



Committee of the Regions

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**DRAFT OPINION
of the
Committee of the Regions
on
LOCAL AND REGIONAL GOVERNMENT IN GEORGIA AND THE
DEVELOPMENT OF COOPERATION BETWEEN GEORGIA AND
THE EU**

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Deadline for tabling amendments:

21 September 2010, at midnight (Brussels time) (email: civex@cor.europa.eu)

Number of signatures required: 6

Reference document

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

Strategic challenges in EU-Georgia relations

1. confirms that the EU's main objective in Georgia is to promote peaceful, safe and stable governance, which can contribute to the development of good neighbourly relations and stability in the region, share European values and shape institutional and legal interoperability in the region of the Southern Caucasus and in its relations with the EU;
2. confirms that support for democratic reform, the rule of law and effective governance is a matter of priority in EU-Georgia relations;
3. considers that political stability, economic development and a high standard of living for the people of Georgia are of huge importance to the EU. However, building stronger mutual relations has become even more important following the EU's most recent phase of enlargement, which saw the accession of Romania and Bulgaria, both of which share a common sea with Georgia, and particularly in the context of the Black Sea Synergy programme;
4. welcomes the signing of visa facilitation agreement with Georgia, as it is EU's message of openness to the Georgian citizens;
5. welcomes the inclusion of Georgia in the European Neighbourhood Policy (ENP), the European Neighbourhood and Partnership Instrument (ENPI) and its integration into the Eastern Partnership (EaP) and notes that this initiative will make it possible to deepen EU-Georgia relations;
6. stresses the importance of the Eastern Partnership initiative within the ENP. The Committee endorses the objectives of compliance with the principles of the rule of law, good governance, respect for and protection of minorities, acceptance of the rules of the market economy and sustainable development;
7. welcomes the fact that the European Commission has invited the Committee of the Regions to take part in the Eastern Partnership, in particular in the work on the thematic platforms on *Democracy, good governance and stability* and *People-to-people contacts*;
8. underlines that the ENP was set up to help cross over the line which divides Europe through the gradual expansion of the area of democracy, prosperity and safety;

9. calls on the EU and Georgia to draw on the extensive knowledge and experience gained by the new EU Member States during their period of economic and social reform through twinning, secondment and other available support programmes;
10. stresses the need to coordinate the various initiatives and programmes and to link together all operational projects and instruments in order to avoid any duplication of EU action;
11. in light of the local elections held in May 2010, welcomes the progress towards meeting international standards but shortcomings remain to be addressed;

Priorities for the development of local government

12. highlights that local and regional authorities have a vital role to play in implementing the ENP's objectives in Georgia. This role primarily involves their contribution to local development, the improvement of local economic relations, respect for human and fundamental rights, facilitating mobility and their support with setting up mutual contacts;
13. recommends drawing up agreements, establishing direct cooperation and exchanging experiences and mobility between Member States' local and regional governments and Georgian local government in order to exchange knowledge and assistance in the field of development at local and regional level;
14. emphasises that the strengthening of local government in Georgia is a priority issue. Considers that more resources should be allocated to improving administrative capacity at local level. This may be achieved under the EaP with the help of Comprehensive Institution-Building Programmes (CIB) which comprise: twinning programmes, high level consultations, training and staff exchange programmes, internships, and bursaries for vocational training. It is also vital to support Georgia in the process of establishing an academic base in the area of research on local government and regional development;
15. recommends that Georgia modernise the administrative standards of its local authorities and upgrade their administrative capacity with practical assistance from the EU. This can be achieved by strengthening and deepening political dialogue, people-to-people contacts and twinning instruments as well as through the exchange of best practices between EU and Georgian partners involved in carrying out political and social reform;
16. urges the Georgian government to amend its legislation in line with the *European Charter of Local Self-Government* and to revamp its regional system of government, so that it can serve as a basis for development. It is particularly important to legally define the functions of the region as a territorial unit in Georgia and to establish the competences of regional authorities;
17. welcomes the fact that the Georgian authorities have achieved many successes during the four years' existence of the new form of local government. It has been possible to elaborate a more

effective and transparent method for financing local government, to continue reconstructing local infrastructure and to promote more active local communities. Yet, in spite of these successes, much remains to be done;

18. urges the Georgian authorities to consider introducing a lower tier of local government in the future as and when local governance becomes more established in Georgia, or to increase the existing number of municipalities. The Committee believes that local government action at the lowest tier can ensure that local problems are resolved more effectively and more quickly, that local people get more involved and can also encourage a greater sense of responsibility for joint projects. Also calls for thought to be given to the idea of establishing regional-level government;
19. welcomes the fact that the new legislative measures that will come into effect after the 2010 local elections have increased the importance of councils as local representative bodies, chosen through local elections, at the expense of mayors;
20. encourages the Georgian authorities to improve the mechanism for the transfer of funds to local government and for the country's regional development needs. Calls on the Ministry of Regional Development to play a greater role within this mechanism and to stem the exclusive competences of the Ministry of Finance in this area, as it is unable to take account of the regions' needs as well as a department specialised in this domain;
21. notes the need to decentralise financing in Georgia. Most local authorities are over 90% dependent on budget subsidies for their revenue;
22. urges the Georgian authorities to amend the country's Electoral Code to allow the participation of independent candidates in the country's local elections. This will reduce the politicisation of local government in Georgia and admit local leaders into its ranks;
23. urges the Georgian authorities to devise mechanisms to enable local government representatives to get more involved in framing and implementing the Regional Development Strategy and other state documents on the development of individual local authorities;
24. calls for action enabling the participation of Georgian local and regional representatives alongside central government representatives as early as possible in work on the formulation of agreements, reports and action plans drawn up within the framework of EU-Georgia bilateral relations, in particular as part of the ENP and the preparation and implementation of the National Indicative Programme – NIP;
25. calls on the Georgian government to establish mechanisms for dialogue and consultations with local government, the social partners and civil society by integrating them into EU cooperation procedures;

26. recommends involving local and regional authorities in the implementation of projects in the four key areas outlined in the Cross-border Cooperation Strategy Paper 2007-2013:
- economic and social development;
 - environmental protection, health protection and the fight against organised crime;
 - cross-border movement issues;
 - people-to-people contacts;
- encourages action via smaller scale projects, where priority will be given to projects to improve overall standards of living;
27. stresses the role of local NGOs and local media, who act as watchmen and inspectors monitoring the proper operation of local authorities, the transparency of their activity and the results of their work. The media and NGOs play a hugely important role in analysing the specific problems of local communities and authorities and discussing possible solutions and their implementation
28. urges the European institutions to give more support to local NGOs and the local media in Georgia;

Priorities for regional development

29. is delighted to note that the European Commission has recognised regional development and support for the agricultural sector as an important area for continued or even increased assistance for Georgia as part of the NIP for the years 2011-2013;
30. welcomes the creation of a Ministry for Regional Development and Infrastructure in Georgia in 2009, which has become a key partner for the EU;
31. welcomes the fact that the Georgian authorities have made regional development one of their political priorities, with the aim of boosting the country's economy. The Committee values Georgia's efforts and successes in this area. At the same time, it draws attention to the fact that much remains to be done particularly in terms of developing a bottom-up approach;
32. urges the Georgian authorities to continue the "Georgia without poverty" programme begun before the 2008 conflict and to further develop the health insurance system for those most in need. Poverty remains a serious problem in Georgia, which should be addressed using EU assistance;
33. encourages the Georgian authorities to use EU assistance to launch an active and determined fight against unemployment, which remains a serious problem, particularly in rural areas. Also urges the creation of institutions tasked with monitoring and combating unemployment.

It is vital to resolve the problem of the gulf which exists between people's education and skills and the actual needs of the labour market;

34. draws attention to the need to increase support for Georgian agriculture. Urges the Georgian authorities to agree the final details of the country's Agricultural Development Strategy and to adopt the document and increase investment in the agricultural sector. This is vital as rural areas are home to the largest group of Georgian citizens living below the poverty line;
35. values Georgia's efforts to improve the quality of its statistical research and to adopt a new law on statistics, which provides for the setting up of a Statistics Agency. Calls on the EU institutions and the Member States to assist with implementing this legislation;
36. urges the EU institutions and the EU Member States to assist Georgia with preparing and carrying out statistical research and with compiling the results of such work. There can be no effective regional policy or regional development without detailed and specialist data at regional level;
37. calls for EU support for the formulation of a spatial management plan for Georgia;
38. notes the huge importance of the issue of environmental protection in Georgia. Natural resources – water, forests, coastal areas, mountains, air and others are of enormous significance for the country's economy. Recommends that Georgia continue its work on a natural environment strategy and an Environmental Protection Code. Urges the development of an environmental protection and sustainable development policy in Georgia, with the active help of the EU;
39. notes the need to support innovation within Georgia's science sector and the economy. Urges the EU institutions to give attention to this issue;
40. encourages the Georgian authorities to adopt a firm policy on local economic development and the development of SMEs at regional level. Investments in local infrastructure and in low-interest loans could help this process;

Regional cooperation

41. notes that regional and cross-border cooperation are an essential part of the process of resolving common problems e.g. in the area of water management, the fight against organised crime, transport, foreign investment, energy, environmental protection and climate change;
42. encourages local authorities in Georgia to take action to encourage cooperation among Georgia's regions and to promote their involvement in international cooperation networks. Accordingly, encourages central government to regulate the issue of the country's territorial division, the definition of a region and the competences of regional authorities;

43. welcomes the launch of the implementation of the South Caucasus Integrated Border Management, and the new management board of the Regional Environmental Centre for the Caucasus Environment. Encourages the continuation of the South Caucasus Anti-Drug Programme. All of these initiatives represent a very important means of promoting regional cooperation and stability in the South Caucasus;
44. proposes developing a truly territorial dimension for the Eastern Partnership and, accordingly, urges the EU Member States and its partner countries, including Georgia, to sign a multilateral agreement enabling the implementation of a European Grouping of Territorial Cooperation (EGTC) in the Eastern Partnership region, which includes Georgia. An EGTC can help strengthen cooperation and foster cross-border relations, the exchange of experiences as well as "people-to-people" contacts between local authorities in Georgia and the EU Member States;
45. urges firm action to develop a blueprint for closer cooperation between the Member States and the Eastern Partnership countries, including Georgia. Calls for the creation of a Local and Regional Assembly for Eastern Europe and the Southern Caucasus as a platform for regular dialogue and cooperation, in accordance with the recommendations of the European Commission. This assembly would deal with specific EU projects, particularly cross-border and territorial cooperation projects in which local and regional authorities would play a leading role;
46. endorses the European Commission's call for closer multilateral cooperation building on the Northern Dimension and the Black Sea Synergy. Urges the coordination of multilateral initiatives under the ENP, such as the Black Sea Synergy and the Eastern Partnership, with a view to developing bilateral EU-Georgia relations;

The specific situation of regions inhabited by national minorities

47. welcomes the adoption by the Georgian authorities of a National Integration Strategy, the aim of which is, inter alia, to improve infrastructure in regions inhabited by national minorities. Despite these efforts, notes that the issue of the rights of national minorities and their integration continues to be a cause for concern;
48. welcomes the efforts of the Georgian authorities to improve knowledge of the national language among members of minority groups and to translate school textbooks used in the official educational curriculum in Georgia into minority languages. This is a significant step towards standardising education across the whole country. There is a need for continued and more extensive action in this field as the lack of Georgian language skills among members of minority groups continues to present a significant problem;

49. encourages the EU institutions to pay special attention to cases of discrimination on ethnic or religious grounds in Georgia and to provide all assistance (including technical, specialist and financial assistance) needed to identify legal and institutional solutions which promote respect for the rights of minorities and their integration within society and as citizens;
50. encourages the EU institutions and other international organisations engaged in Georgian affairs to promote educational information which raises awareness of legal, political and public citizenship issues among members of national and religious minorities in Georgia;
51. calls on the Georgian national authorities to devise appropriate mechanisms to prevent the exclusion of members of minority groups from the country's social, political and public life;
52. encourages the Georgian authorities to chart out a policy that would make it possible to identify the actual problems experienced by minorities and to resolve them promptly and effectively with the active involvement of all stakeholders. These would primarily comprise representatives of central government, local government and minority groups, along with civil society organisations, the private sector, local communities and international organisations;
53. stresses that a sense of joint responsibility and coordinated action by government, local authorities and NGOs towards national and religious minorities in Georgia are of key importance;

The specific situation of regions affected by conflict

54. welcomes the EU's involvement in terminating the Russia-Georgian war of August 2008 and dealing with the effects of this conflict, as well as the creation of an EU Monitoring Mission in Georgia (EUMM) and the provision of post-war assistance for Georgia;
55. appreciates and emphasises the significance of the EU's active participation, alongside the UN and the OSCE, in the Geneva talks, launched in 2008 as a forum for dialogue and a platform for the conflict resolution process;
56. welcomes the continuing cooperation between NATO and Georgia on democratic, institutional, and defence reforms, with the aim of preparing Georgia for eventual membership in the Alliance and further stability in the region;
57. emphasises that the EU continues to recognise the territorial integrity of Georgia and the inviolability of its borders and firmly supports the peaceful resolution of conflicts;
58. recommends that both the EUMM and the Special EU Representative for the Southern Caucasus continue to closely monitor how events unfold in regions affected by conflict;

59. calls on Russia to comply with the terms of the August 2008 agreements terminating the conflict of which it is a signatory and to pull back its military forces to the positions held prior to the commencement of hostilities and to end their blockage of EUMM access to the territories of Abkhazia and South Ossetia;
60. welcomes the adoption and implementation by the Georgian authorities of a National Strategy for Internally Displaced People for the years 2009-2012, which embraces all internally displaced people – IDP);
61. welcomes the positive development which saw the adoption by the Georgian government in January 2010 of a *State strategy on occupied territories: engagement through cooperation*, as well as its intention to amend the *Law on occupied territories*, regarding which the Council of Europe had expressed serious reservations;
62. strongly advocates continued assistance to regions affected by the recent conflict. Considers that additional resources should especially be allocated to providing assistance to refugees, internally displaced persons, the reconstruction of housing and infrastructure, support for dialogue among local communities and trust building measures;

Final comments

63. emphasises that only six years have elapsed since the "Rose Revolution" which triggered a period of transformation and reform in Georgia, during which time the country has experienced both conflict and the effects of the global economic crisis. Yet in spite of this short timeframe and the difficulties encountered along the way, Georgia has managed to achieve significant progress on the road to democracy, development and a market economy;
64. draws attention to the huge importance of EU support for local government in Georgia, which is situated in a region that is politically unstable, susceptible to frequent changes of government and which has witnessed at least a dozen cases of armed or frozen conflict since the fall of the Soviet Union. Georgia lies in a region which is highly diverse ethnically, linguistically, religiously and historically, and which does not have any democratic traditions along the lines of the European model. It is for this reason that investments in regional development and action to strengthen local government in Georgia are of pivotal importance both in terms of improving people's standard of living as well as for the democratisation process in Georgia. EU support can also help promote European values and build up the Georgians' trust in the EU;

65. Notes that Georgia's political and economic development is of key importance to the European Union. It is located in the EU's immediate vicinity, in a region that is strategically important due to its energy supply routes and its close proximity to politically unstable regions. Support for Georgia in its efforts to move closer to the EU should be one of the EU's priorities.

Brussels,

II. PROCEDURE

Title	Local and regional government in Georgia and the development of cooperation between Georgia and the EU
Reference(s)	
Legal basis	TFEU 307 (4)
Procedural basis	Rule 39b and 42 of the Rules of Procedure
Date of Council referral/Date of Commission letter	
Date of Bureau decision	10 February 2010
Commission responsible	Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX)
Rapporteur	Mr Jacek Protas, Marshall of the Warmińsko-Mazurskie region (PL/EPP)
Analysis	19 March 2010
Discussed in commission	1 July 2010
Date adopted by commission	1 July 2010
Result of the vote in commission	Majority
Date adopted in plenary	Scheduled for 5-6 October 2010
Previous Committee opinions	<p>CdR 78/2009 fin, Opinion on The role of local and regional authorities within the Eastern Partnership, Rapporteur: Mr István Sértő-Radics (HU/ALDE), adopted in CoR Plenary on 22 April 2009</p> <p>CdR 134/2008 fin, Opinion on A strong European Neighbourhood Policy, Rapporteur: Councillor Sharon Taylor (UK/PES), adopted in CoR Plenary on 19 December 2008</p> <p>CdR 155/2007 fin, Opinion on the Black Sea synergy initiative, Rapporteur: Mr Krasimir Mirev (BG/PES), adopted in CoR Plenary on 25 April 2008</p> <p>CdR 34/2007 fin, Opinion on Local and regional government in Ukraine and the development of cooperation between the EU and Ukraine, Rapporteur: Mr István Sértő-Radics (HU/ALDE), adopted in CoR Plenary on 15 December 2007</p>