

No specific activities were implemented within the reporting period.

### 5.11.2 PPD SUCCESSES AND LESSONS LEARNED

G4G received positive feedback from a range of different stakeholders involved in the PPD discussions. The PPD events showed firm commitment from the Government of Georgia, strong interest and increased activity from the private sector and robust support from the donor community.

### 5.11.3 CHALLENGES TO ACHIEVING REFORM RESULTS

The Parliament of Georgia has voted for separating the securities markets regulatory function from the National Bank of Georgia. The details of the creation of new Financial Supervisory Agency (FSA) are not yet finalized, while a constitutional challenge has also been made to the respective changes. Since, regulatory body is one of the critical players in the implementation of capital market reform; the delay in its formation may negatively affect reform progress.

## 5.12 CROP INSURANCE REFORM

### REFORM OBJECTIVE

Immediate increase in access to finance for rural businesses.

### 5.12.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC-PRIVATE DIALOGUE

**Crop Insurance PPD.** On February 10, 2015, G4G and the Agrarian Committee of the Parliament organized public private discussions entitled: *Agricultural Insurance in Georgia: Challenges and Perspectives*. The event was well attended by major stakeholders including but not limited to the Ministry of Agriculture, Agricultural Projects Management Agency, Agrarian Committee of the Parliament, insurance companies and insurance association, farmers and farmers’ organizations. The major focus of the discussions was the analysis of results of the agricultural insurance pilot project started in 2014 and what areas need to be adjusted to improve the efficiency of government’s future intervention. The discussions highlighted the importance of developing long term agricultural insurance program, which will be based on the sustainable agricultural insurance policy.

During the reporting year, G4G conducted various meetings with GoG and other major stakeholders and participated in working group discussions dedicated to the development of National Agricultural Risk Management Agency (NARMA). It was decided that G4G will conduct Regulatory Impact Assessment of the NARMA concept developed by BFC through KfW funded project “Feasibility Study of Agro Insurance in Georgia and Armenia.”

On August 13, 2015, G4G grantee ISET Policy Institute organized workshop to present preliminary results of conducted consultations, to discuss the objectives of policy interventions and to select viable options for RIA study. The event was attended by Agricultural Projects Management Agency, Georgian Insurance Association (GIA) and insurance companies, farmers associations and farmers. ISET Policy Institute will incorporate the feedback received from the stakeholders in the RIA study.

#### GOVERNMENT OF GEORGIA CAPACITY STRENGTHENING

**Regulatory Impact Assessment.** GoG considers adopting long term agricultural insurance policy, based on which the government will determine policy intervention in the agricultural insurance sector. For this

purpose, BFC through KfW funded project “Feasibility Study of Agro Insurance in Georgia and Armenia” commenced developing NARMA concept. Concept study itself does not include analysis of costs and benefits of the proposed insurance model. Hence, GoG approached G4G to conduct RIA study on NARMA concept, which will be used by GoG as a decision making tool. G4G selected ISET Policy Institute to conduct RIA study. ISET with support of G4G selected viable policy options for RIA study through consultations with different stakeholders. Draft RIA study will be presented to APMA and other stakeholders and the feedback will be incorporated in the final RIA study.

## PRIVATE SECTOR AND CSO STRENGTHENING

**Crop Insurance Product Development.** Postponed to Year 2.

**Regulatory Impact Assessment.** ISET Policy Institute, grantee for this project, is currently conducting the work on Crop Insurance RIA.

### 5.12.2 PPD SUCCESSES AND LESSONS LEARNED

As a result of G4G sponsored PPD on crop insurance held on February 10, 2015, and following the recommendations received from different stakeholders at that meeting, GoG adjusted the 2015 Agricultural Insurance Program. One of the adjustments was the increased ceiling of insurable grain farm from 5 ha to 15 ha that enabled the grain producers to benefit from the program.

### 5.12.3 CHALLENGES TO ACHIEVING REFORM RESULTS

The GoG piloted the crop insurance program with a very high subsidy. This kept introductory costs down for farmers, which contributed to the excess demand under the pilot project. When GoG revisited the subsidy level and reduced it to about 60%, the demand for agricultural insurance dropped substantially. Over-dependence on a subsidy set a precedent for pricing that is hard to reverse.

The lack of consensus among key GoG and private sector stakeholders on long-term agricultural insurance concept may impede the law drafting and adoption process. The implementation of RIA will contribute to the building of this consensus and advocate for the particular model.

## 5.13 INNOVATION AND TECHNOLOGY POLICY

### REFORM OBJECTIVE

Immediate improvement on Innovation and Technology regime vital for Small and Medium Enterprise (SME) development and access to finance for innovation.

### 5.13.1 PROGRESS AGAINST THE WORK PLAN

#### SUPPORT PUBLIC-PRIVATE DIALOGUE

**Innovation PPD.** A priority of GoG is to insure that the private sector and society is aware of and actively engaged in innovation reform efforts. To this end, G4G has been engaged in assisting GITA in conducting outreach efforts.

On April 7, 2015, G4G and GITA held its coordination meeting on Innovations and Technology Policy in Georgia. Up to 40 participants of the PPD event from public sector, as well as CSOs and universities, discussed innovation policy issues and potential areas of coordination, expressing a readiness to cooperate with GITA on development of Innovation and Technology policy and Infrastructure. GITA leadership presented plans, strategy, and agency activities, including legislative and policy initiatives. G4G Advisor, Malkhaz Nikolashvili, delivered a presentation on international best practice for innovative entrepreneurship and policy development.

In July 2015, G4G in collaboration with the GITA, organized a media study tour for nineteen media professionals, including journalists specializing in Innovation and Technology affairs. The tour encompassed site visits to FABLABs and ILABS equipped with 3D printers, 3D scanners, laser cutters and other high-tech equipment at Ilia State University, Georgian American University (GAU), the Georgian Institute of Public Affairs (GIPA) and Techno Park in Okrokana. The participating journalists created a signature board commemorating the event using a 3D printer and laser cutter at one of the labs. Following the lab visits, at an information session in Gudauri, the head of GITA, Irakli Kashibadze, discussed GITA’s strategy, the importance of the innovation laboratories, and presented new inventions. G4G expert, Malkhaz Nikolashvili, presented additional perspectives on innovation in Georgia.

On September 29, 2015, G4G and GITA held a PPD event on Innovation. The objective of the event was to raise awareness of current and planned developments in Innovation and Technology among CSOs

throughout Georgia (Tbilisi and Regions) and to visit and introduce the new innovation infrastructure to the participants. The event was held at the National Library of Georgia and was attended by 49 guests from 47 different NGO/CSOs. Topics of the discussion included current and planned developmental activities in innovation and technology, such as grant programs, innovation infrastructure and planned legislative changes. Participants visited the Innovation and Fabrication Laboratories (Three iLabs, one FabLab and Technology Park building) and received information about offered activities and services from the Laboratories management. As a result, participants were familiarized with developments in Innovation and Technology in Georgia, as well as GITA and G4G plans for the next year. Through the event, CSOs were also informed about grant activities and opportunities.

At the beginning of the project, the G4G team conducted fact-finding meetings with several key GoG and private sector stakeholders: Georgia's Innovation and Technology Agency (GITA); the Public Service Development Agency (PSDA); the Enterprise Development Agency (EDA), and the Information and Communications Technology (ICT) Business Council.

In December 2014, G4G attended a donor coordination meeting organized by GITA where G4G presented future potential interventions of the project in the area of innovation policy and raised caution over potential adoption of innovation incentives without analysis of the impact and proper consultation with the private sector.

In February 2015, G4G team conducted a workshop for representatives of GITA to present the findings of Deloitte's studies on Tax Incentives and Entrepreneurial Policy Benchmarking on innovations and technology. GITA will use the studies in designing the Law on Promotion of Innovations and Technology.

In March GITA has shared the draft copy of the Law on Innovation Activities with G4G for review.

In May 2015, G4G representative Malkhaz Nikolashvili participated in the Parliament's Budget and Sectoral Economy Committee meeting, where GITA management successfully presented the plans of the agency to develop the Innovations and Technology reforms and infrastructure.

### **GOG CAPACITY STRENGTHENING**

G4G has been actively cooperating with and helping GITA in development of innovation and technology policy. G4G representatives have been involved in all four WGs organized by GITA to facilitate: (1) Legislative Reforms; (2) Innovative Infrastructure; (3) Education and Science; and (4) PR and Publicity. G4G advisor Malkhaz Nikolashvili was invited to be a full member of the Legislative Reforms WG convened to examine all proposed legislation affecting innovation. He is also a member of the Innovative Infrastructure WG. G4G advisor Tamar Kapanidze also is a member of the PR and Publicity WG. Moreover, G4G advisor Maya Eristavi was nominated for Education and Science WG.

At the end of June, 2015, GITA organized the first meeting of the Legislative Reforms WG where agency officially released the draft Law on Innovation Activities, following with other WG meetings such as PR and Publicity; and Education and Science. The WG members were asked to submit the recommendations and comments. Mr. Malkhaz Nikolashvili has developed the review and the recommendations package to the draft Law on Innovations Activities, and submitted to GITA in July - September 2015 period.

### **PRIVATE SECTOR AND CSO STRENGTHENING**

No specific activities were implemented within the reporting period.

### **5.13.2 PPD SUCCESSES AND LESSONS LEARNED**

CSOs and NGOs have expressed an increasing interest for the development of a new legislative framework for innovation promotion and development. In Year 2 G4G will continue consultations and discussions with GITA, the private sector, media and CSOs around the legislation and policy development on innovation. By actively engaging the private sector and interested CSOs, G4G will help to minimize the risk that the incentives, policies and infrastructure proposed in this draft framework will bring to the development of innovations in Georgia.

### **5.13.3 CHALLENGES TO ACHIEVING REFORM RESULTS**

Innovation is a relatively new policy area for Georgia, and it is not necessarily well or widely understood. G4G plans to continue to facilitate the dialogue between state agencies and ministries inside government in order to accelerate the drafting and agreement process.

## 6. WORK PLAN OUTPUT TABLE

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
<b>1. Overall Institutionalized Framework for Public Consultation</b>						
1.1. Support Public Private Dialogue	1.1.1. Support National PPD platform. (1) Conduct assessments to identify the collaborative governance gaps and existing and emerging national platforms (i.e. EBRD); (2) Develop an action plan to support development of a permanent public-private dialogue platform. Such platform will be designed to include key affected subgroups.	(1) Assessment	Completed	WP	Feb-15 Sep-15	Preliminary Assessment Completed
		(2) Action Plan	Completed	WP	Feb-15 Sep-15	Initial Action Plan developed and submitted as part of preliminary assessment
	1.1.2. Engage Media in the National PPD. (1) Identify constraints that economic journalists face in covering reforms; (2) Mobilize and consult media professionals from different media sources to cover and report the reform in a more effective manner and to better monitor the government's performance in the reform implementation process; (3) Develop marketing activities such as trainings and site visits (on specific reforms covered by Component 5).	(1) Assessment	Postponed to Year 2	WP	Feb-15 Sep-15	Initial assessment completed. Final findings will be developed in Year 2
		(2) Convene working group of influential economic journalists (5-10 journalists)	Completed	WP	Feb-15 Sep-15	Working group convened from 16 - 20 journalists from influential media outlets
		(3) Trainings and site visits	Completed	WP	Feb-15 Sep-15	5 offsite trainings and 1 Coffee and Conversation conducted
	1.1.3. Engage Youth in the National PPD. (1) Identify youth organizations to engage them in the policy-making processes; (2) Build capacities of youth organizations' members to effectively communicate and advocate for reforms.	(1) Map local youth organizations	Completed	WP	Jan-15 Sep-15	
		(2) 2 to 4 round-table/capacity building workshops	Completed	WP	Jan-15 Sep-15	6 capacity building workshops conducted

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	1.1.4. Engage Women in the National PPD. (1) Identify and engage with local women associations/gender based organizations (i.e. Institute of Policy Studies, Women's Union of Georgia, Women's Young Union and Democracy, etc.) To bring them into a coalition PPD platform. (2) Provide support to strengthen the engagement of women organizations in advocating and playing leadership roles in the implementation of business enabling reforms.	(1) Map local gender organizations	Completed	WP	Feb-15 Sep-15	
		(2) 2-3 capacity building workshops followed with survey on perceived self-efficacy	Completed	WP	Feb-15 Sep-15	3 capacity building workshops conducted
	1.1.5. Develop Reform Progress Tracking System. Assess options for the online reform progress tracking system.	Assessment – System Development and Implementation	(1) Completed  (2) System Development in progress	WP	Feb-15 Sep-18	Assessment completed  Grant awarded, system development to be launched in Year 2
	1.1.6. PPD Tracking System	PPD tracking system development and implementation	In progress	Q3	Jul-15 Sep-18	Grant awarded, implementation in progress
1.2. GOG Capacity Strengthening	1.2.1. Support National PPD platform. (1) Advocate and educate GoG officials to support development of a national PPD platform that includes subject matter subgroups. (Including expert consultations with GoG officials); (2) Benchmark and analyze other countries' practices with study tour, if deemed appropriate.	(1) 1-3 Workshops	(1) Postponed to Year 2	WP	Apr-15 Sep-15	The capacity building workshops will take place in October 2015  Initial roadmap on the PPD platform on trade issues was developed
		(2) Benchmarking study; (3) Study tour	(2) Completed  (3) Cancelled	WP	Apr-15 Sep-15	Benchmarking study completed  Study tour cancelled due to government interests

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
		Roadmap on PPD platform on trade issues	Completed	Q3	Jul-15 Sep-15	Roadmap on PPD platform on trade issues developed
	1.2.2. Support National RIA Framework. (1) Build awareness of RIA as an input to policy development and PPD; (2) Train GoG officials to be better "consumers" of RIA and other policy analysis.	(1) 2-3 Trainings	Postponed to Year 2	WP	Aug-15 Oct-15	Consultant hired, and will conduct training sessions in beginning of Year 2
		(2) Draft RIA Methodology	Postponed to Year 2	WP	Aug-15 Oct-15	Consultant hired, assessment to be conducted in beginning of Year 2
1.3. Private Sector & Civil Society Organizations Strengthening	1.3.1. Develop Reform Progress Tracking System. Engage CSO in the development of an online reform progress tracking system and public information channel to enable the public to monitor the progress of reforms.	Design of reform progress tracking system	In progress	WP	Jun-15 Sep-18	Grant awarded, implementation in progress
	1.3.2. Engage Media in the National PPD. (1) Design and conduct training aimed at improving the economic knowledge of journalists and increasing the frequency of economic reporting related to business enabling environment, water resource management and electricity trading policy; (2) Conduct informal round tables ("Coffee & Conversation" sessions) on general PPD issues.	(1) 1-3 trainings	Completed	WP	Mar-15 Sep-15	
		(2) Coffee & Conversation sessions	Completed	WP	Mar-15 Sep-15	
	1.3.3. Engage women in PPD. Strengthen women's leadership in the policy making process on economic growth.	Conference	Completed	Q2	March-15	Conference "Women's Role in Economic Growth and Policy Development" took place on March 31, 2015
1.3.4. Engage business associations in PPD. Capacity building workshops for Georgian business associations.	1-2 workshops	Completed	Q2	Mar-15 Sept-15	Two capacity building workshops conducted	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	<b>1.3.5.</b> Establishment of the Economic Policy Advocacy Coalition (EPAC). Facilitate the development and signing ceremony of the Memorandum of Cooperation amongst EPAC members.	Launch of EPAC and signing Memorandum of Cooperation	Completed	Q4	Sept-15	Memorandum developed, signed, and EPAC launched
<b>2. Energy Strategy Reform</b>						
2.1. Support Public Private Dialogue	2.1.1. PPD on Energy Strategy Reform. Inform private sector representatives on Energy Strategy Reform (including responding to ad hoc inquiries).	Consultations	Completed	WP	Mar-15 Jun-15	G4G held consultations with MoE on PPD strategy
	2.1.2. PPD on Energy Strategy Reform. Support Ministry in conducting a roundtable with several private sector representatives and participate in the event.	1-2 PPD events	Completed	WP	Mar-15 Sep-15	1 PPD held in August 2015
2.2. GOG Capacity Strengthening	2.2.1. MoE capacity building on Energy Strategy. Support Analytical Department of MoE in development of assumptions for Business-As-Usual and building scenarios for MARKAL Georgia (standard energy sector analysis software).	(1) Draft BAU	Completed	WP	Jan-15 Mar-15	
		(2) Assumptions Report	Completed	WP	Jan-15 Mar-15	
	2.2.2. MoE capacity building on Energy Strategy. Support Energy Strategy development process (attending working group meetings, providing immediate commentary and technical advice).	(1) Consultations	Completed	WP	Oct-14 Mar-15	First round of consultations was completed. Second round of consultations will be conducted once first draft of Energy Strategy is developed
		(2) Meetings Summary Report	Completed	WP	Oct-14 Mar-15	Reports were completed for the first round of consultations

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	<b>2.2.3.</b> MoE capacity building on Energy Strategy. Conduct national survey on use of primary energy sources (including commercial and industrial consumers).	Survey report and data set	Postponed to Year 2	WP	Mar-15 Sep-15	Grant RFA issued to conduct national survey on use of primary energy sources
<b>2.3.</b> Private Sector & Civil Society Organizations Strengthening	<b>2.3.1.</b> CSOs capacity building on Energy Strategy. Conduct one or more meetings of interested CSOs to review the draft strategy and help bring comments to consensus.	1-3 workshops with CSOs	Postponed to Year 2	WP	Apr-15 Dec-15	Workshops will take place once first draft of Energy Strategy is developed
<b>3. Electricity Trading Mechanism (ETM)</b>						
<b>3.1.</b> Support Public Private Dialogue	<b>3.1.1.</b> ETM PPD. Provide Technical assistance and advocacy support to MoE to conduct PPD to discuss opportunities to address market development issues.	(1) 1-2 PPD events	Completed	WP	Jan-15 Sep-15	2 PPD events conducted and 3 PPD advocacy events conducted for the market players
		(2) Stakeholder consultations	Completed	WP	Jan-15 Sep-15	Consultations with donors/implementers, private sector, GoG and banks conducted
<b>3.2.</b> GOG Capacity Strengthening	<b>3.2.1.</b> No activities planned.					
<b>3.3.</b> Energy (Electricity) Trading Policy Governance	<b>3.3.1.</b> ETM capacity building. Training and capacity building of GSE, ESCO, GNERC and MoE on international best practices on competitive electricity markets.	4-5 Training Sessions	In progress	WP	Mar -15 Sep-15	2 Trainings held for GNERC
		<b>3.3.2.</b> Technical assistance to MoE. (1) Provide comments on MoE developed ETM Road Map and Annual Work Plan; (2) Arrange regular steering committee meetings; (3) Comment on MoE-developed ETM-related primary and secondary legislation.	(1) Comments	Completed	WP	Dec-14 Sep-15
	(2) Steering Committee meetings summary		Completed	WP	Dec-14 Sep-15	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	3.3.3. Technical assistance to ESCO. (1) Provide comments on proposed MO (ESCO) developed Market Rules; (2) Suggest revisions to implementation of Daily Trading; (3) Monitor progress of trading software development in collaboration with WB.	(1) Comments	Completed	WP	Jan-15 Sep-15	Comments on Daily Trading proposal was submitted to ESCO
		(2) Recommendations	Completed	WP	Jan-15 Sep-15	Recommendations submitted to ESCO on market rules
	3.3.4. Technical assistance to TSO (GSE). (1) Suggest revisions on Day Ahead Planning development (rules, procedures); (2) Monitor progress of trading software development; (3) Comment on TSO's TYNDP.	(1) Comments	Completed	WP	Dec-14 Sep-15	Report on TYNDP completed
		(2) Recommendations	Completed	WP	Dec-14 Sep-15	Report on Capacity Allocation and Congestion Management and draft next steps for Day Ahead Planning development completed
	3.3.5. Technical assistance to GNERC. (1) Comment on Market Monitoring Plan and draft procedures developed by GNERC; (2) Monitor harmonization with Turkey and SEE Countries.	(1) Comments	Completed	WP	Dec-14 Sep-15	Recommendations and comments on transmission reliability, connection and monitoring provided
		(2) Recommendations	Completed	WP	Dec-14 Sep-15	Recommendations on transmission reliability, connection and monitoring provided
		2 Capacity Building Workshops	Completed	Q2	Mar-15 Sep-15	2 Capacity Building Workshops conducted

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	<b>3.3.6.</b> Private sector market players support: Provide Trainings on ETM development to the private sector players.	1-5 Trainings	Completed	WP	Jan-15 Sep-15	5 technical trainings were provided during PPD advocacy events (WP #.3.1.1.)
<b>3.4.</b> Private Sector & Civil Society Organizations Strengthening	<b>3.4.1.</b> Women integration in energy sector. Engage NGO to conduct gender survey in the energy sector and hold a workshop on Role of Women in the Energy Sector.	(1) Survey	Postponed to Year 2	WP	Feb-15 July-15	Grant re-announced due to the poor participation in the competition, adjusted RFA pending USAID approval
		(2) Workshop followed with survey on perceived self-efficacy	Postponed to Year 2	WP	Feb-15 Jun-15	See section above
	<b>3.4.2.</b> Promotion of Energy Sector Associations. Conduct individual and joint meetings with private sector market players to discuss opportunities to address market development issues through the development of sector organizations (associations, unions, coalitions etc.).	Energy informal group established	Completed	WP	Feb-15 Sep-15	
	<b>3.4.3.</b> Youth integration in ETM policy development. Hold conference of young energy sector specialists on energy trading.	Conference	Completed	WP	Apr-15 May-15	The conference took place on April 29, 2015

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
<b>4. Water Resource Management Reform</b>						
4.1. Support Public Private Dialogue	4.1.1. Water Resource Management Green Paper PPD. Hold consultations on Green Paper (water sector gap analysis) with GoG stakeholders, CSOs, local governments.	2-4 PPD events	Completed	WP	May-15 Sept-15	Dusheti and Mtskheta Municipality PPDs held
	4.1.2. <b>NEW:</b> Tbilisi Municipality Environmental Strategy PPD. Hold consultations on Tbilisi Municipality Environmental Strategy with GoG stakeholders, CSOs and Tbilisi municipality.	1 PPD Event	Completed	WP	Aug-15	Tbilisi Municipality PPD held
4.2. GOG Capacity Strengthening	4.2.1. Water Resource Management PPD capacity building. Conduct workshop to the Ministry of Environment and Natural Resource Protection on international best practices for involving CSOs in development of green papers, white papers and draft legislation.	2-3 Workshops	Completed	WP	Jun-15 Sep-15	2 capacity building workshops conducted
	4.2.2. Water Resource Management capacity building. (1) Provide training to NALAG (National Association of Local Authorities of Georgia), NEA (National Environmental Agency) and EIEC (Environmental Information Education Center) on how to prepare and deliver position papers on water resource planning and management; (2) Provide comments on position papers developed by NALAG or other CSOs.	(1) 2-3 Workshops (2) Comments	Completed	WP	Jun-15 Sep-15	1 workshop for NALAG and 1 workshop for NEA conducted
	4.2.3. Capacity building to United Amelioration Systems Company of Georgia (GA) by developing the key concepts to be used in the tariff methodology relying on international best practices for setting tariffs for irrigation and drainage.	Report on key concepts to be included in tariff methodology	Completed	Q2	May -15 Dec-15	Irrigation tariff best international practice report developed and submitted to United Amelioration Systems Company
4.3. Water Resource Management	4.3.1. Water Sector Assessment. Conduct assessment of water sector, mapping stakeholders, discussion initiation with stakeholders, and identification of main directions.	Assessment	Completed	WP	Dec-14 Jan-15	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	<b>4.3.2.</b> Water Sector Data Assessment. (1) Conduct assessment of sources of data, existing database structure, data inflow and consistency, finalize the database structure; (2) Identify type of data to be consistent to requirements set by working group or group of key stakeholders.	Report on water resources database structure	Completed	WP	Feb-15 Sep-15	Report on Existing Water Quantitative and Qualitative Data for Aragvi River Basin developed and submitted
	<b>4.3.3.</b> Fresh water resource management training. Develop curriculum and conduct training on fresh water resource management to representatives of municipalities and Central Government (such as NALAG, Environmental Information and Education Center (EIEC) under the MENRP.	(1) Curriculum	Completed	WP	Mar-15 Sep-15	Training needs assessment conducted and based on its curriculum on fresh water resource management developed
		(2) 5 Training sessions	Completed	WP	Mar-15 Sep-15	5 trainings on fresh water resource management conducted
<b>4.4.</b> Private Sector & Civil Society Organizations Strengthening	<b>4.4.1.</b> Water Resource Management Green Paper. Develop Green Paper - Sectorial Gap Analysis.	Green Paper	Completed	WP	Apr-15 Sep-15	Green Paper developed by REC
	<b>4.4.2.</b> Fresh water resource management training. Conduct trainings to CSOs on fresh water resource management planning and implementation and examples of best international practices; provide international examples of green papers and work on developing a green paper on fresh water resource management.	5 Training sessions	Postponed to Year 2	WP	Mar-15 Sep-15	Grant awarded in Year 1, activities to take place in Year 2

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
<b>5. Tax Enforcement and Administration</b>						
5.1. Support Public Private Dialogue	5.1.1. Tax Payment Simplification. Conduct public outreach to taxpayers on tax payment simplification reform and preparation of brief instructions and guidelines for taxpayers.	(1) 2 to 3 PPD events	In progress	WP	May-15 Nov-15	One PPD conducted; end date was amended from June, 2015 to November, 2015 due to GoG's decision to launch the system in Dec. 2015
		(2) Taxpayer Guidelines	Completed	WP	May-15 Jul-15	
	5.1.2. Tax Payment Simplification. Produce video tutorial for taxpayers on new payment system.	Video tutorial	Cancelled	Q1	May-15 Jun-15	Based on MoF request video tutorial will be converted into promotional video
		Promotional Video	In progress	Q2	Sep-15 Nov-15	G4G contracted Kedi Studio to produce video
	5.1.3. Tax Code Review. Conduct PPD events on Tax Policy (Tax Code) Reform with the involvement of business associations (AmCham, BAG, ICC, and GSMEA).	2 PPD events	Completed	WP	Jan-15 Sep-15	
5.1.4. Tax Code Review. Support Tax Code Review working group meetings to discuss legal framework improvement package.	At least 3 working group meetings	Completed	WP	Mar-15 Sep-15		
5.2. GOG Capacity Building	5.2.1. Tax Payment Simplification. (1) Facilitate a review of the existing high-level framework of the reform and its key components, assisting the MoF and RS officials to shape the final design of the reform. (2) Update the draft package of legislative amendments, including proposed changes and amendments to the Tax Code and Budgetary Code of Georgia.	Legislative package	Completed	WP	Oct-14 Dec-14	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	<b>5.2.2.</b> Tax Payment Simplification. Provide support to business process reengineering.	Report	Completed	WP	Nov-14 Dec-14	
	<b>5.2.3.</b> Tax Payment Simplification. Conduct targeted trainings of frontline RS staff and preparation of methodological instructions.	(1) 4-5 training sessions	Completed	WP	Jan-15 Jun-15	
		(2) Methodological instructions	Completed	WP	Jan-15 Jul-15	
	<b>5.2.4.</b> Tax Code Review. Provide support to RS and MoF in developing the action plan for the approximation of Tax Code with EU VAT Directive.	Recommendations on VAT Approximation Action Plan	Completed	Q1	Jan-15 Apr-15	
	<b>5.2.5.</b> Tax Code Review. Provide support in updating amendments package to the Tax Code based on EU and other best practices and facilitate their adoption.	Tax code amendments package for submission to Parliament	Completed	WP	May-15 Sep-15	Tax Code amendments on Reverse Charge VAT and Temporary Admission adopted on May 1, 2015
	<b>5.2.6.</b> Tax Code Review. Provide support in drafting of public rulings on problematic issues of tax legislation.	Draft public rulings	Completed	WP	Mar-15 Sep-15	
	<b>5.2.7.</b> Tax Code Review. Provide advisory support on Estonian Corporate Income Tax (CIT) model.	Comparative legal analysis and recommendations on legislative changes	Completed	Q3	Aug-15 Oct-15	
		Workshop	Completed	Q3	Aug-15 Oct-15	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
5.3. Private Sector & Civil Society Organizations Strengthening	5.3.1. Tax Code Review. Build capacity and train small business associations on advocacy on tax issues in coordination with CSOs (AmCham, ICC, and BAG).	2-5 small (sector) business associations trained	Completed	WP	Apr-15 Nov-15	
	5.3.2. Tax Code Review. Conduct RIA on selected tax code changes. Engage think tanks to conduct RIA.	RIA report	Postponed to Year 2	WP	July-15 Oct-15	RIA assessment initiated and to be completed in Year 2
	5.3.3. Tax Code Review. Conduct business perception survey (baseline and follow up) in coordination with CSOs (AmCham, ICC, BAG).	Business perception survey	In progress	WP	May-15 Nov-15	Grant awarded, field work initiated, survey to be completed in Year 2
<b>6. Customs Administration and Enforcement</b>						
6.1. Support Public Private Dialogue	6.1.1. Customs Code. Organize PPD events on draft Customs Code to be released for public comments in December 2014.	3-4 PPD events	Completed	WP	Mar-15 Sep-15	
6.2. GoG Capacity Organizations Strengthening	6.2.1. Authorized Economic Operators (AEO) Concept. Conduct analysis of EU best practice and study tour to selected EU locations.	(1) Analysis	Completed	WP	Feb-15 Sep-15	
		(2) Study tour	Completed	WP	Jun-15 Aug-15	
	6.2.2. AEO Concept. Develop recommendations based on EU guidelines.	Recommendations	Completed	WP	Jun-15 Sep-15	
	6.2.3. Customs Post-Clearance Control. Conduct trainings and simulated field audit for RS audit staff.	10 officers trained	Completed	WP	Mar-15 Sep-15	
	6.2.4. Customs Post-Clearance Control. Conduct diagnostic assessment and develop recommendations on implementation of EU standards on customs post-clearance control by international consultant.	Recommendations	Completed	Q2	May-15 Sep-15	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	<b>6.2.5.</b> Customs Post-Clearance Control. Support offsite training of Georgian customs auditors on EU best practice customs administration.	RS Audit staff trained	Completed	WP	Apr-15 Sep-15	
<b>6.3.</b> Private Sector & Civil Society Organizations Strengthening	<b>6.3.1.</b> Customs Code. Develop Customs Code commentaries and conduct outreach activities to increase private sector awareness on new customs legislation. Engage business association (e.g. Freight-Forwarders Association) to develop Customs Code commentaries (Guidebook).	Customs Code commentary	Postponed to Year 2	WP	Oct-15 Sep-16	Development of Customs Code Commentaries is contingent upon adoption of new Customs Code. Due to changes in Government's initial plan to adopt Customs Code in 2014 and since no new date was announced the activity was cancelled.
<b>7. Trade Facilitation/Transport and Logistics</b>						
<b>7.1.</b> Support Public Private Dialogue	<b>7.1.1.</b> DCFTA. Facilitate GoG's thematic DCFTA awareness raising meetings in coordination with MoESD and business associations in G4G supported policy areas.	3-5 public awareness events	Completed	WP	Nov-14 Apr-15	4 PPDs held
	<b>7.1.2.</b> DCFTA. Develop and print leaflets for DCFTA public awareness.	2,000 leaflets printed	Completed	WP	Jan-15 Sep-15	1,300 brochures printed due to need of MoESD
	<b>7.1.3.</b> DCFTA. Develop DCFTA public awareness video.	Video	Completed	Q1	May-15 Jul-15	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	<b>7.1.4.</b> Trade Facilitation System (TFS). Conduct PPD on TFS development and implementation issues.	1-2 PPD Events	Completed	WP	Jan-15 Feb-15	
	<b>7.1.5.</b> TFS Tariff Structure and Economic Impact Assessment	Study and recommendations	Completed	Q3	Aug -15 Oct -15	Study conducted in September 2015, to be submitted to USAID in October
<b>7.2.</b> GOG Capacity Strengthening	<b>7.2.1.</b> No specific activities are planned.					
<b>7.3.</b> Private Sector & Civil Society Organizations Strengthening	<b>7.3.1.</b> DCFTA. Support production of plain language guide (online version and 300 printed copies) for private sector on rules of origin and customs tariffs and quotas for Georgian produced goods under DCFTA assuming no guide exists.	DCFTA Guide	In progress	WP	Mar-15 Nov-15	First draft to be submitted in October 2015
	<b>7.3.2.</b> DCFTA. Facilitate analysis-based discussion on DCFTA issues.	3 Policy Papers on Selected DCFTA topics	Postponed to Year 2	Q3	Apr-15 Sep-15	
<b>8. Bankruptcy and Liquidation</b>						
<b>8.1.</b> Support Public Private Dialogue	<b>8.1.1.</b> Insolvency Assessment. Conduct PPD on the need for insolvency reform as a necessary tool for entrepreneurship.	1-3 PPD events	Completed	WP	Mar-15 Jul-15	One PPD conducted; another one planned
<b>8.2.</b> GOG Capacity Strengthening	<b>8.2.1.</b> Insolvency Assessment. Analyze legislation and existing practice on insolvency rules and procedures, identify problematic issues and develop recommendations.	(1) Assessment	Completed	WP	Apr-15 Jun-15	
		(2) Recommendations	Completed	WP	Apr-15 Jun-15	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
8.3. Private Sector & Civil Society Organizations Strengthening	8.3.1. No specific activities are planned.					
<b>9. Land Ownership, Registration and Titling</b>						
9.1. Support Public Private Dialogue	9.1.1. Legal Strategy PPD. (1) Facilitate workshops for civil sector representatives in the process of developing the Legal Strategy and draft law; (2) Engage TI to lead the process.	2-3 workshops	Postponed to Year 2	WP	Jan-15 Sep-15	One PPD event conducted. Other PPD events will follow once GoG makes political decision to move forward with the reform
9.2. GOG Capacity Strengthening	9.2.1. Land Registration Strategy. (1) Provide comments on Land Registration Pilot Project Strategy and Action Plan via WB peer review; (2) Develop detailed draft implementation task list for the pilot project.	(1) Comments	Completed	WP	Nov-14 Nov-14	
		(2) Implementation task list	Completed	WP	Nov-14 Nov-14	
	9.2.2. Preparation for Pilot. (1) Support expanding legal strategy and draft law beyond agricultural land; (2) Propose customized dispute mitigation and resolution mechanisms for pilot land registration.	Draft Legal strategy and draft law	Completed	WP	Nov-14 Jan-15	
	9.2.3. Preparation for Pilot. Support in development of Communication Strategy and Action Plan for the pilot project.	Draft Communication Strategy and Action Plan	Completed	WP	Jan-15 Mar-15	
9.3. Private Sector & Civil Society Organizations Strengthening	9.3.1. Preparation for Pilot. Deliver trainings for mediators involved in pilot project implementation through engaging Tbilisi State University (TSU) Mediation Center.	2 Mediators trained	Postponed to Year 2	WP	Jun-15 Nov-15	This activity is contingent upon starting of pilot project by NAPR

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
	<b>9.3.2.</b> Preparation for Pilot. Conduct trainings to community leaders on effective public outreach during the implementation of the pilot project.	Community leaders trained	Postponed to Year 2	WP	Mar-15 Sep-15	This activity is contingent upon starting of pilot project by NAPR
	<b>9.3.3.</b> Pilot Implementation. Monitor land pilot project implementation and collection of lessons learned through engagement of NGO.	Monitoring report and lessons learned	Postponed to Year 2	WP	Mar-15 Sep-15	This activity is contingent upon starting of pilot project by NAPR
<b>10. Pension Reform</b>						
<b>10.1.</b> Support Public Private Dialogue	<b>10.1.1.</b> PPD on Pension. Facilitate PPD event on pension reform through the involvement of business associations.	3-5 PPD meetings	Postponed to Year 2	WP	May-15 Sep-15	Due to the GoG's decision to postpone the implementation of the new pension system to 2017, G4G plans to move this activity to Year 2 of the project
<b>10.2.</b> GOG Capacity Strengthening	<b>10.2.1.</b> Public Outreach. Provide advisory support in designing the public outreach campaign for the reform.	Recommendations to GoG on public outreach campaign	Postponed to Y2	WP	Feb-15 Mar-15	
	<b>10.2.2.</b> Regulatory Impact Assessment. Conduct RIA on Pension Reform jointly implemented by think-tank and MoESD.	RIA Report	Cancelled	WP	Apr-15 Jul-15	
	<b>10.2.3.</b> Legal drafting. Provide assistance in drafting the legislation on pension scheme.	Comments to the draft	Cancelled	WP	Jul-15 Oct-15	
	<b>10.2.4.</b> Capacity building of GoG officials on designing pension reforms. Sending GoG staff involved in the reform process to WB's two-week Pension Core Course.	1 MoF staff trained	Completed	Q2	April-15 May-15	
<b>10.3.</b> Private Sector & Civil Society Organizations Strengthening	<b>10.3.1.</b> Regulatory Impact Assessment. Conduct RIA on Pension Reform jointly implemented by think-tank and MoESD.	RIA Report	Cancelled	WP	Apr-15 Jul-15	Cancelled due to counterpart's lack of interest to conduct RIA

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
<b>11. Capital Market Reform</b>						
11.1. Support Public Private Dialogue	11.1.1. Capital Market PPD. Conduct PPD event to identify policy issues related to capital market.	PPD event	Completed	WP	Jan-15 Jun-15	Four PPD events conducted
11.2. GOG Capacity Strengthening	11.2.1. Diagnostic Assessment. Provide input to Diagnostic Assessment led by ADB to identify the constraints preventing companies from listing on GSE and utilizing capital market opportunities through providing legal and analytical human resources.	Input to Diagnostic Assessment	Completed	WP	Jan-15 Jul-15	
11.3. Private Sector & Civil Society Organizations Strengthening	11.3.1. No specific activities are planned.					
<b>12. Crop Insurance</b>						
12.1. Support Public Private Dialogue	12.1.1. Crop Insurance PPD. Conduct public-private round tables on draft crop insurance law.	2-5 PPD events	Completed	WP	Dec-14 Sep-15	2 PPD events conducted
12.2. GOG Capacity Strengthening	12.2.1. Regulatory Impact Assessment. Conduct RIA on crop insurance reform jointly implemented by a think-tank and MoA.	RIA Report	Postponed to Year 2	WP	Apr-15 Oct-15	The first draft of the RIA report was submitted. End date was moved from September to October due to KfW's delay to release the crop insurance concept
12.3. Private Sector & Civil Society Organizations Strengthening	12.3.1. Crop Insurance Product Development. Provide support to crop insurance product development through grant to provide TA and trainings to farmer organizations to develop crop insurance products.	(1) Consultations	Cancelled	WP	Jan-15 Sep-15	Due to GoGs delay to come up with state crop insurance model G4G lacked sufficient
		(2) Training	Cancelled	WP	Jan-15	

Component	Activities	Outputs			Timing	Comment
		Description	Status	Added by		
					Sep-15	information to design the grant program
	<b>12.3.2.</b> Regulatory Impact Assessment. Conduct RIA on Crop Insurance Reform jointly implemented by think-tank and MoA.	RIA Report	In progress	WP	Apr-15 Oct-15	The first draft of the RIA report was submitted. End date was moved from September to October due to KfW's delay to release the crop insurance concept
<b>13. Innovation and Technology/SME Policy</b>						
<b>13.1.</b> Support Public Private Dialogue	<b>13.1.1.</b> Innovation PPD. Conduct PPD event on Innovation Law and SME policy and/or dialogue.	2 PPD Events	Completed	WP	Dec-14 Jul-15	PPD events conducted
	<b>13.1.2.</b> Innovation legislation review. Conduct review the effect of GoG incentives package designed to stimulate innovation and recommendations.	Review report	Completed	WP	Dec-14 Sep-15	Comments provided to GITA
<b>13.2.</b> GOG Capacity Strengthening	<b>13.2.1.</b> No specific activities are planned.					
<b>13.3.</b> Private Sector & Civil Society Organizations Strengthening	<b>13.3.1.</b> No specific activities are planned.					

## APPENDIX A: ANNUAL PMP INDICATOR RESULTS

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>1.1 Number of public institutions or CSOs with an established public engagement mechanism through G4G support.</b></p> <p><b>Short clarification: The indicator will count only public or CSOs institutions that have an institutionalized platform for permanent PPDs, including institutions related to the 3rd and 4th components.</b></p>	<p>Economic Policy Advocacy Coalition (EPAC) Journalists Working Group</p> <p><b>Year 1, 5 mechanisms established</b></p>	2	3
<p><b>1.2 Progress toward identification, drafting, approval and implementation of reforms through a consultative process as a result of USAID assistance. (USAID Indicator)</b></p> <p><b>Short clarification: The indicator will count completed steps of policy process related to the targeted reforms, including reforms related to the 3rd and 4th components.</b></p>	<b>Year 1, 47 completed steps</b>	10	100
<p>✓ <b>Analysis</b></p>	<p>Land Registration reform; Tax Payment Reform; Insolvency System Reform; Capital Market Reform (Law on Accounting and Auditing; Law on Entrepreneurs; Law on Securities); Concept on Authorized Economic Operators; VAT EU Approximation Action-Plan; Tax Public Ruling; Management Law; Tax Code (Corporate Tax Issues); Law on Innovation Activates; Georgian Energy Policy; 10 Years Network Development Plan; Georgian Turkey Intergovernmental Agreement (IGA); GRID Code; Amendments to Energy Market Rules; Water Resource.</p> <p><b>Year 1, 16 completed steps</b></p>	N/A	N/A

<sup>33</sup>Y1 cumulative data includes cumulative results for the Q1, Q2, Q3 and Q4 periods.

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
✓ <b>Stakeholder consultation/public debate</b>	Law on Electricity and Natural Gas; Land Registration Reform; Capital Market Reform; Tax Payment Reform; Tax Public Ruling; Georgian Energy Policy; Law on Innovation Activates; Tax Code (Corporate Tax Issues); 10 Years Network Development Plan; Georgian Turkey Intergovernmental Agreement (IGA); GRID Code; Amendments to Energy Market Rules; Water Quality and Resource Management Guidelines. <b>Year 1, 13 completed steps</b>	N/A	N/A
✓ <b>Drafting or revision</b>	Law on Electricity and Natural Gas; Land Registration reform; Tax Payment Reform; Tax Public Ruling; Georgian Energy Policy; Law on Innovation Activates; 10 Years Network Development Plan; Georgian Turkey Intergovernmental Agreement (IGA); GRID Code; Amendments to Energy Market Rules; Water Quality and Resource Management Guidelines. <b>Year 1, 12 completed steps</b>	N /A	N/A
✓ <b>Approval (legislative or regulatory)</b>	Tax Payment Reform; Law on Electricity and Natural Gas; Georgian Energy Policy; Georgian Turkey Intergovernmental Agreement (IGA); GRID Code; Amendments to Energy Market Rules. <b>Year 1, 6 completed step</b>	N/A	N/A
✓ <b>Full and effective implementation</b>	<b>Year 1, no completed steps</b>	N/A	N/A
<b>1.3 Number of agricultural and nutritional enabling environment policies completing the following processes/steps of development as a result of G4G assistance in each case (Stage 1/2/3/4/5). (USAID FTF Indicator)</b> <b>Short clarification: The indicator will count completed steps of policy process related to the targeted agricultural and nutritional enabling environment policies.</b>	<b>Year 1, 1 policy</b>	1	6

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
✓ <b>Analysis</b>	Land Registration reform <b>Year 1, 1 completed step</b>	N/A	N/A
✓ <b>Stakeholder consultation/public debate</b>	Land Registration reform <b>Year 1, 1 completed step</b>	N/A	N/A
✓ <b>Drafting or revision</b>	Land Registration reform <b>Year 1, 1 completed step</b>	N/A	N/A
✓ <b>Approval (legislative or regulatory)</b>	<b>Year 1, no completed steps</b>	N/A	N/A
✓ <b>Full and effective implementation</b>	<b>Year 1, no completed steps</b>	N/A	N/A
<b>1.4 Number of policy areas on which PPD events were initiated through G4G support or through G4G supported platforms.</b> <b>Short clarification: The indicator will count the number of policy areas on which PPDs were initiated through G4G support or through using G4G supported platforms, including reforms related to the 3rd and 4th components. Under PPDs we assume thematic meetings with the participation of all major stakeholders, such as GoG, CSOs and private sector representatives.</b>	Tax Payment Reform; Food Safety Reform under DCFTA; Foreign Land Ownership; Crop Insurance Development; Land Reform; Establishment of Consolidator for Small Hydropower Plant; DCFTA Policy Areas; Customs Legislation; Trade Facilitation System (TFS); Insolvency System; Water Resource Management; Competitive Energy Markets; Innovation Policy; Capital Market Reform. <b>Year 1, 14 policy areas</b>	4	50

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>1.5 Number of the PPD events conducted through G4G support.</b></p> <p><b>Short clarification: The indicator will count PPD events conducted through G4G support, including PPDs related to the 3rd and 4th components. Under PPDs we assume thematic meetings with the participation of major stakeholders, such as GoG, CSOs and private sector representatives. The indicator will disaggregate the PPDs according to the regions where the PPDs took place.</b></p>	<p>PPD on Tax Payment Reform, November 19, 2014;</p> <p>PPD on Food Safety Reform under DCFTA, 26 December, 2014;</p> <p>PPD on Foreign Land Ownership, February 13, 2015;</p> <p>PPD on Crop Insurance Development, Current Challenges and Perspectives, February 10, 2015;</p> <p>PPD on Establishment of Consolidator for Small Hydropower Plant, March 11, 2015;</p> <p>PPD on DCFTA Awareness Raising Event, March 23, 2015. (In Ozurgeti);</p> <p>PPD on DCFTA Awareness Raising Event, March 24, 2015. (In Poti);</p> <p>PPD on Customs Legislation, March 26, 2015;</p> <p>PPD on Women's Role in Economic Growth and Policy Development, March 31, 2015;</p> <p>PPD on Developing Competitive Energy Market, April 2, 2015;</p> <p>PPD on Trade Facilitation System, Fifth Steering Committee Meeting, April 8, 2015;</p> <p>PPD on Innovations and Technology Development, Coordination Meeting, April 7, 2015;</p>	11	98

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
	<p>PPD on Georgian insolvency System, May 8, 2015;</p> <p>PPD on Customs Issues, April 13, 2015;</p> <p>PPD on TFS with freight-forwarders, April 20, 2015;</p> <p>PPD on Water Resource Management, June 9, 2015. (In Dusheti);</p> <p>PPD on Water Resource Management, June 24, 2015. (In Mtskheta);</p> <p>PPD on Capital Market Reform, June 31, 2015.</p> <p>PPD on Capital Market Reform, July 7, 2015.</p> <p>PPD on Capital Market Reform, July 14, 2015.</p> <p>PPD on Capital Market Reform, July 21, 2015.</p> <p>Open Discussion on Planned and Implemented Changes to Tax Legislation, July 9, 2015;</p> <p>Draft Water Law Discussion, August 2, 2015;</p> <p>Electricity Sector Development Next Steps, August 3, 2015;</p> <p>GITA Activity Presentation of Civil Society, September 29, 2015;</p> <p>Customs Legislation and Enforcement PPD, September 29, 2015.</p>		
	<p><b>Year 1, 26 PPDs among them 4 PPDs were implemented in the Regions</b></p>		

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>1.6 Percentage of business operators perceiving economic governance as fair and transparent.</b></p> <p><b>Short clarification: This perception indicator measures a business owner and /or business operator’s opinion on economic governance fairness and transparency. Business owner-operator is a person that owns and runs day-to-day operations. Owner operators are found in industries like commercial agriculture, tourism, logistics, maintenance, repair etc. Economic governance is related to property rights, regulatory functions, corruption, fiscal management, tax administration, or overall macroeconomic policy.</b></p>	Baseline - 48%	N/A	58%

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>2.1 Number of Governmental institutions (including Legal Entities of Public Law, State Owned Enterprises) receiving capacity building assistance through G4G support to develop, implement, and enforce the targeted reforms.</b></p> <p><b>Short clarification: The indicator will count each governmental institution that received capacity building assistance through G4G support to develop, implement, and enforce the targeted reforms. If the institution received different types of assistance, each will be counted separately. The indicator also will capture governmental institutions classified under 3rd and 4th components.</b></p>	<p>RS (4 times through following activities: Tax Payment Simplification; Concept on Authorized Economic Operators; Post Customs Audit; TFS Implementation);</p> <p>MoF (3 times through following activities: VAT Approximation Action plan; Public Ruling; Estonian CIT Implementation);</p> <p>NAPR (1 time through following activity: Land Registration Reform);</p> <p>GITA (1 time through following activity: Law on Innovations Drafting);</p> <p>DEA (1 time through following activity: TFS implementation);</p> <p>MoJ (1 time through following activity: Insolvency Reform);</p> <p>NBE (1 time through following activity: Insolvency Reform);</p> <p>MoESD (1 time through following activity: Capital Market Reform);</p> <p>APMA (1 time through following activity: Crop Insurance Development)</p> <p>NAPR (2 times through training activities);</p> <p>GTA (1 time through training activity);</p> <p>MoE (2 times through training activities);</p> <p>MENPR (1 time through training activities);</p> <p>Georgian Amelioration (4 times through training activities).</p>	10	80

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
	GNERC (2 times through training activities); ESCO (2 times through training activities); GSE (2 times through training activities). <b>Year 1, 30 Institutions</b>		
<p><b>2.2 Number of the legal acts, policy documents, policy related documents, measures or programs provided or substantially contributed by the targeted GoG institutions through G4G assistance.</b></p> <p><b>Short clarification: The indicator will count every legal act, policy documents, policy related documents, measures or programs provided or substantially contributed to a GoG institution through G4G assistance. The indicator also will include the legal acts, policy documents, policy related documents, measures or programs related to the 3rd and 4th components.</b></p>	Land Registration reform; Tax Payment Reform; Insolvency System Reform; Capital Market Reform (Law on Accounting and Auditing; Law on Entrepreneurs; Law on Securities); Concept on Authorized Economic Operators; VAT EU Approximation Action-Plan; Tax Public Ruling; Management Law; Tax Code (Corporate Tax Issues); Law on Innovation Activates; Georgian Energy Policy; 10 Years Network Development Plan; Georgian Turkey Intergovernmental Agreement (IGA); GRID Code; Amendments to Energy Market Rules; Water Resource. <b>Year 1, 16 policy documents</b>	5	50

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>2.3 Number of participants in G4G supported trade and investment capacity building trainings. (USAID Indicator)</b></p> <p><b>Short clarification: The indicator will count every person from GoG, CSOs or private sector receiving G4G supported trainings on trade and investment capacity building. If one person receives several trainings on different issues, each instance will be counted separately. The indicator also will include corresponding trainings relevant to the 3rd and 4th components. The indicator data will be disaggregated based on Gender.</b></p>	<p>Workshop for electricity market players (12 persons: 11 males and 1 female), December 17, 2014;</p> <p>Workshop on Electricity Trading Mechanism Implementation (5 persons: 4 males and 1 female) December 26, 2014;</p> <p>Workshop on ETM Development (25 persons: 15 males and 10 female) March 11, 2015;</p> <p>Workshop for electricity market players, 2<sup>nd</sup> workshop (20 persons: 16 males and 4 females), January 29, 2015;</p> <p>Workshop for electricity market players, 3<sup>rd</sup> workshop (7 persons: 5 males and 2 females), February 25, 2015;</p> <p>Connection Workshop for GNERC (15 persons: 10 males and 5 females), 11 March, 2015;</p> <p>On-job Training to MENRP on Improvement of Fresh Water Resource Management by GAMMA (9 persons: 4 males and 5 females), 12 February, 2015;</p> <p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (8 persons: 6 males and 2 females), 8 April, 2015;</p> <p>Association Management Workshop (11 persons: 2 males and 9 females), 22-24 April, 2015;</p>	<p>80</p> <p>40 M, 40 F</p>	<p>860</p> <p>430 M, 430 F</p>

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
	<p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (6 persons: 4 males and 2 females), 13 April, 2015.</p> <p>Coffee and Conversation on TFS (15 persons: 2 males and 10 females), 2 May, 2015;</p> <p>Coalition Building Workshop for associations (21 persons: 5 male and 16 females), 19-21 May, 2015;</p> <p>Customs Post-clearance Audit Workshop (10 persons: 7 males and 3 females), 10 May, 2015;</p> <p>Workshop on Roadmap of WRM (9 persons: 2 males and 7 females), 29 May, 2015;</p> <p>Media Study Tour for Journalists on Hydropower and ETM (31 persons: 14 males and 17 females), 30-31 May, 2015;</p> <p>Media Study Tour on Capital Markets (26 persons: 11 males and 17 females), 4-5 July, 2015;</p>		

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
	<p>Media Tour on Innovation and Technology (25 persons: 10 males and 15 females), 18-19 July, 2015;</p> <p>Training on Position Paper writing (12 persons: 3 males and 9 females), 12 August, 2015;</p> <p>Empowering Women in Business Training, Young Economists of Georgia (19 persons: 19 females), 16-19 September, 2015;</p> <p>Media Study Tour on Waste Management (11 persons: 2 males and 9 females), 19 September, 2015.</p> <p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (9 persons: 8 males and 1 female), 24 September, 2015.</p> <p><b>Year 1, 329 persons trained (183 males and 146 females)</b></p>		

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>2.4 Number of GoG staff receiving training through G4G support to develop, implement, and enforce targeted reforms.</b></p> <p><b>Short clarification: The indicator will count every person from the public sector receiving G4G supported trainings to develop, implement, and enforce targeted reforms. If one person receives several trainings on different issues, each instance will be counted separately. The indicator also will include corresponding trainings relevant to the 3rd and 4th components. The indicator data will be disaggregated based on Gender.</b></p>	<p>Workshop on Electricity Trading Mechanism Implementation (5 persons: 4 males and 1 female), December 26, 2014;</p> <p>Workshop on Land Registration (11 persons: 6 males and 5 females), January 15-16, 2015;</p> <p>On-job Training to MENRP on Improvement of Fresh Water Resource Management by GAMMA (5 persons: 2 males and 3 females), February 12, 2015;</p> <p>Workshop on ETM Development (9 persons: 4 males and 5 females), March 11, 2015;</p> <p>The 1st Connection Workshop for GNERC (8 persons: 6 males and 2 females), February 25, 2015;</p> <p>The 2nd Connection Workshop for GNERC (10 persons: 7 males and 3 females), March 24, 2015;</p> <p>On-job Training to MENRP on Improvement of Fresh Water Resource Management by GAMMA (5 persons: 2 males and 3 females), 12 February, 2015;</p> <p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (3 persons: 3 males), 8 April, 2015;</p> <p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (3 persons: 3 males), 13 April, 2015;</p> <p>Customs Post-clearance Audit Workshop (10 persons: 7 males and 3 females), 10 May, 2015;</p>	<p>30</p> <p>15 M, 15 F</p>	<p>280</p> <p>141 M, 139 F</p>

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
	<p>Workshop on Roadmap of WRM (9 persons: 2 males and 7 females), 29 May, 2015;</p> <p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (9 persons: 8 males and 1 female), 24 September, 2015.</p> <p><b>Year 1, 77 persons from the government (47 males and 30 females)</b></p>		
<p><b>3.1 Number of policy related documents or legal acts agreed with or initiated for adoption by GoG stakeholders on water resource management through G4G support.</b></p> <p><b>Short clarification: The indicator will count each policy related documents or legal acts agreed with or initiated for adoption by GoG stakeholders on water resource management through G4G support.</b></p>	<p>Water Quality and Resource Management Guidelines, initiated in January, 2015;</p> <p>Water Resource Management Law, initiated in May, 2015.</p> <p><b>Year 1, 2 policy documents</b></p>	1	5
<p><b>3.2 Number of PPDs events conducted to advance water sector policies through G4G support.</b></p> <p><b>Short clarification: The indicator will count each PPD event conducted to advance water sector policies through G4G support. Under PPDs we assume thematic meetings with the participation of major stakeholders, such as GoG, CSOs and private sector representatives.</b></p>	<p>PPD on Water Resource Management, June 9, 2015. (In Dusheti);</p> <p>PPD on Water Resource Management, June 24, 2015. (In Mtskheta);</p> <p>Draft Water Law Discussion, August 2, 2015.</p> <p><b>Year 1, 3 PPD events</b></p>	2	12

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>3.3 Number of people receiving G4G supported training on natural resources management and/or biodiversity conservation. (USAID Indicator)</b></p> <p><b>Short clarification: The indicator will count each person from GoG, CSOs or private sector receiving USG supported trainings on natural resources management and/or biodiversity conservation issues. If one person receives several trainings on different issues, each instance will be counted separately. The indicator data will be disaggregated based on Gender.</b></p>	<p>On-job Training to MENRP on Improvement of Fresh Water Resource Management by GAMMA (9 persons: 4 males and 5 females), 12 February, 2015;</p> <p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (8 persons: 6 males and 2 females), 8 April, 2015;</p> <p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (3 persons: 3 males), 13 April, 2015;</p> <p>Workshop on Roadmap of WRM (9 persons: 2 males and 7 females), 29 May, 2015;</p> <p>Workshop on Amelioration on Irrigation and Drainage Tariff Methodology (9 persons: 8 males and 1 female), 24 September, 2015.</p> <p><b>Year 1, 38 participants (23 males and 15 females)</b></p>	<p>20</p> <p>10 M, 10 F</p>	<p>120</p> <p>60 M, 60 F</p>
<p><b>4.1 Number of legal acts agreed with or initiated for adoption by GoG stakeholders, according to GEMM 2015 legal/regulatory framework through G4G support.</b></p> <p><b>Short clarification: The indicator will count each legal act agreed with or initiated for adoption by GoG stakeholders, according to GEMM 2015 legal/regulatory framework through G4G support.</b></p>	<p>Law on Electricity and Natural Gas was adopted in December, 2014; 10 Years Network Development Plan was initiated in January, 2015; Georgian Turkey Intergovernmental Agreement (IGA) was signed in April, 2015; GRID Code was adopted in May, 2015; Amendments to Energy Market Rules were adopted in May, 2015; Law on Georgian Energy Policy was adopted in June, 2015.</p> <p><b>Year 1, 6 legal acts</b></p>	<p>3</p>	<p>15</p>

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>4.2 Number of PPDs conducted through G4G support to advance energy sector policies.</b></p> <p><b>Short clarification: The indicator will count each PPD event conducted through G4G support to advance energy sector policies. Under PPDs we assume thematic meetings with the participation of major stakeholders, such as GoG, CSOs and private sector representatives.</b></p>	<p>PPD on Establishment of Consolidator for Small Hydropower Plant, March 11, 2015;  PPD on Developing Competitive Energy Market, April 2, 2015;  Electricity Sector Development Next Steps, August 3, 2015.</p> <p><b>Year 1, 3 PPD events</b></p>	<p>3</p>	<p>23</p>
<p><b>4.3 Number of people receiving G4G supported trainings in energy related business management system. (USAID Indicator)</b></p> <p><b>Short clarification: The indicator will count each person from GoG, CSOs or private sector receiving G4G supported training in energy related business management system issues. If one person receives several trainings on different issues, each instance will be counted separately. The indicator data will be disaggregated based on Gender.</b></p>	<p>Workshop for electricity market players, 1<sup>st</sup> workshop (12 persons: 11 males and 1 female), December 17, 2014;  Workshop on ETM Development (25 persons: 15 males, 10 females), March 11, 2015;  Workshop for electricity market players, 2<sup>nd</sup> workshop (20 persons: 16 males and 4 females), January 29, 2015;  Workshop for electricity market players, 3<sup>rd</sup> workshop (7 persons: 5 males and 2 females), February 25, 2015.</p> <p><b>Year 1, 64 participants, 47 males and 17 females</b></p>	<p>20 10 M, 10 F</p>	<p>180 90 M, 90 F</p>

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>4.4 Number of people receiving G4G supported training in energy related policy and regulatory practices. (USAID Indicator)</b></p> <p><b>Short clarification: The indicator will count each person from GoG, CSOs or the private sector receiving G4G supported trainings in energy related policy and regulatory practice issues. If one person receives several trainings on different issues, each instance will be counted separately. The indicator data will be disaggregated based on Gender.</b></p>	<p>Workshop on Electricity Trading Mechanism Implementation (5 persons: 4 males and 1 female), December 26, 2014;</p> <p>Connection Workshop for GNERC (15 persons: 10 males, 5 females), 11 March, 2015;</p> <p>Electricity Sector Development Next Steps (30 persons: 18 males and 12 females), August 3, 2015.</p> <p><b>Year 1, 50 participants, 32 males and 18 females</b></p>	<p>25 13 M, 12 F</p>	<p>110 55 M, 55 F</p>
<p><b>4.5 Energy amount of cross-border electricity traded that is attributable to G4G assistance. (USAID Indicator)</b></p> <p><b>Short clarification: This indicator will measure the amount of cross border energy traded between Georgia and Turkey. The included target data is for the fiscal year (i.e., October 1 – September 30). The data source for measuring actual performance will come directly from the website of the Electricity System Commercial Operator (ESCO).</b></p>	<p><b>Year 1, 456 GWh.</b></p>	<p>300 GWh</p>	<p>2430 GWh</p>

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>5.1 Number of private and civil society organizations received capacity building assistance through G4G on development, implementation, and enforcement of targeted reforms.</b></p> <p><b>Short clarification: The indicator will count each private and civil society organization that received capacity building assistance through G4G support to develop, implement, and enforce the targeted reforms. If the organization receives different types of assistance, each will be counted separately. The indicator also will capture organizations classified under 3rd and 4th components.</b></p>	<p>1<sup>st</sup> Electricity Market Players Workshop, December 17, 2014. (12 businesses);</p> <p>2<sup>nd</sup> Electricity Market Players Workshop, January 29, 2015. (13 businesses);</p> <p>3<sup>rd</sup> Electricity Market Players Workshop, February 25, 2015. (4 businesses);</p> <p>Workshop on ETM Development, March 11, 2015. (7 businesses);</p> <p>On-job Training to MENRP on Improvement of Fresh Water Resource Management by GAMMA, February 11, 2015. (1 business);</p> <p>Workshop on Land Registration, January 15-16, 2015. (2 CSOs);</p> <p>Media Offsite Workshop, April 5, 2015 (2 CSOs and 1 business);</p> <p>Coffee and Conversation on TFS, April 2, 2015. (2 SCOs and 11 businesses);</p> <p>Association Management Workshop 22-24 April, 2015 (11 SCOs);</p> <p>Coalition Building Workshop for Associations 19-21 April, 2015 (15 SCOs);</p> <p>Media Study Tour for Journalists on Hydropower and ETM, 30-31 May, 2015 (22 businesses);</p>	10	510

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
	<p>Media Study Tour on Capital Markets (26 Businesses), 4-5 July, 2015;</p> <p>Media Tour on Innovation and Technology (25 businesses), 18-19 July, 2015;</p> <p>Training on Position Paper writing (1 SCO), 12 August, 2015;</p> <p>Empowering Women in Business Training, Young Economists of Georgia (19 Businesses), 16-19 September, 2015;</p> <p>Media Study Tour on Waste Management (11 Businesses), 19 September, 2015.</p> <p><b>Year 1, 152 businesses and 33 CSOs</b></p>		
<p><b>5.2 Number of quality services/products provided by professional business associations &amp; think tanks to their clients as a result of USG assistance. (USAID Indicator)</b></p> <p><b>Short clarification: This indicator measures the number of quality of services such as research, policy advice in areas affecting industry, publication of polling data, policy papers, policy seminars, membership meetings, and advocacy activities that are available and used by private enterprises and individual, others. The indicator also will capture services/products provided relevant to the 3rd and 4th components.</b></p>	<p>Advocacy service;</p> <p>Networking service;</p> <p>Policy advisory service.</p> <p><b>Year 1, 3 services provided</b></p>	2	9

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>5.3 Number of journalists trained through G4G support to provide credible and reliable reporting on issues affecting Georgia’s business enabling <i>environment</i>.</b></p> <p><b>Short clarification: The indicator will count each journalist receiving G4G supported training on relevant subjects. If one person receives several trainings on different issues, each instance will be counted separately. The indicator data will be disaggregated based on Gender.</b></p>	<p>Media Offsite Workshop, April 5, 2015 (25 persons: 9 males and 16 females);</p> <p>Coffee and Conversation on TFS (15 persons: 2 males and 10 females), 2 May, 2015;</p> <p>Media Study Tour for Journalists on Hydropower and ETM (31 persons: 14 males and 17 females), 30-31 May, 2015;</p> <p>Media Study Tour on Capital Markets (26 persons: 11 males and 17 females), 4-5 July, 2015;</p> <p>Media Tour on Innovation and Technology (25 persons: 10 males and 15 females), 18-19 July, 2015;</p> <p>Media Study Tour on Waste Management (11 persons: 2 males and 9 females), 19 September, 2015.</p> <p><b>Year 1, 133 journalists, 48 males and 85 females</b></p>	<p>8</p> <p>4 M, 4 F</p>	<p>298</p> <p>149 M, 149 F</p>

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
<p><b>5.4 Number of persons from private and civil society organizations receiving training through G4G support on the development, implementation, and enforcement of the targeted reforms.</b></p> <p><b>Short clarification: The indicator will count each person from private and civil society organizations receiving G4G supported trainings to develop, implement, and enforce the targeted reforms. If one person receives several trainings on different issues, each instance will be counted separately. The indicator also will include corresponding trainings relevant to the 3rd and 4th components. The indicator data will be disaggregated based on Gender.</b></p>	<p>Workshop for electricity market players (12 persons: 11 males and 1 female), December 17, 2014;</p> <p>2<sup>nd</sup> Electricity Market Players Workshop (21 persons: 17 males and 4 females), January 29, 2015;</p> <p>3<sup>rd</sup> Electricity Market Players Workshop (22 persons: 18 males and 4 females), February 25, 2015;</p> <p>Workshop on ETM Development (9 persons: 7 males and 2 females), March 11, 2015;</p> <p>Workshop on Land Registration (2 persons: 1 male and 1 female), January 15-16, 2015;</p> <p>Media Offsite Workshop (25 persons: 9 males and 16 females), April 5, 2015;</p> <p>Coffee and Conversation on TFS (15 persons: 5 males and 10 females), April 2, 2015;</p> <p>Association Management Workshop (11 persons: 2 males and 9 females), 22-24 April, 2015;</p> <p>Coalition Building Workshop for associations (21 persons: 5 males and 16 females), 19-21 April, 2015;</p> <p>Media Study Tour for Journalists on Hydropower and ETM (27 persons: 20 males and 7 females), 30-31 May, 2015;</p>	<p>50 25 M, 25 F</p>	<p>750 375 M, 375 F</p>

Indicator	Year 1 Cumulative Results <sup>3</sup>	2015 Target	Cumulative Target
	<p>Media Study Tour on Capital Markets (26 persons: 11 males and 17 females), 4-5 July, 2015;</p> <p>Media Tour on Innovation and Technology (25 persons: 10 males and 15 females), 18-19 July, 2015;</p> <p>Training on Position Paper writing (12 persons: 3 males and 9 females), 12 August, 2015;</p> <p>Empowering Women in Business Training, Young Economists of Georgia (19 persons: 19 females), 16-19 September, 2015;</p> <p>Media Study Tour on Waste Management (11 persons: 2 males and 9 females), 19 September, 2015.</p> <p><b>Year 1, 258 persons: 121 males and 137 females</b></p>		
<p><b>6.1 Proportion of females who report increased self-efficacy at the conclusion of G4G supported trainings/programming. (USAID Indicator)</b></p> <p><b>Short clarification: The data on the indicator will be collected at the end of each training event based on the women participants' survey. The proportion will be measured based on the 5 scale survey questionnaire.</b></p>	<p><b>Year 1, 100% of female participants who completed the forms reported on the increased self-efficacy</b></p>	<p>70%</p>	<p>78%</p>

## APPENDIX B: DONOR COORDINATION MATRIX

Donor	Donor Project Title	Time Frame	Contact Person/Role	Contact Information	Donor Funding	G4G Supported Reform
ADB	Georgia: Strengthening Domestic Resource Mobilization	2014-2016	Kathie Julian, Resident Representative	<a href="mailto:kjulian@adb.org">kjulian@adb.org</a> Tel: +(995 32) 2250 619	USD 0,5 M	Capital Market and Pension Reform
ADB	Road Corridor Investment Project	2011-2015	Giorgi Kiziria, Deputy Team Leader	<a href="mailto:gkiziria@adb.org">gkiziria@adb.org</a>	USD 140 M	TBI
ADB	Urban Services Improvement Investment Project	2013-2018	Irakli Chkhonia, Senior Project Officer	<a href="mailto:ichkhonia@adb.org">ichkhonia@adb.org</a>	USD 0,1 M	TBI
EU	Environmental Protection of International River Basin Project	2012-2016	Zurab Jincharadze, River Basin Management Expert	<a href="mailto:zurab.jincharadze@blacksea-riverbasins.net">zurab.jincharadze@blacksea-riverbasins.net</a>	EUR 7,5 M	Development of Water Resource Management plans
EU	Twinning Project - Strengthening Administrative Capacity of the Georgia RS in Taxation	2014-2015	Irakli Khmaladze, Project Manager	<a href="mailto:irakli.khmaladze@eeas.europa.eu">irakli.khmaladze@eeas.europa.eu</a>	EUR 1,3 M	Tax Reform (Tax payment simplification, Tax Code Review)
EU	TA for Enguri / Vardnili HPP Rehabilitation	2010-2015	Muriel Lambert, Project Manager	<a href="mailto:Muriel.Lambert-de-Rouvroit@eeas.europa.eu">Muriel.Lambert-de-Rouvroit@eeas.europa.eu</a>	EUR 1,04 M	ETM Development
EU	INOGATE (Regional Project)	2012-2015	Nikos Tsakalidis, Deputy Team Leader	<a href="mailto:nikostsakalidis@yahoo.gr">nikostsakalidis@yahoo.gr</a>	EUR 16,6 M	ETM Development
EU	EIB-03 Technical Assistance for the Water Infrastructure Modernization and Development Project	2010-2016	Alvaro Ortega Aparicio, Programme Manager	<a href="mailto:Alvaro.ortega-aporicio@eeas.europa.eu">Alvaro.ortega-aporicio@eeas.europa.eu</a> <a href="mailto:tamriko.mikadze@eeas.europa.eu">tamriko.mikadze@eeas.europa.eu</a> Tel: (+995 32) 2943763	EUR 0,42 M	Development of Water Resource Management plans
EU	East Invest 2 Project	2015-2018	Christian Gessl, Key Expert on Policy	<a href="mailto:c.gessl@ueapme.com">c.gessl@ueapme.com</a>	EUR 8,75 M	Establishment of PPD platform
EU	Legislative Impact Assessment, Drafting and Representation Location	2015-2017	Katerina Velichkova, RIA Expert	<a href="mailto:katerina.velichkova@gmail.com">katerina.velichkova@gmail.com</a>	EUR 1.5 M	RIA National Framework

Donor	Donor Project Title	Time Frame	Contact Person/Role	Contact Information	Donor Funding	G4G Supported Reform
EBRD, KfW	Georgia - Jvari - Khorga Interconnection	2013-2016	Nino Shanidze, Senior Project Coordinator	<a href="mailto:nino.shanidze@kfw.de">nino.shanidze@kfw.de</a>	EUR 60 M	ETM Development
KfW	Rehabilitation of drinking, waste and rainwater systems in Batumi	2010-2015	Nino Shanidze, Senior Project Coordinator	<a href="mailto:nino.shanidze@kfw.de">nino.shanidze@kfw.de</a>	EUR 101,8 M	Development of Water Resource Management plans
GIZ	Private Sector Development Project in the South Caucasus	2013-2016	Marieta Riedel, Expert	<a href="mailto:mareita.riedel@giz.de">mareita.riedel@giz.de</a>	TBI	Tax Reform; Customs Administration and Enforcement
GIZ	Legal Approximation towards European Standards in the South Caucasus	2013-2016	Dr. Jens Deppe, Team Leader	<a href="mailto:Jens.deppe@giz.de">Jens.deppe@giz.de</a>	TBI	Insolvency Reform
German Federal Customs Service	Development of Customs Post Clearance Audit	2015-2017	Anke Sahmland, Head of Foreign Relations Department at German customs	<a href="mailto:anke.sahmland@bwz.bund.de">anke.sahmland@bwz.bund.de</a>	TBI	Customs Enforcement; Customs Post Clearance Audit
Norwegian Ministry of Foreign Affairs	Sustainable Hydropower Development	2012-2015	Endre Ottosen, Project Coordinator	<a href="mailto:endre.ottosen@energi.no">endre.ottosen@energi.no</a>	TBI	Energy Strategy Development; Water Resource Management
Norwegian Ministry of Foreign Affairs	Promoting Sustainable Dam Development at River-Basin-Scale in the Southern Caucasus	2013-2014	Maka Bitsadze, Project Regional Coordinator	<a href="mailto:mbitsadze@wwfcaucasus.org">mbitsadze@wwfcaucasus.org</a>	TBI	Energy Strategy Development; Water Resource Management
Norwegian Ministry of Foreign Affairs	Institutional Cooperation Between Norwegian Water Resources and Energy Directorate and Ministry of Energy and Natural Resources of Georgia	2013-2016	Kjell Repp, Head of International Section	<a href="mailto:kre@nve.no">kre@nve.no</a>	NOK 13,68	Water Resource Management
Norwegian Society for the Conservation of Nature	SPARE- International School Project for Application of Resources and Energy	2012-2015	Madona Pirvelashvili, Project Coordinator	<a href="mailto:info@ecovision.ge">info@ecovision.ge</a> <a href="mailto:madonapirvelashvili@yahoo.com">madonapirvelashvili@yahoo.com</a>	TBI	Energy Strategy Development

Donor	Donor Project Title	Time Frame	Contact Person/Role	Contact Information	Donor Funding	G4G Supported Reform
IFC	Georgia Investment Climate Project	2013-2016	Eka Avaliani, Operations Officer	<a href="mailto:eavaliani@ifc.org">eavaliani@ifc.org</a> Tel: +(995) 599 560 229	USD 1.8 M	Tax Reform; Customs Administration and Enforcement, Tax Perception Survey
IFC Infra Ventures	Clean Energy Invest	2012-2015	Bjorn Brandizarg, Consultant	<a href="mailto:bjorn.brandtzaeg@cleanenergyinvest.no">bjorn.brandtzaeg@cleanenergyinvest.no</a>	USD 700 M	ETM Development
Swiss Cooperation Office	Inclusive Growth Dialogues	2013-2014	Lasha Labadze, Deputy Director ISET Policy Institute	<a href="mailto:l.labadze@iset.ge">l.labadze@iset.ge</a>	GEL 0.14 M	Overall Institutionalized Framework for Public Consultation and support on G4G targeted reform areas
Czech Development Agency (CzDA)	Pilot Project for Introduction of an Information System for Data Transferring and Groundwater Monitoring Network in Kvareli and Lagodekhi Municipalities	2013-2015	George Gaprindashvili, Leading Specialist, Head of Projects and Analytical Department	<a href="mailto:gaprinda1609@yahoo.com">gaprinda1609@yahoo.com</a> Tel: +(995) 591 404 043	CZK 12.63 M	Development of Water Resource Management plans
European Investment Bank	Water Infrastructure Modernization II	2013-2018	Paata Iakobashvili, (from MDF) Head of Projects and Analytical Department	<a href="mailto:press@eib.org">press@eib.org</a> <a href="mailto:mdf@mdf.org.ge">mdf@mdf.org.ge</a>	EUR 40 M	Development of Water Resource Management plans
EBRD	Support Public Private Dialogue	2015-2018	Bruno Balvanera, Director (Caucasus, Moldova and Belarus)	<a href="mailto:balvaneB@ebrd.com">balvaneB@ebrd.com</a>	TBD	Overall Institutionalized Framework for Public Consultation and support on G4G targeted reform areas
USAID	Judicial Independence and Legal Empowerment Project (JILEP)	2010-2014	George Chkheidze, DCOP	<a href="mailto:info@ewmi-jilep.org">info@ewmi-jilep.org</a> Tel: +(995) 599 515 662	USD 19 M	Alternative dispute resolution mechanism for pilot land registration
USAID	Enhancing Capacity for Low Emission Development Strategies (EC LEDS)	2013-2018	Danna Kenney, COP Inga Pkhaladze, DCOP	<a href="mailto:dkenney@field.winrock.org">dkenney@field.winrock.org</a> <a href="mailto:ipkhaladze@field.winrock.org">ipkhaladze@field.winrock.org</a> Tel: +(995) 32 2 50 63 43	USD 6 M	Energy Strategy Development
USAID	Integrated Natural Resources Management in Watersheds of	2012-2014	Marika Shotadze, Program Director	<a href="mailto:mshotadze@globalwaters.net">mshotadze@globalwaters.net</a>	USD 5 M	Development of Water Resource Management

Donor	Donor Project Title	Time Frame	Contact Person/Role	Contact Information	Donor Funding	G4G Supported Reform
	Georgia					plans
USAID	Advancing CSO Capacities and Engaging Society for Sustainability (ACCESS)	2014-2019	Tamar Karosanidze, COP	<a href="mailto:tkarosanidze@ewmi-access.org">tkarosanidze@ewmi-access.org</a> Tel: +(995) 599 902 298	USD 5.5 M	Overall Institutionalized Framework for Public Consultation.  Collaboration on a PPD under DCFTA awareness campaign.
USAID	Media for Transparent and Accountable Governance (M-TAG) Program	2014-2019	Lika Chakhunashvili, COP	<a href="mailto:lchakhunashvili@irex.org">lchakhunashvili@irex.org</a> Tel: +(995) 599 902 298	USD 5.1 M	Overall Institutionalized Framework for Public Consultation and support on G4G targeted reform areas
USAID	USAID/Strengthening Extension and Advisory Services in Georgia (SEAS)	2013-2015	Roland Smith, Expert	<a href="mailto:rsmith@tamu.edu">rsmith@tamu.edu</a>	USD 0.88 M	TBI
USAID	Georgian Human and Institutional Capacity Development (HICD) 2020 Project	2015-2020	Roman Tsutskiridze, COP	<a href="mailto:rtsutsikirize@hicdlus.ge">rtsutsikirize@hicdlus.ge</a>	USD 7 M	GoG and CSOs capacity building in G4G targeted reform areas
USAID	Georgian Human and Institutional Capacity Development (HICD) Plus Project	2011-2015	Roman Tsutskiridze, COP	<a href="mailto:rtsutsikirize@hicdlus.ge">rtsutsikirize@hicdlus.ge</a>	USD 5.7 M	GoG and CSOs capacity building in G4G targeted reform areas
USAID	Restoring Efficiency to Agricultural Production (REAP)	2013-2018	Luisa Namicheishvili, DCOP	<a href="mailto:lnamichaeishvili@reap.ge">lnamichaeishvili@reap.ge</a> Tel: +(995) 595 030 353	USD 19.5 M	Crop Insurance
USAID	NARUC- Black Sea Regulatory Initiative	2006-2020	Jargalan Jambaldorj, Senior Program Officer	<a href="mailto:jjargalan@naruc.org">jjargalan@naruc.org</a>	USD 0.2 M	ETM Development
USAID	AGT/Black Sea Transmission Project	2011-2017	Will Polen, Senior Director	<a href="mailto:wpolen@usea.org">wpolen@usea.org</a>	USD 0.08 M	ETM Development
USAID	New Economic Opportunities Initiative (NEO)	2014-2015	Kirk Ramer, COP	<a href="mailto:kramer@georgiano.org">kramer@georgiano.org</a> Tel.: +(995) 32 225 05 61	TBD	Overall Institutionalized Framework for Public Consultation and support on G4G targeted reform areas

Donor	Donor Project Title	Time Frame	Contact Person/Role	Contact Information	Donor Funding	G4G Supported Reform
USAID	Supporting Local Self-Governance Reforms in Georgia	2014-2015	Nino Lomjaria, COP	<a href="mailto:nino.lomjaria@isfed.ge">nino.lomjaria@isfed.ge</a> Tel: +(995) 555 02 02 00	TBD	Overall Institutionalized Framework for Public Consultation and support on G4G targeted reform areas
USAID	Good Governance Initiative in Georgia (GGI)	2015-2020	David Smith, COP	<a href="mailto:DvdbrSmith@aol.com">DvdbrSmith@aol.com</a> Tel: +(995) 598 24 77 47	USD 11 M	Implementation of the RIA National Framework. Draft Water Law
USAID	Momavlis Taoba (Future Generation) Project	2014-2017	Marina Ushveridze, COP	<a href="mailto:marina.ushveridze@ph-int.org">marina.ushveridze@ph-int.org</a> Tel.: +(995) 322 990049 Tel.: +(995) 322 233338	TBD	Youth involvement
U.S. Treasury Office of Technical Assistance	Revenue Advisor Program	2012-2017	Davit Koguashvili, Consultant	<a href="mailto:dkoguashvili@hotmail.com">dkoguashvili@hotmail.com</a> Tel: +(995) 599 121 120	USD 1.M	Tax Reform; Customs Administration and Enforcement
WB	Transmission Grid Strengthening Project	2014-2019	Joseph Melitauri, Senior Operations Officer	<a href="mailto:jmelitauri@worldbank.org">jmelitauri@worldbank.org</a>	USD 61.88 M	ETM Development
WB	South Caucasus Financial Sector Advisory Project, Capital Markets and Pension Reform Technical Assistance	2014-2017	Angela Prigozhina, Country Sector Coordinator	<a href="mailto:aprigozhina@worldbank.org">aprigozhina@worldbank.org</a> Tel.: +(995) 322 296 228	TBI	Pension Reform
WB	Development Policy Operation (DPO) Series	2012-2015	John Gabriel Goddard, Senior Economist	<a href="mailto:jgoddard@worldbank.org">jgoddard@worldbank.org</a>	TBI	Capital Market Reform
WB	Irrigation and Land Market Development Project	2014-2019	Kathrine M. Kelm, Senior Land Administration Specialist	<a href="mailto:kkelm@worldbank.org">kkelm@worldbank.org</a>	USD 50 M	Land registration pilot project implementation
WB	Youth Inclusion and Social	2014-	Michelle P. Rebosio Calderon, Social	<a href="mailto:office@nalag.ge">office@nalag.ge</a>	USD 0.50 M	TBI

Donor	Donor Project Title	Time Frame	Contact Person/Role	Contact Information	Donor Funding	G4G Supported Reform
	Accountability Project	2016	Development Specialist	Tel.: +(995) 322 907 484		
UNDP	UNDP/GEF Kura Ara(k)s project	2009-2014	Nino Antadze, Energy and Environment Team Leader	<a href="mailto:nino.antadze@undp.org">nino.antadze@undp.org</a> Tel.: (+995) 599 562 200	USD 2.9 M	Development of Water Resource Management plans
UNDP	Climate Resilient Flood and Flash Flood Management	2012-2016	Ivane Tsiklauri, Project Manager	<a href="mailto:ivane.tsiklauri@undp.org">ivane.tsiklauri@undp.org</a>	USD 5.06 M	Development of Water Resource Management plans

## APPENDIX C: UTILIZATION OF USG PERSONNEL AND COLLABORATION WITH OTHER DONOR-FUNDED PROJECTS

### COLLABORATION WITH OTHER USG PERSONNEL

G4G and USAID facilitated a meeting for the Deputy Minister of MoESD Mikheil Janelidze with ITACs (a US Department of Treasury Special Trade Advisory Council) to discuss a permanent platform for public-private dialogue on trade issues.

### COLLABORATION WITH OTHER USAID PROJECTS

G4G with other USAID projects took part in America Days, organized by the US Embassy. The goal was to showcase US-supported assistance programs in Georgia. The event encompassed informational and trade fairs for visitors to learn about the diverse work of USAID, and other development projects in Georgia. As part of the G4G's display, entitled "Women's Role in Economic Growth and Policy Development," six women entrepreneurs were showcased, including producers of Georgian cheese, wine, traditional clothes, decorative clay flower-pots, enamel jewelry, and other handcrafts. Guests listened to live music and watched street dancing performed by Georgian and American artists.

**Georgia Waste Management Technologies in Regions:** G4G collaborated with Caucasus Environmental NGO Network's (CENN) project Waste Management Technologies in Regions funded by USAID to conduct "Coffee & Conversation" for the media professionals on waste management issues. The session that was conducted in September at CENN training center in Bulachauri, covered following topics: a) country obligations within the EU-Georgia AA related to waste management; b) issues related to the development of the business/recycling sector and importance of this sector in terms of waste management improvements in the country.

**INRMW:** G4G worked with USAID-funded Integrated Natural Resources Management in Watersheds (INRMW) project. During next year, G4G will build on its water-related activities on the work that has been implemented under the INRMW.

**EC-LEDS Clean Energy Program:** G4G collaborated with USAID EC-LEDS Clean Energy program implemented by Winrock International to develop Business As Usual scenario for MARKAL Georgia Model for strategic planning.

**Good Governance Initiative (GGI):** G4G collaborated with Good Governance Initiative (GGI) in Georgia, a five-year activity funded by the USAID to implement Regulatory Impact Assessment (RIA) National Framework. G4G held several meetings with project representatives to coordinate the activities related to the implementation of RIA National Framework.

G4G has been collaborating with Good Governance Initiative (GGI) in Georgia on the framework of water allocation and water management.

### COLLABORATION WITH OTHER DONOR-FUNDED PROJECTS

**EU:** G4G worked closely with EU Delegation to Georgia on water resource management and association agreement.

**EU "Legislative Impact Assessment, Drafting and Representation Location" Project:** The Project has a separate RIA component. G4G held several meetings with project experts to coordinate the activities related to institutionalizing RIA mechanism in GoG.

**EU Twinning Project:** G4G closely collaborated with EU Twinning Project "Strengthening Administrative Capacity of the Georgian RS in Taxation" within the MoF's working group to develop the Action Plan on Approximation of Tax Code with EU VAT Directive. EU Twinning consultant brought European expertise on VAT while G4G consultant's added value was the deep knowledge of Georgian tax system and thorough understanding of local context.

**EBRD:** G4G agreed with EBRD to collaborate on delivering a high level of consulting service and added value to the overall working of the PPD platform. As agreed, Next year, G4G will work closely with the PPD platform by providing analysis expertise on G4G specific areas.

**WB:** G4G collaborated with WB on Land Registration Reform. WB, under a USD \$40 million irrigation infrastructure loan arrangement, allocated over USD \$2.4 million to implement a pilot land registration project. The WB pilot would be used to test and learn from the new legal and regulatory framework, communication strategies, and intensive civil society engagement efforts supported by G4G. The lessons learned from the pilot project will be used to complete to properly register agricultural and non-agricultural land throughout Georgia.

G4G held several meetings with the WB on developing electricity trading software. As agreed, G4G will review and provide inputs to WB's Assessment Needs Report and Terms of Reference for procurement and installation of electricity trading software/hardware in Georgia. G4G supported WB's consultants by guiding and providing information on Electricity Trading Mechanism and GEMM 2015.

G4G and WB cost shared the participation of GoG officials (GoG pension reform working group members) for training in WB's Pension Core Course, a two-week course held from April 27 through May 8, 2015.

**ADB:** G4G worked with the ADB project "Georgia: Strengthening Domestic Resource Mobilization" on pension and capital market reforms. G4G Access to Finance Policy Advisor, Financial Analyst and short-term legal consultants closely collaborate with ADB international advisors in conducting the capital market diagnostic assessment and organizing joint PPD events.

**KfW "Feasibility Study on Agro Insurance in Georgia and Armenia" Project:** G4G held several meetings and consultations with KfW experts on state crop insurance model development. The close cooperation will continue throughout the implementation of Crop Insurance RIA.

**World Customs Organization (WCO):** G4G cooperated with WCO to build RS capacity for implementation of Authorized Economic Operator (AEO) concept.

**German Society for International Cooperation (GiZ) "Legal Approximation towards European Standards in the South Caucasus" Project:** G4G actively cooperated with GIZ experts during the assessing of insolvency system of Georgia. GIZ experts participated in G4G insolvency PPD, provided to G4G the related materials developed by GIZ.

## APPENDIX D: UTILIZATION OF INTERNS

N	Name	Internship Period	G4G Supervisor & Component
1	Eka Berianidze	11/11/2014-04/13/2015	Elene Gubianuri, Water Resource Management Component
2	Tamaz Jhashi	12/22/2014-03/22/2015	Giorgi Chikovani, Water Resource Management and Energy Trade Policy Components
3	Ana Danelia	1/5/2015-03/5/2015	Irina Iremashvili, Cross Cutting Component
4	Natia Macharashvili	3/16/2015-05/21/2015	Tamar Buadze, Tata Julakidze, GOG Capacity Strengthening Component
5	Nodar Kukava	4/6/2015-06/5/2015	Bondo Bolkvadze, GOG Capacity Strengthening Component
6	Ana Meskhishvili	4/15/2015-06/18/2015	Irina Iremashvili, Cross Cutting Component
7	Teona Mgeladze	4/15/2015-06/12/2015	Tamar Buadze, GOG Capacity Strengthening Component
8	Nana Khetsuriani	4/16/2015-06/16/2015	Iliia Gogichaishvili, GOG Capacity Strengthening Component
9	Aleksandre Megrelishvili	4/27/2015-06/27/2015	Tamar Buadze, GOG Capacity Strengthening Component
10	Ketevan Kobakhidze	5/11/2015-07/10/2015	Michael Martley, Cross Cutting Component
11	Sandro Bregvadze	7/6/2015-08/06/2015	Tamar Julakidze, GOG Capacity Strengthening Component
12	Irma Uglava	7/6/2015-8/6/2015	Tamar Julakidze, Public Private Dialogue Component
13	Davit Gabritchidze	8/4/2015-10/5/2015	Michael Martley, Cross Cutting Component
14	Maryna Ivanna Markowicz	9/2/2015-12/2/2015	Michael Martley, Cross Cutting Component
15	Nodar Kukava	4/6/2015-6/5/2015	Bondo Bolkvadze, GOG Capacity Strengthening Component

## APPENDIX E: G4G ADVISORS UTILIZED IN GOG INSTITUTIONS

<b>N</b>	<b>Name</b>	<b>Area(s) of Focus</b>	<b>GoG Institution</b>
1	Irakli Siradze	Tax Payment Simplification	MoF, RS
2	Ekaterine Katamadze	Tax Payment Simplification	MoF, RS
3	Vazha Petriashvili	EU VAT Approximation Action Plan	MoF, RS
4	Lela Jgerenaia	Energy Strategy, MARKAL, BAU	MoE
5	David Lelashvili	Authorized Economic Operator	MoF, RS

## APPENDIX F: UTILIZATION OF PRIVATE SECTOR AND CIVIL SOCIETY ORGANIZATIONS

N	Name of Organization	Area(s) of Focus	Utilization
1	AYEG	Youth engagement in PPD, EPAC Member	Consultations
2	Georgian Women Business Association	Women engagement in PPD, Civil Society Capacity Building, EPAC Member	Collaboration
3	Georgian Association “Women in Business”	Women engagement in PPD, Civil Society Capacity Building, EPAC Member	Consultations
4	Caucasus University	Youth engagement in PPD	Outreach
5	Georgian Technical University	Youth engagement in PPD	Collaboration
6	GAU	Youth engagement in PPD	Outreach
7	ISET Policy Institute	Youth engagement in PPD, CSO Capacity Building, EPAC Member	Collaboration
8	Energy Academy of Georgia	Energy, Youth engagement in PPD	Outreach
9	JS Telasi	Energy	Collaboration
10	JS EnergoPro	Energy	Collaboration
11	Clean Energy	Energy	Collaboration
12	Hydrolea LTD	Energy	Collaboration
13	Georgia Urban Enerji	Energy	Collaboration
14	GOGC	Energy	Collaboration
15	GEDF	Energy	Collaboration
16	Schulze Global Investments LTD	Energy	Collaboration
17	Georgia Hydro	Energy	Collaboration
18	GIG Energy	Energy	Collaboration
19	Energy Solutions	Energy	Collaboration
20	Georgian Hydro Power	Energy	Collaboration
21	Energo Aragvi	Energy	Collaboration
22	Eastern Power Corporation	Energy	Collaboration
23	KG Energy	Energy	Collaboration
24	Georgian International Energy Corporation	Energy	Collaboration
25	GITA	Innovation and Technology	Collaboration
26	Partnership Fund	Energy	Consultations
27	Co-Investment Fund	Energy	Consultations
28	New Economic School	Economy	Consultations
29	Freight Forwarders Association of Georgia	Trade Facilitation and Customs	Collaboration
30	Poti APM Terminals	Trade Facilitation	Collaboration
31	ICT Business Council	Innovation and Technology	Consultations
32	GIRCA	Customs	Consultations

33	AmCham	Tax Enforcement and Administration, CSO Capacity Building, EPAC Member	Consultations
34	BAG	Tax Enforcement and Administration	Consultations
35	GIA	Crop Insurance	Collaboration
36	GSMEA	Tax Enforcement and Administration, CSO capacity Building, EPAC Member	Consultations
37	ICC Georgia	Tax Enforcement and Administration	Consultations
38	GCCI	Tax Enforcement and Administration	Consultations
39	PMCG	Tax Enforcement and Administration, CSO capacity Building	Consultations
40	EPRC	Civil Society Capacity Building, EPAC Member	Outreach
41	ATA partners	Tax Enforcement and Administration	Outreach
42	TI	Land Registration Reform, EPAC Member	Collaboration
43	CENN	Water Resource Management	Outreach
44	NALAG	Water Resource Management	Outreach
45	REC Caucasus	Water Resource Management	Outreach
46	Georgian Farmers Association	Water Resource Management, CSO Capacity Building, EPAC Member	Outreach
47	GAMMA	Water Resource Management	Collaboration
48	YEA	Youth Engagement in PPD	Consultations
49	Radio "Tavisupleba"	Media engagement in PPD	Collaboration
50	Radio "Commersanti"	Media engagement in PPD	Collaboration
51	Media Holding "Palitra" (Palitra TV, IPN, BPN)	Media engagement in PPD	Collaboration
52	National Broadcaster	Media engagement in PPD	Collaboration
53	TV Channel "Maestro"	Media engagement in PPD	Collaboration
54	TV channel "Tabula"	Media engagement in PPD	Collaboration
55	TV Channel "Rustavi2"	Media engagement in PPD	Collaboration
56	TV Channel "Imedi"	Media engagement in PPD	Collaboration
57	Newspaper "Georgia Today"	Media engagement in PPD	Collaboration
58	Newspaper "Messenger"	Media engagement in PPD	Collaboration
59	Online and printed journal "Liberali"	Media engagement in PPD	Collaboration
60	News agency "Agenda.ge"	Media engagement in PPD	Collaboration
61	Newspaper "Rezonansi"	Media engagement in PPD	Collaboration
62	BICT - Batumi International Container Terminal	Trade Facilitation and Customs	Collaboration
63	Georgian Logistics Association	Trade Facilitation and Customs, EPAC Member	Consultations
64	Association of Business Consulting Organizations of Georgia	Civil Society Capacity Building, EPAC Member	Collaboration
65	Georgian Wine Association	Civil Society Capacity Building, EPAC	Collaboration

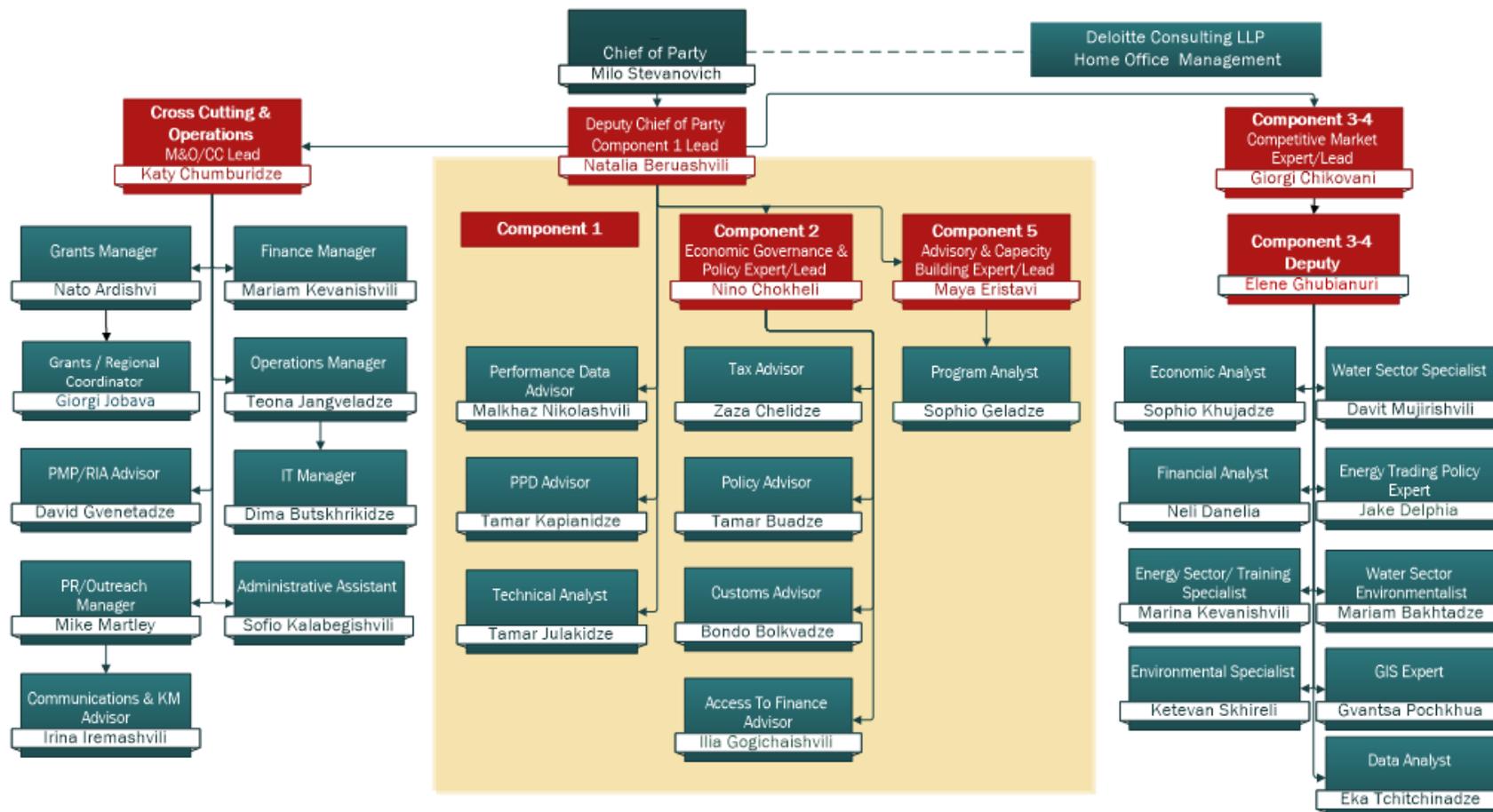
		Member	
66	Business and Economic Centre	Civil Society Capacity Building, EPAC Member	Collaboration
67	Association of Banks	Civil Society Capacity Building	Collaboration
68	Association of Law Firms of Georgia	Civil Society Capacity Building, EPAC Member	Collaboration
69	GYLA	Civil Society Capacity Building	Collaboration
70	Georgian Microfinance Association	Civil Society Capacity Building, EPAC Member	Collaboration
71	Chamber de Commerce France Georgia	Civil Society Capacity Building, EPAC Member	Collaboration
72	Georgian Law and Policy Research Centre	Civil Society Capacity Building, EPAC Member	Collaboration
73	Institutional and Capacity Development Center	Civil Society Capacity Building, EPAC Member	Collaboration
74	Business Association “Women for Tomorrow”	Civil Society Capacity Building, EPAC Member	Collaboration
75	Georgian Tourism Association	Civil Society Capacity Building, EPAC Member	Collaboration
76	Georgian-Ukrainian Business Club	Civil Society Capacity Building, EPAC Member	Collaboration
77	Atlantic Council of Georgia	EPAC Member	Collaboration
78	Center for Competition	EPAC Member	Collaboration
79	Center for Social Sciences	EPAC Member	Collaboration
80	Georgian Association of Guides	EPAC Member	Collaboration
81	Georgian Bar Association	EPAC Member	Collaboration
82	Georgian Hotel and Restaurant Federation	EPAC Member	Collaboration
83	Georgian Lawyers for Independent Profession	EPAC Member	Collaboration
84	Georgian Lawyers National Association	EPAC Member	Collaboration
85	International Investors Association	EPAC Member	Collaboration
86	Tax Payers Union	EPAC Member	Collaboration

## APPENDIX G: SUMMARY OF GRANT ACTIVITIES

Reform	Project Title	Number of Applications Reviewed	Number of Grants Awarded	Region of Implementation	Type of Beneficiaries	Project Status
Institutionalized Framework for Public Consultation Reform	Assessment on Collaborative Governance Gaps	2	1	Tbilisi, Regions: East and West Georgia	Central Government and Private Sector	Grant Award signed - Ongoing
	Assessment on Constraints Journalists Face in Covering Reforms	1	1	Tbilisi, Regions: Kakheti, Adjara	Media, Public and Private Sector	Grant Award signed - Ongoing
	Georgian Reform Progress Tracking System (GRPTS)	3	1	Tbilisi	Central Government, Public and Private Sector	Grant Award signed - Ongoing
	PPD Quality Tracking Mechanism	3	1	Tbilisi	Central Government	Grant Award signed - Ongoing
	Empowering Women in Business	8	1	Tbilisi, Regions: Kakheti, Mtskheta-Mtianeti and Shida Kartli	Women organizations, Women entrepreneurs	Grant Award signed - Ongoing
	Youth Governance Program	9		Tbilisi, Regions: TBD	Youth	Selection Process
Energy Strategy Reform	Energy and Water Consumption End-Use Survey In Commercial and Industrial Sectors	3		Tbilisi, Regions: TBD	Central Government	To be Awarded
Energy Trading Mechanism Reform	Women Integration in Energy Sector	3		Tbilisi	Private Sector	Selection process
Water Resource Management Reform	Develop Water Resource Management Guidance Documents Applicable for Georgia	1	1	Region: Georgia	Local and Central Government, Public and Private Sector	To be Awarded
	Green Paper on "Water Allocation Plan Framework – Challenges for Implementation"	1	1	Region: Mtskheta-Mtianeti Region	Local and Central Government, Public and Private Sector	Grant Award signed - Ongoing
	Computer Models for Water Resource Management Planning	1	1	Region: Georgia	Private Sector, CSOs	Grant Award signed - Ongoing

Reform	Project Title	Number of Applications Reviewed	Number of Grants Awarded	Region of Implementation	Type of Beneficiaries	Project Status
Tax Enforcement and Administration Reform	Capacity Building Training for Small Business Associations and SME's on Tax Code Advocacy	2	1	Tbilisi	Private Sector	Grant Award signed - Ongoing
	RIA on the Estonian Corporate Income Tax (CIT) Model Implementation in Georgia	2	1	Tbilisi	Central Government	Grant Award signed - Ongoing
	Tax Perception Survey	3	1	Tbilisi, Regions: TBD	Public and Private Sector	Grant Award signed - Ongoing
Crop Insurance Reform	RIA on Crop Insurance Reform	3	1	Tbilisi	Central Government, Public and Private Sector	Grant Award signed - Ongoing

## APPENDIX H: G4G ORGANIZATIONAL CHART



**USAID Governing for Growth (G4G) in Georgia**

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