Georgia and the European Neighborhood Policy

Perspectives and Challenges

The following report is prepared by the “Open Society Georgia Foundation” jointly with the NGO coalition “For Transparency of Public Finances”
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Foreword

Open Society Georgia Foundation, within the framework of the joint project with the Coalition “for Transparency of Public Finances”\(^1\) has developed an analytical document on the implementation of the European Neighbourhood Policy Action Plan\(^2\).

Main goal of the project is to provide a general review of the situation within the context of the European Neighbourhood Policy (herein referred to as ENP), provoking public interest in the issue and ensuring its participation. To reach this general goal, there was a brief analytical report prepared within the framework of the project that presents the views of relevant government agencies towards ENP, identifies specific problems with its implementation and suggests specific ways for solving it.

The major part of the report is prepared by using the empirical research methodology. At the early stage of the project a list of governmental entities was defined, whose active participation would ensure reaching of the identified goals. A questionnaire was prepared that was used to conduct interviews with various representatives of the state entities responsible for ENP. Interviews were also conducted with the representatives of international organizations as well as experts.

The interview process showed where the country currently stands in terms of ENP implementation, what was the reason for hindering ENP AP implementation process, where the participant

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\(^1\) Members of the NGO Coalition "for Transparency of Public Finances" are: Open Society Georgia Foundation, Economic Policy Research Center, Georgian Young Lawyers’ Association, Young Economists Association of Georgia and Transparency International Georgia

\(^2\) European Neighborhood Policy (ENP) Action Plan (AP)
entities faced most of the problems, etc. The information received during this process was analyzed and it is now introduced in this report in a processed form.

It is worth mentioning that the report also analyzes the documents produced about ENP, namely: Detailed Action Plan–Matrix created by the Government of Georgia, Implementation Instruments for 2007 produced by EU (Non-Paper), and an Implementation Strategy for 2007 produced by the Government of Georgia.

### Introduction

By the enlargement of the European Union in 2004, Europe has entered its new, historical phase. Therefore, the policy of European Union since 2004 has been an intensive collaboration and support to democratic processes with the new member states and their neighbours. EU is directly interested in promoting well-being and stability in the countries both within and outside of EU. This is caused by mutual political and economic interests of EU and its neighbouring and geographically close countries.

EU Neighbourhood Policy Action Plan was produced in 2006 by EU and the Cooperation Council of Georgia. The plan is an important document defining strategic goals of EU-Georgia collaboration. Its implementation should promote development of growing relationships between Georgia and Europe that will increase the level of economic integration and deeper political collaboration. Implementation of Action Plan will assist Georgia to better meet the norms and standards of EU.

By adopting ENP Action Plan, the EU offers Georgia close collaboration in the issues of politics and security, economy and culture as well as active regional and border collaboration and shared responsibility for conflict resolution. The goals of ENP prepared by EU are based on respect to mutual values and efforts
to effectively implement political, economic and institutional reforms.

Proposing European Neighborhood Policy Action Plan to neighbours and geographically close countries of Europe does not automatically make them EU members. The list of countries involved in ENP implementation could be divided into four groups: Eastern Europe, Caucasus, Middle East and North African Counties. The EU has different approaches to each of these countries, but insufficient degree of democracy can be regarded as their common challenge.

Further implementation of the European Neighbourhood Policy is an important step for integration with EU. Its successful implementation will contribute to advancement of the reforms in Georgia and serve as a step forward for building democracy. Implementation of ENP and Georgia's integration in NATO\(^3\) seem to be independent processes, but at the same time they are parallel processes with mutual influence.

Issues in NATO Individual Partnership Action Plan (IPAP) on the rule of law, democratic processes and sustainability and economic reforms are identical to those in European Neighbourhood Policy. Since integration in NATO is a short-term objective of the country, successful implementation of European Neighbourhood Policy will serve as an important instrument on the way of Georgia's integration in NATO.

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<th>EU interests in Georgia</th>
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At the beginning of the 21\(^{st}\) century Georgia has clearly set priorities for its foreign policy – the top priority is integration in western, Euro-Atlantic military-political and economic structures.

\(^3\) NATO- North-Atlantic Treaty Organization
In 1992 the EU has recognized Georgia as an independent country and has started active collaboration with it. In 1992-2004 the EU has provided about 450 million Euros worth assistance. This is when number of technical, humanitarian and food security initiatives was implemented, including those in conflict areas.

After Georgia was offered to participate in European Neighbourhood Policy, these relationships became even more important and were aimed at modernizing the state of Georgia and getting its political, legal and administrative system closer to European standards. In general, European Neighbourhood Policy and European integration are voluntary processes and are substantially different from the integration approaches that Russia offers to the Commonwealth Independent States (CIS). Invitation of Georgia in ENP was not an accidental event. Democratic changes of the country have caused bigger interest of Europe towards Georgia as well as the whole South Caucasus region. Increasing importance of Georgia has been caused by various factors. In particular, democratic changes in the country have given the hope to European partners that Georgia is on its road to successful transformation. They had the same attitude even after the collapse of the Soviet Union, but this attitude was shorter due to the stagnation events taken place in Georgia.

Since 2003 Georgia managed to stimulate the interest of western partners including Europe with its accelerated reforms, improved budgeting discipline, and peaceful resolution of Ajara problem and significant reduction of corruption. 4

After accepting Romania and Bulgaria in EU Georgia became a neighbour of Europe. Geographical proximity gave rise to new opportunities. It is in the interests of EU to make Georgia – as a key

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4 Dov Lynch, “Why Georgia Matters”. In: Chaillot Paper Nr. 86, February 2006, pp.66-68
section of the Eurasia Corridor – institutionally strong to be able to oppose the risks associated with drug transit and export of other forms of crime and illegal migration into Europe. Besides, Europe recognizes current or potential challenges of energy security, pays more attention to the new objective of finding alternative energy resources. In this context, Caspian energy sources and Georgia, as a transit country of these resources to Europe, is of a bigger interest. This interest has become more significant after finalizing BTC/SCP projects.

Europe also recognizes threats that are associated with Abkhazia and Ossetia conflicts that may result in escalating tensions in Caucasus in the future. EU is interested in peaceful resolution of these conflicts to avoid the threat of blockades and confrontations and resulting war in the region of the Black Sea that could have direct or indirect influence on the security of EU member and candidate countries.

Due to the above reasons, there is a growing interest of Europe to successfully implement peaceful processes and democratic transformation. Currently our region is one of the main challenges for the EU in terms of energy security, although we should better show the aspiration of Georgia towards European values and democratic transformation. That's why the adoption of the European Neighbourhood Policy Action Plan and its implementation is one of the most important instruments on this road.

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<tr>
<th>Concept of the European Neighbourhood Policy and its history of development</th>
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<td>Currently the legal basis between EU and Georgia relationships is a Partnership and Cooperation Agreement (PCA)(^5) signed in 1996,</td>
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\(^5\) PCA-Partnership and Cooperation Agreement
which became effective in 1999. PCA has defined the main structure and directions of EU assistance to Georgia: trade, business and investments, economy, rule of law, protection of human rights and immigration policy. Agencies responsible for implementing PCA goals are EU-Georgia Cooperation Council, Cooperation Committee and Parliamentary Cooperation Committee.

Towards the end of the 90-ies EU has signed PCA with all of the CIS countries\textsuperscript{6} and the purpose was to support market economy development and strengthen newly independent states.

The main difference between the EU Neighbourhood Policy and PCA and Association Agreement is introduction of mutual action plans and new, efficient formats of funding (ENPI).

After the EU more expansion towards the East, after the integration of Eastern and Central European and Baltic countries, the EU made a decision in 2003 to come up with the new form of relationships with ex-Soviet countries. The ENP pays special attention to increasing safety of borders and ensuring political stability and economic welfare in post-soviet countries.

The Action Plan is a mutual agreement between the EU and its partner country, defining the Action Strategy for the neighbour country. General draft of reforms (reforms to be implemented

\textsuperscript{6} EU relationships with other non-member countries (Baltic countries) are defined through another document – Association Agreement (AA). In comparison to the Partnership and Cooperation Agreement (PCA) the Association Agreement is about more intensive integration in the fields of economy and political decision-making. Besides, AA partner countries are provided with greater EU assistance than those with PCA.
within 3-5 years) leads the way to the Action Plan of the particular country that is jointly discussed by the EU and the government of the neighbour country.

At the beginning, none of the Caucasus countries were included in the neighbourhood policy. Later, after considering the strategic energetic and transport corridor importance of the Caucasus region and the new steps made towards democracy in Georgia, the EU has changed its decision and made all three Caucasus countries as part of the European Neighbourhood Policy.

During the same year, Georgia created a state body responsible for coordinating issues of European integration – State Ministry for Integration with European and Euro-Atlantic structures. In July 2004 Georgia has also formed Committee on Integration in EU and its membership was identical to the Cabinet of Ministers. The Committee was chaired by the Prime Minister who was assigned to monitor the implementation of PCA and the process of European Neighbourhood Policy.

Negotiations between EU and Georgia on designing ENP Action Plan began in January 2005. The process of negotiations and document design lasted for about 1 year and finally the government has approved the Action Plan on November 14, 2006. Unlike Action Plans with Moldova and Ukraine, where EU plans to finalize the Action Plan within 3 years, EU has proposed 5-year timeline for Georgia, although the Government of Georgia requested 3 years. Georgia is still ambitious to implement the plan in 3 years and this effort is clearly stated in official speeches of the heads of various agencies.

It is worth noting, that in spite of accepting the new Action Plan, PCA still remains as the main agreement between Georgia and EU. PCA is still valid until 2009 and any other agreements made between EU and Georgia need to be in full compliance with its requirements. In case if Georgia manages to implement
responsible for ENP within three years, it is possible that EU proposes a new agreement instead of the automatic extension of the PCA. It is assumed that the new agreement will be a certain hybrid of PCA and ENP – it will have a status of an international agreement like PCA, but will be more detailed than PCA.

| European Neighbourhood Policy Action Plan and Related Strategies |

European Neighbourhood Policy Action Plan defines strategic goals and objectives of Georgia-EU cooperation. Even though the name of the plan is an Action Plan, it does not contain specific action timeline and the detailed implementation plan as it is usually characteristic to action plans. ENP Action Plan is more of a strategic document that generally covers priority areas like support to democracy, support to economic development, peaceful resolution of conflicts, etc.

Since the ENP Action Plan is mainly focused on general goals and objectives, the Georgian side was supposed to systemize and design specific steps, ways of implementation and a schedule to be included in the detailed implementation plan of the Action Plan (European Neighbourhood Policy Action Plan Implementation Plan - ENP APIP) based on the goals of the Plan itself. APIP was to become an instrument to implement ENP Action Plan. At the moment there are three documents that we may refer to as the detailed plan for ENP Action Plan: a) Detailed Implementation Plan-Matrix designed by the Government of Georgia, b) Implementation Instrument for 2007 designed by EU and c) Implementation Strategy for 2007 designed by the Government of Georgia.
a) Detailed Implementation Plan-Matrix designed by the Government of Georgia

In order to implement ENP Action Plan, the Government of Georgia has planned production of the Detailed Action Plan (Matrix). On November 22, 2006 the Government of Georgia issued Resolution #498 on "Design of the Governmental Plan for implementing EU-Georgia Action Plan within the framework of European Neighbourhood Policy." According to this plan, two main conditions were to be met: (1) relevant entities of the executive government were to come up with the Plan-related proposals within their competence before December 2006 and send it to the State Minister on the European and Euro-Atlantic Integration Issues; (2) The office of the State Minister on the European and Euro-Atlantic Integration Issues was to prepare the Action Plan within three months and present it to the Government of Georgia.

To systemize activities related to implementation of the Action Plan, all of the parties (Ministries) involved, under the coordination of the Office of the State Minister on the European and Euro-Atlantic Integration Issues, has come up with the detailed implementation matrix that was incorporated in one whole document and covers specific steps to be taken to achieve goals and objectives described in ENP, entities responsible for their implementation, expected results and evaluation indicators, timeline for implementation and funding sources.

In reference to the development of the detailed Action Plan (matrix) it should be pointed out that the action plans – matrices presented by various ministries were inconsistent due to different parameters used. Often the goals did not coincide with implementation plans, goals and objectives were not clearly differentiated, etc. That is why the Office of the State Minister had to work on their perfection. At the end, there was a quite comprehensive document created (covering 311 different
documents), while the volume of this matrix was significantly reduced during the next discussions. Action Plan-Matrix was discussed twice during the sessions of the Government of Georgia. It was rejected during the first hearing. Main comments were that the plan was far too detailed and the Government of Georgia would not be able to implement it and extra regulations included in the plan would hinder the establishment of the free market.

As for the general position of the involved Ministries towards ENP and the detailed matrix for its implementation, most of them explained that non-existence of the matrix would not create special problems since the Ministries still have the plans for reforms and they still implement reforms in their areas of competence. We believe that this approach shows incorrect attitude of certain Ministries in the context when Euro-integration is identified as a priority of the country.

b) Non-Paper: EU Georgia ENP Action Plan Implementation Tool (ENP Non-Paper)

The Government of Georgia has produced the Action Plan implementation with the delay. Even though it was not officially accepted and approved at the Government Session, the State Strategy for the implementation of the Action Plan for 2007 was reviewed and liked on the Governmental session with the delay. This took place on May 18, 2007. Together with the Georgian side working on these two documents the European side has also come up with an additional document ENP Non-Paper that is seen as a tool for evaluation of the 2007 ENP Action Plan. This document is still unofficial, but it will serve as an indicator for evaluation of the Action Plan implementation process. If Georgia and EU agree on the document, it could become a formal instrument for implementation and evaluation for the coming years.

7 Non-Paper: EU Georgia ENP Action Plan Implementation Tool; Key Steps until December 2007
The document produced by the European side was reviewed by the Government of Georgia and made its comments, part of which is considered in the final version of the document. According to the European side, Georgia has made the document more "neutral" and easy to implement. Since most of the reporting year has already passed and 2007 is a pilot year for Georgia to implement European Neighbourhood Policy Action Plan, EU has considered most of the comments and made it easier for Georgia to implement responsibilities described in the document (Non-Paper).

The document designed by the EU (Non-Paper) as well as the Implementation Strategy for Action Plan consists of the objectives and activities to be undertaken in 2007. For 2007 Non-Paper covers all of the priorities (eight priorities) that are described in European Neighbourhood Policy, while the Strategy for 2007 produced by Georgia is only about several priority areas, although, it should be mentioned that most of the activities of the Non-Paper are described in 2007 strategy as well. The Strategy developed by the Georgian side is more general in comparison with Non-Paper. Therefore, it is unclear how the European side would evaluate the fact that in its strategy the Georgian side has not prioritized the part of the points described in EU Non-Paper.

Production of Non-Paper was, on the one hand, caused by the delayed implementation plan from Georgia. On the other hand, EU wanted to have a document with simple evaluation criteria that would be used to evaluate progress of Action Plan implementation.

It is worth noting that Non-Paper does not indicate how exactly EU is going to monitor the progress, since the document does not have performance/progress indicators and specific monitoring instruments. Also, it is still unclear which of the sides will be in charge of monitoring the process. Presumably, it would be a joint group of Georgian and European experts that will evaluate the performance and quality of the activities planned for 2007.
c) Implementation Strategy for 2007 designed by the Government of Georgia

After the Government of Georgia has ratified the European Neighbourhood Policy Action Plan, the Government started working on the detailed implementation plan (matrix) for the Action Plan, where it was supposed to describe specific steps and activities to ensure reaching the goals of the AP. Despite this willingness, the work on the Action Plan took longer and finally, after negotiating with EU, the Government has prepared a proposal for one year of the plan – strategy for 2007.

It should be noted that the implementation strategy for 2007 produced by Georgia is a very general document. It only defines several priority areas. The document lacks details, indication of implementer agencies, evaluation indicators, specific deadlines according to months, etc.

The draft of the 2007 strategy focuses on the following priorities: support to democracy and Civil Society development, enforcing rule of law, peaceful resolution of conflicts, implementation of structural reforms, migration and border defense, improvement of entrepreneurial and investment environment, support to sustainable development and social welfare, development of the energy sector and political dialogue and collaboration on regional issues. Each of these priorities is divided into several sub-sections that should be giving more specific information on what is the plan of the Government in this regard, although, even the final version of the 2007 strategy proposal lacks specific information. For example, the strategy talks about preparing and adopting several new laws and strategies and strengthening various state institutions and structures, although it is unclear what would be the principles used for these new laws and documents and how the
prioritized state institutes and structures would be strengthened\textsuperscript{8}. Since the strategy for 2007 was to describe actions for this particular year, but the work on the strategy was finalized in May 2007 (which leaves only 7 months for implementation), it would have been better if the strategy was a bit more concrete regarding the plans of the Government, although this would not be considered as a major problem for two reasons: (a) the EU will evaluate laws and implemented institutional and structural reforms according to European standards and (b) in the Strategy for 2007 the Government mainly considered the issues it is already working on and the related principles are more or less known.

According to the evaluation of the Government of Georgia, one of the reasons for lack of details in 2007 Strategy is that the ENP AP itself is very general, just like the Non-Paper produced by EU itself.

In addition to some missing concrete details in the 2007 strategy, it is more important that the document does not describe the issues that could be solved in case of the governmental interest. For example: (a) the strategy talks about improving voter lists, but there is nothing about upgrading the qualification of the election administration, which, together with voter lists was identified as one of the major problems during 2006 local elections; (b) the strategy also mentions that the Government will pay special attention to the development of the judiciary system, but does not mention anything about considering the recommendations of Venice Convention on refining legislation regarding the disciplinary responsibility of judges; (c) the section on structural reforms mainly focuses on supporting economic development and

\textsuperscript{8} For example, the draft of the Strategy talked about preparing a bill of law on legal assistance, adopting the new Code for Criminal Proceedings, Adopting a strategy on IDPs and its implementation as well as reconstruction of the judicial system, support to the sustainable energy development, etc, but the information on these issues was limited to these general statements.
eliminating financial problems in private sector, but there is nothing mentioned on improving of the mechanisms for transparency and monitoring of state funding, including effectiveness of the Chamber of Control, refining state procurement system, analyses and elimination of problems with medium-term budgeting process, improved tracking system for foreign credits and grants, etc; (d) The strategy indicates that the Government continues step-by-step implementation of the 2005-2008 energy sector action plan, but it does not define the ways of public awareness on current and planned reforms of energy sector.

One of the most interesting points of the 2007 Strategy is about the development of the business sector. It states that the Government ensures minimizing pressure over entrepreneurs, but the document does not show which pressure is meant here. Even though NGOs have talked a lot about the pressure over the business sector, the Government has not yet publicly recognized the existence of any pressure.

The final draft of the 2007 Strategy required some structural refining, since in number of cases the priority areas and sub-sections were mixed. For example, the chapter on structural reforms included a sub-section on improved market economy, while the chapter on improved entrepreneurial and investment environment included sub-sections on ratifying UN Convention against corruption and implementation of anti-corruption plan in Georgia. Sub-sections related to judiciary reform were inserted in the section on implementing the strategy for reforming the criminal legislation.

The Office of the State Minister on Euro Integration has sent the draft of 2007 Strategy to NGOs for their feedback. The coalition "For Transparency of Public Finances" has sent the above-mentioned comments and feedback to the Office of the State Minister, although the version discussed and approved by the Government Session on May 18, 2007 only considers two of the
issues raised above: implementation of the anti-corruption strategy action plan section and ratification of the UN Convention on corruption section - were removed from the "Entrepreneurial Development" chapter and moved to Democracy and Civil Development chapter.

Expectations of the Government of Georgia regarding the European Neighbourhood Policy

Unlike NATO, the EU does not promise to make Georgia an EU member in case of full implementation of the ENP Action Plan. In general, the format of ENP does not consider automatic membership of the countries involved in it. As a result, the Government of Georgia is less interested in ENP than in intensive dialogues with NATO.

Nevertheless, EU has introduced significant privileges for the countries involved in European Neighbourhood Policy process. In spite of the differences in the countries and their action plans, successful implementation of ENP is an important factor for all neighbours for the following "four freedoms": (1) The free movement of goods; (2) The free movement of services and freedom of establishment; (3) free movement of persons, including free movement of workers (4) free movement of the capital.

Georgia has three main priorities in European Neighbourhood Policy: (a) free trade with Europe, (b) simplified visa regime and (c) increased role of the Europe for solving conflicts.

(a) Free Trade: Both, the Government of Georgia and representatives of EU recognize that in ENP Georgia is most of all interested in developing free trade with Europe. According to the Government this will have significant influence over the development of the economy of the country, although the necessary pre-condition for reaching this goal for the country is to ensure full compliance of the internal regulations with
European standards. According to the European experts, there is a chance for EU to compromise with Georgia on number of issues based on objective reasons, but regulation of internal markets is a subject where EU will not compromise. On the other hand, the Government of Georgia believes that full implementation of EU requirements regarding internal markets that is associated with increasing of state regulations, will hinder economic activities in the country at this particular stage. Currently, the state economic development strategy is based on maximum limitations of the state regulations and there are two reasons for that: at the moment the government cannot ensure the implementation of effective control on internal markets and the Government considers maximum limitation of the role of the state into internal markets as the most important tool for limiting corruption and improving business environment.

(b) Simplified visa regime: In terms of foreign relationships, Georgia has the biggest interest towards the visa regime. Georgia hopes that the EU will agree to grant Georgian citizens simpler visa regime even before the implementation of ENP Action Plan is finalized. According to the current information there are very few radical objections on behalf of EU for simplifying the visa regime for Georgia. The problem is that the European countries do not discuss the issue since there is a huge problem of illegal migration. Therefore, the EU is generally concerned on simplifying the visa regime. According to EU experts, it is possible to make the visa regime simpler for certain groups, for example, students, businessmen, scientists. Currently there is a chance for Georgia and its supporting EU countries to convince the EU and some negotiations have already started by the government of Georgia.

(c) Conflict Resolution: Activating the role of EU in conflict resolution is one of the main issues for Georgia. The EU believes that even at the given stage it is sufficiently involved in
resolution of internal conflicts of Georgia. After participating in conflict resolution process in the Balkans, Palestine and others, the EU is careful about getting involved in new conflicts, such as Abkhazia, Ossetia and Nagorny Karabakh, although it always emphasizes that it considers Abkhazia and Ossetia as part of Georgia and participates in peacekeeping processes. The Government of Georgia expects EU to implement more and efficient projects in the conflict zones with participation of Georgia and that it will secure more international interest towards the conflict resolution process.

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<th>Financial Assistance Planned within the framework of European Neighbourhood Policy</th>
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Together with the three major interests discussed above, one of the important elements of ENP is the financial assistance that Georgia will receive on several stages in case of successful implementation of the Action Plan. The EU has already allocated around 120 million Euros as a grant to Georgia within the framework of the ENPI-European Neighbourhood and Partnership Instrument.

Based on how Georgia implements the Action Plan, the EU will transfer the whole or part of the amount allocated. According to the comments of the EU representatives of Georgia, the grant amount will be transferred in several installments that would be proportional to the implementation of the Action Plan.

The table below gives the list of priority areas for the 120.8 million Euros allocated for Georgia within the ENP for 2007-2013:
Table 1. Assistance to be provided to Georgia within the framework of ENP

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<th>#</th>
<th>Priority</th>
<th>Amount</th>
<th>%</th>
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<tbody>
<tr>
<td>1.</td>
<td>Improvement of democratic development, rule of law and governance</td>
<td>31.5 million Euros</td>
<td>26%</td>
</tr>
<tr>
<td>2.</td>
<td>Support to peaceful resolution of conflicts in Georgia</td>
<td>31.5 million Euros</td>
<td>26%</td>
</tr>
<tr>
<td>3.</td>
<td>Economic development of the country and support to implementation of European Neighbourhood Policy</td>
<td>38.4 million Euros</td>
<td>32%</td>
</tr>
<tr>
<td>4.</td>
<td>Poverty reduction and support to social reforms</td>
<td>19.4 million Euros</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td><strong>120.8 million Euros</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>


Some structures of Georgia say that 120 million Euros is not a significant assistance. It is more important to implement activities described in the Action Plan and successful implementation of the reforms. It is worth noting that financial assistance is allocated through grants. Most part of the grant amount will be directed towards "supporting budget", while the rest is meant for technical assistance. "Budget supporting" amount should be within the framework of PFM- Public Financial Management.

At the beginning of 2007 first it was planned to give Georgia a grant of 24 million Euros, where 16 million was to be used for perfection of public finance management system (including 1 million Euros for technical assistance), 4 millions were for expert support for state agencies (Twinings), and another 4 millions for conflict resolution. Although, according to the data provided in
June 2007, there were no transfers made to the State Budget from this amount.

**EU Evaluations**

The EU emphasizes that full implementation of the Action Plan will put Georgia in a winning position that will significantly improve relationships with EU. Certainly, implementation of European Neighbourhood Policy Action Plan would only have positive results. Besides, implementation of the reforms described in the Action Plan will improve the quality of life in Georgia and turn it into a stronger country. Accordingly, European experts believe that implementation of this Action Plan falls under the interests of Georgia and its population and its implementation should not only depend on becoming EU member or not.

**Conclusions and Recommendations**

- Further implementation of the European Neighbourhood Policy is an important stage for integration with EU. Its successful implementation will support the advancement of the reforms in Georgia and will serve as the step forward to build democracy. Besides, implementation of European Neighbourhood Policy and integration into NATO seem to be different processes, but in reality they are parallel complementing processes with mutual influence. Issues considered in NATO Action Plan that are focused on the rule of law, democratic processes and sustainability and economic reforms are identical to those required by ENP. Since integration in NATO is a short-term goal of the country, successful implementation of ENP Action Plan will serve as an important instrument during NATO integration process.
It is worth noting that provision of Caspian energy sources to the western markets will increase the role of Georgia and the whole of South Caucasus for Europe, since the energy routes in this region will decrease Europe's energy dependency on Russia. This factor links Europe to elimination of the risks of explosions in risky areas and this should be used by Georgia to initiate and request increased European involvement in regulation of conflicts.

Since both documents (produced by the Government of Georgia as well as the EU) defining specific plans for implementation of European Neighbourhood Policy are very general, we believe it is important to ensure consistency of the 2007 strategy with the Non-Paper produced by EU before there are more detailed plans made. This will ensure consistency of program implementation and monitoring criteria (even general) for both sides.

Implementation of European Neighbourhood Policy Action Plan is in direct interests of the Georgia and its population, so the attitude towards its implementation should not only be motivated by the end result of possible entering the EU. It is necessary for the Government to have a common approach to the implementation of ENP Action Plan. Currently, there is a lack of such unified approach that is often shown in the answers of the government representatives believing that the lack of plan would not make a big difference since the individual ministries do have their own reform plans that they implement. We believe that such approach indicates an inadequate attitude towards the issue in the context when European integration is a major priority for the country.