COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.10.2006
COM(2006) 623 final

Proposal for a

COUNCIL DECISION

on the position to be adopted by the Communities and its Member States within the Cooperation Council established by the Partnership and Cooperation Agreement establishing a partnership between the European Communities and its Member States, of the one part, and Georgia, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Georgia Action Plan

(presented by the Commission)

EXPLANATORY MEMORANDUM

The 2002 Copenhagen European Council, closing accession negotiations with ten new States, recognised that enlargement presented an important opportunity to take forward relations with neighbouring countries based on shared values, and stated that the Union remained determined to avoid new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union.

The Commission Communication "Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours" of March 2003[1] proposed the establishment of Action Plans with partner countries. On 16 June 2003, the Council welcomed this Communication and invited the Commission, with the contribution, where appropriate, of the High Representative, to present proposals for Action Plans for all countries concerned as appropriate, commencing with Ukraine, Moldova, and Southern Mediterranean partners with Association Agreements.

On 14 June 2004, the Council welcomed the Commission Communication "European Neighbourhood Policy – Strategy Paper"[2]. The Council also welcomed the Commission proposal to pursue the European Neighbourhood Policy (ENP) through Action Plans to be agreed jointly with the neighbouring countries concerned and invited the Commission to propose such Action Plans. The Council also defined how to advance and monitor implementation of such Action Plans.

The Commission Communication of December 2004[3] submitted to the Council for approval a first set of draft Action Plans while the Commission Communication of March 2005[4] submitted the Country Reports for Armenia, Azerbaijan, Egypt, Georgia and Lebanon recommending the starting of negotiations for the drawing up of Action Plans with these countries. On 16 and 17 June 2005, the Council welcomed the decision to establish Action Plans with the above mentioned countries.

The Commission, in close cooperation with the Presidency and the High Representative on issues related to political cooperation and the CFSP, has held exploratory talks with Georgia which have resulted in agreement on a draft Action Plan. It covers a timeframe of five years. Its implementation will help fulfil the provisions in the Partnership and Cooperation Agreement and will contribute to an increasingly close relationship with Georgia, involving a significant degree of economic integration and a deepening of political co-operation. Implementation of the Action Plan will significantly advance the approximation of Georgian legislation, norms and standards to those of the European Union.

The Action Plan is a broad tool for economic and political co-operation, carrying to a further stage the commitments and objectives contained in the Partnership and Cooperation Agreement.

In accordance with the Council Conclusions of 14 June 2004, stipulating that the Action Plans will be approved by the Council and subsequently endorsed by the respective Association or

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1 COM(2003)104
2 COM(2004)373
3 COM(2004) 795
4 COM(2005) 72

Co-operation Councils, the Commission attaches the text of a proposal for a Council Decision on the position to be taken by the Communities and their Member States within the EU-Georgia Cooperation Council with regard to the adoption of a Recommendation on the implementation of the Action Plan in annex.

The Commission therefore requests the Council to adopt the attached proposal for a Council Decision.

Proposal for a

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on the position to be adopted by the Communities and its Member States within the Cooperation Council established by the Partnership and Cooperation Agreement establishing a partnership between the European Communities and its Member States, of the one part, and Georgia, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Georgia Action Plan

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Article 2 (1) of the Council and Commission Decision 1999/515/EC, ECSC, Euratom of 31.05.1999[5] on the conclusion of the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and Georgia, of the other part,

Having regard to the Treaty on European Union, in particular Article 15 thereof;

Having regard to the proposal from the Commission[6];

Whereas:

(1) The Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and Georgia, of the other part, was signed on 22nd April 1996 and entered into force on 1st July 1999.

(2) The Parties intend to agree on an EU-Georgia Action Plan, which will support the implementation of the Partnership and Cooperation Agreement through the elaboration and agreement of concrete steps towards attainment of its objectives.

HAS DECIDED AS FOLLOWS:

Sole Article

The position to be adopted by the Communities and their Member States within the Cooperation Council established by the Partnership and Cooperation Agreement establishing a partnership between the European Communities and their Member States, of the one part, and Georgia, of the other part, with regard to the implementation of the EU-Georgia Action Plan shall be based on the draft Recommendation of the Cooperation Council annexed to this Decision.

Done at Brussels,

For the Council
The President

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5 OJ L /1999/205/1

6 OJ xxxxxxxxx

ANNEX

draft
RECOMMENDATION

on the implementation of the EU-Georgia Action Plan

The EU-Georgia Cooperation Council,

Having regard to the Partnership and Cooperation Agreement establishing a partnership between the European Communities and its Member States of the one part, and Georgia, of the other part – hereafter the Partnership and Cooperation Agreement - and in particular Article 81 thereof,

Whereas:

(1) Article 81 of the Partnership and Cooperation Agreement gives the Cooperation Council the power to make appropriate recommendations, for the purposes of attaining the objectives of the Agreement.

(2) In terms of Article 98 of the Partnership and Cooperation Agreement, the Parties shall take any general or specific measures required to fulfil their obligations under the Agreement and shall see to it that the objectives set out in the Agreement are attained.

(3) The Parties to the Partnership and Cooperation Agreement have agreed on the text of the EU-Georgia Action Plan.

(4) The EU-Georgia Action Plan will support the implementation of the Partnership and Cooperation Agreement through the elaboration and agreement between the Parties of concrete steps which will provide practical guidance for such implementation.

(5) The Action Plan serves the dual purpose of setting out concrete steps in bringing the fulfilment of the Parties' obligations set out in the Partnership and Cooperation Agreement, and of providing a broader framework for further strengthening EU-Georgia relations to involve a significant measure of economic integration and a deepening of political cooperation, in accordance with the overall objectives of the Partnership and Cooperation Agreement.

HAS ADOPTED THE FOLLOWING RECOMMENDATION:

Sole Article

The Cooperation Council recommends that the Parties implement the EU-Georgia Action Plan in annex, insofar as such implementation is directed towards attainment of the objectives of the Partnership and Cooperation Agreement.

Done at [...]

For the Cooperation Council

The President

ANNEX

EUROPEAN NEIGHBOURHOOD POLICY
EU-Georgia Action Plan

1. INTRODUCTION

The enlargement of the European Union on 1 May 2004 has brought a historical shift for the Union in political, geographic and economic terms, further reinforcing the political and economic interdependence between the EU and Georgia. It offers the opportunity for the EU and Georgia to develop an increasingly close relationship, going beyond co-operation, to involve a significant measure of economic integration and a deepening of political co-operation. The European Union and Georgia are determined to make use of this occasion to enhance their relations and to promote stability, security and welfare. The approach is founded on partnership, joint ownership and differentiation.

The European Neighbourhood Policy of the European Union sets ambitious objectives based on commitments to shared values and effective implementation of political, economic and institutional reforms.

Georgia is invited to enter into intensified political, security, economic and cultural relations with the EU, enhanced regional and cross border co-operation and shared responsibility in conflict prevention and conflict resolution.

The European Union takes note of Georgia's expressed European aspirations. The EU welcomes Georgia's readiness to enhance cooperation in all domains covered by the Action Plan. The level of ambition of the relationship will depend on the degree of Georgia's commitment to common values as well as its capacity to implement jointly agreed priorities, in compliance with international and European norms and principles. The pace of progress of the relationship will acknowledge fully Georgia's efforts and concrete achievements in meeting those commitments.

This Action Plan is a first step in this process. The EU-Georgia Action Plan is a political document laying out the strategic objectives of the cooperation between Georgia and the EU. It covers a timeframe of five years. Its implementation will also help fulfil the provisions of the PCA, build ties in new areas of cooperation and encourage and support Georgia's objective of further integration into European economic and social structures.

Implementation of the Action Plan will significantly advance the approximation of Georgian legislation, norms and standards to those of the European Union. In this context, it will build solid foundations for further economic integration based on the adoption and implementation of economic and trade-related rules and regulations with the potential to enhance trade, investment and growth. It will furthermore help to devise and implement policies and measures to promote economic growth and social cohesion, to reduce poverty and to protect the environment, thereby contributing to the long-term objective of sustainable development. Georgia and the EU will cooperate closely in implementing this Action Plan.

The EU Special Representative for the South Caucasus will assist the relevant bodies in the implementation of this Action Plan in accordance with his mandate.

2. NEW PARTNERSHIP PERSPECTIVES

The European Neighbourhood Policy opens new partnership perspectives:

- The perspective of moving beyond cooperation to a significant degree of integration, including through a stake in the EU's Internal Market and gradual extension of four freedoms to Georgia, as well as the possibility for Georgia to participate progressively in key aspects of EU policies and programmes;

- An upgrade in the scope and intensity of political cooperation, through further development of mechanisms for political dialogue.

- Continuing strong EU commitment to support the settlement of Georgia's internal conflicts, drawing on the instruments at the EU's disposal, and in close consultation with the UN and OSCE. The EU is ready to consider ways to strengthen further its engagement;

- Enhancing cooperation in the area of Justice, Freedom and Security, notably in the field of border management and migration.

- Increased possibilities for closer co-operation in the area of foreign and security policy, including European Security and Defense Policy in particular on the issues of regional stability and crisis management.

- Deepening trade and economic relations; providing the opportunity for convergence of economic legislation, the opening of economies to each other, and the continued reduction of non-tariff barriers to trade, which will stimulate investment and growth.

- Enhancing co-operation in the fields of energy, transport and environment contributing to energy security and supply diversification needs for the EU.

- In parallel with the South Caucasus Partnership, enhance bilateral and multilateral cooperation in the Black Sea area – including strengthened regional economic cooperation between the Baltic, Black and Caspian Sea regions;

- The perspective of identifying particular initiatives that needs to be taken for a better governance on maritime related matters in the Black Sea and a more coordinated approach to the management of the sea space in the region.

- Increased financial support: EU financial assistance for Georgia will be available to support the actions identified in the present document. The Commission is furthermore proposing a new European Neighbourhood and Partnership Instrument (ENPI) for this purpose which will cover the main part of EU financial assistance and will include aspects of cross-border and trans-national cooperation. The Commission also intends to propose an extension of the EIB mandate to Georgia as of 2007;

- Possibilities of gradual opening of reinforced participation in certain Community programmes, promoting cultural, educational, environmental and scientific links.

- Support including through financial, technical assistance and twinning to meet EU norms and standards, and targeted advice and support for legislative approximation through a mechanism such as TAIEX;

- Establish a dialogue, in accordance with the acquis, on matters related to the movement of people between the EU and Georgia;

- In light of the fulfilment of the objectives of this Action Plan and of the overall evolution of EU-Georgia relations, consideration will be given in due time to the possibility of a new enhanced contractual relationship.

3. PRIORITIES FOR ACTION

The Action Plan sets out a set of priorities in areas within and beyond the scope of the Partnership and Cooperation Agreement. Among these priorities, all of which are important, particular attention should be given to the following areas and specific actions.

Priority area 1:

Strengthen rule of law especially through reform of the judicial system, including the penitentiary system, and through rebuilding state institutions. Strengthen democratic institutions and respect for human rights and fundamental freedoms in compliance with international commitments of Georgia (PCA, Council of Europe, OSCE, UN).

Specific actions:

– Reform of the whole judicial system in line with European standards notably through the implementation of the reform strategy for the criminal justice system, developed with the assistance of EUJUST Themis, including:

  – ensuring proper separation of powers, independence and impartiality of the judiciary, prosecution, police and law enforcement agencies;

  – improvement of training of judges, prosecutors, and officials in judiciary, Ministry of Justice administration, police and prisons, in particular with regard to the human rights issues and judicial internal cooperation;

  – improved access to justice notably through the establishment of an effective legal aid system;

  – penitentiary and probation service;

  – system of execution of Court decisions;

– Adopt a new Criminal Procedural Code (by 2007);

– Implement the recommendations of the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment, notably to improve detention conditions.

– Adopt a public service reform strategy and legislation for the civil service in order to improve good governance and transparency.

– Develop a functioning civil register (by end 2009);

– ensure the local (2006), parliamentary (2008) and presidential (2009) elections in Georgia are conducted in accordance with international standards, through implementation of OSCE/ODIHR and Council of Europe recommendations, notably regarding the need for a reliable voter registry and a functioning and transparent electoral commission;

– finalise and implement a strategy and programme for local government reform (the "Law on Self Governance"), in accordance with Council of Europe recommendations;

– Ensure implementation of the Optional Protocol to the UN Convention Against Torture.

Priority area 2:

Improve the business and investment climate, including a transparent privatisation process, and continue the fight against corruption

Specific actions :

– Develop and implement a comprehensive programme to improve the business climate, in particular to improve the conditions to starting a business, hiring and firing workers, registering property, getting credit, protecting investors, enforcing contracts, and closing a business;

– Adopt (in 2006) and implement a new Customs Code in line with EU and international standards;

– Adopt and implement the necessary implementing provisions to the revised Customs Code in order to simplify and streamline customs procedures and to address the issue of customs ethics in line with EU and international standards;

– Set up a mechanism to ensure regular consultation/information of the trade community on import and export regulations and procedures;

– Strengthen the overall administrative capacity of the customs administration, in particular to increase transparency of customs rules and tariffs, to ensure the correct implementation of customs valuation rules, to implement the principles of risk based customs control and post clearance control ; provide the customs administration with sufficient internal or external laboratory expertise as well as sufficient operational capacity in the IT area;

– Continue the modernisation, simplification and computerisation of the tax administration. Ensure the smooth enforcement of the new Tax Code also by defining all necessary administrative structures and procedures, including a fiscal control strategy, audit and investigation methods, co-operation with the tax payers and tax compliance;

– Ensure the implementation of the recently approved National Anti-Corruption Strategy by 2009 ; ensure active participation of civil society in monitoring implementation ; regularly assess impact and progress made ;

– pursue transparent privatisation process both as regards divestiture and use of privatisation proceeds;

– establish the necessary administrative capacities to ensure an effective and transparent licences system.

Priority area 3:

Encourage economic development and enhance poverty reduction efforts and social cohesion, promote sustainable development including the protection of the environment; further convergence of economic legislation and administrative practices.

Specific actions:

- Maintain macroeconomic stability by implementing prudent monetary and fiscal policies including through ensuring the independence of the National Bank of Georgia; further improve strategic planning of expenditures through a Medium Term Expenditure Framework;

- Conduct a systematic review and revision of the government's reform strategy document, with particular emphasis on poverty reduction;

- Continue reforms in public finance management, including by implementing a comprehensive Medium-Term Expenditure Framework consistent with the Georgian government strategy;

- Develop a Research and Innovation policy directly relevant to the sustainable and equitable economic development policy objectives of Georgia;

- Undertake reform of the social assistance and health care sectors including establishing an effective legal base and effective management systems;

- Further reform efforts in the field of education to promote human resources development;

- Foster co-operation with the aim of reforming higher education sector in the context of the Bologna Process;

- Reinforce participation of Georgian scientists/students/academics in international and exchange programmes such as TEMPUS, Erasmus Mundus, Marie Curie, Jean Monnet, European Community Framework Programmes (FP6; FP7);

- Encourage life-long and life-wide learning opportunities as well as further the reform efforts in the field of education, science and training to promote sustainable development of human resources and human capital;

- Develop special programmes of education for public servants (primarily for civic integration).

- Reform science management system through appropriate regulatory framework, financing model and governance based on scientific excellence, capacity-building and joint initiatives.

- Foster the development of education, information and communication programmes and technologies.

- Strengthen administrative structures and procedures to ensure strategic planning of environment issues and coordination between relevant actors.

– Improve the quality in statistics;

– Jointly explore options for further enhancing bilateral trade relations, including the possible establishment of a free trade agreement between the EU and Georgia. In this context, the Commission will undertake a feasibility study which will also look at regional trade and economic integration aspects;

– To co-operate in the area of food safety;

– Ensure effective cooperation in order to establish and strengthen in Georgia a modern institutional system of technical regulation, standardisation, accreditation, metrology, conformity assessment and market surveillance.

Priority area 4:

Enhance cooperation in the field of justice, freedom and security, including in the field of border management

Specific actions:

Border management

– Develop a comprehensive border management strategy in cooperation with the EUSR (implementation date: by 2006) and cooperate on border issues in the context of the activities of the EUSR Support Team based in Tbilisi under the EU Special Representative for the Southern Caucasus ;

– Ratify and implement the UN Convention against trans-national organised crime and its three protocols ("Palermo Protocols") on smuggling of migrants and trafficking of persons; sign, ratify and implement the UN protocol on illicit manufacturing and trafficking of firearms;

– Georgia to fulfil its commitments on border management reforms (increase budget, integration of the Georgian State Border Guard Department into the MoI, reform of the Ministry of the Interior, notably in the fields of human resources and management, etc);

– continue EU-Georgia cooperation on Border Management issues ;

– Develop a dialogue on fight against terrorism and organized crime, trafficking, illegal arms trading.

Migration management (readmission, visas, asylum)

– Develop cooperation on migration and asylum issues;

– Establish a dialogue on matters related to the movement of people including on readmission and visa issues;

– Take steps to modernise the national refugee system in line with international and European standards and an IDP protection system that is self-sustaining and that offers integration opportunities for those who qualify.

Priority area 5:

Strengthen regional cooperation

Specific actions :

- Enhance participation in regional cooperation initiatives in the Black Sea region, including the Southern Caucasus, e.g. environment, education, border management, transport as well as in the parliamentary sphere ;

- Continue cooperation in the Energy, Transport and Science and Technological development fields in the context of the EU/Black Sea/Caspian littoral states and neighbouring countries initiative ;

- Strengthen Georgia participation in regional law enforcement cooperation initiatives in the Black Sea region, including the Southern Caucasus, as well as through EC-funded regional assistance initiatives such as SCAD;

- Support the Caucasus Regional Environmental Centre in meeting its objective to promote co-operation between Governmental and non-Governmental actors in the region, as well as enhance participation in its work ;

- Enhance bilateral and multilateral cooperation in the Black Sea region and between the Black Sea, the Baltic Sea and the Caspian Sea regions;

- Enhance youth exchanges and cooperation among the Black Sea States, including the S. Caucasus countries.

Priority area 6:

Promote peaceful resolution of internal conflicts

Specific actions:

- Contribute to the conflicts settlement in Abkhazia, Georgia and Tskinvali Region/South Ossetia, Georgia, based on respect of the sovereignty and territorial integrity of Georgia within its internationally recognised borders;

- enhanced efforts at confidence building;

- consideration of further economic assistance in light of the progress in the conflict settlement process;

- contribute actively, and in any relevant forum, to accelerating the process of demilitarisation and of conflict resolution on the basis of the Peace Plan supported by the OSCE ministerial Council in Ljubljana in December 2005;

- The EU points to the need to increase the effectiveness of the negotiating mechanisms. The work of the Joint Control Commission should be measured by the rapid implementation of all outstanding agreements previously reached and in particular by the start of demilitarisation;

– The EU stresses the need for a constructive cooperation between interested international actors in the region, including the EU and OSCE Member States, on additional efforts contributing to peaceful settlement mechanisms in Tskinvali Region/S. Ossetia and Abhkazia;

– Include the issue of territorial integrity of Georgia and settlement of Georgia's internal conflicts in EU-Russia political dialogue meetings.

Priority area 7:

Cooperation on Foreign and Security Policy

– Enhance EU-Georgia cooperation on Common Foreign and Security Policy, including European Security and Defence Policy;

– Georgia may be invited, on a case by case basis, to align itself with EU positions on regional and international issues.

– Develop possibilities for enhanced EU – Georgian consultations on crisis management.

Priority area 8:

Transport and Energy

Take into consideration the transit potential of Georgia as well as its interconnection with the transport and energy networks of the European Union in order to ensure effective cooperation in the areas of energy and transport between the EU and the states in the Black Sea and Caspian regions in the framework of the "Baku Initiative".

Transport

– Cooperation addressing the issues of transport security and safety, interoperability, promotion of multi-modal services, efficiency of freight transport and simplification of border crossing procedures in line with the recommendations of the High Level Group on Transport;

– Develop intensive cooperation in order to ensure the gradual inclusion of Georgia in the Trans European Networks (TENs) in line with the recommendations High Level Group on Transport;

– With a view of regional integration encourage development of Georgia's transit role;

– Further support TRACECA process.

Energy

– Continue cooperation on Caspian and Black Sea regional energy issues (oil, gas, electricity) in the context of the follow up to the EU-Black Sea-Caspian Basin energy Ministerial Conference of November 2004 as well as INOGATE.

– With a view to regional integration and progressive integration with the EU energy market and system and Georgia's role as energy transit country, encourage the development of

diversified infrastructure connected to development of Caspian energy resources and facilitate transit.

Progress in meeting these priorities will be monitored in the bodies established by the Partnership and Cooperation Agreement and the European Commission will issue a mid-term report on progress accomplished. On the basis of this assessment, the EU, together with Georgia, will review the content of the Action Plan and may decide on its adaptation as necessary. The Commission will issue a further report towards the end of the five years period and on this basis, decisions may be taken on the next step in the development of bilateral relations, including the possibility of new contractual links.

4. GENERAL OBJECTIVES AND ACTIONS

These further actions complement, in many cases, the specific priorities for action listed above.

4.1. Political dialogue and reform

4.1.1. Democracy and the rule of law, human rights and fundamental freedoms

Strengthening the stability and effectiveness of institutions guaranteeing democracy and the rule of law

Reform of the judicial system

– Further improvement of the system of plea bargaining;

– Development of effective statistics in the criminal justice sector.

– To enhance further development of forensic field.

Civil service reform

– Continue to develop and implement reform of public administration with a view to its modernisation, accountability and transparency; strengthening of the already functioning training centres;

Fight against corruption

– Accede to the UN Convention on Corruption, and the relevant articles of UNTOC, ratify the Council of Europe Criminal Law Convention on Corruption, ensure that the domestic legislation is in line with the above mentioned international instruments, the Civil Law Convention on Corruption and the OECD Convention on combating bribery of Foreign Public Officials in International Business Transactions;

– Continue to develop and implement specific anti-corruption measures within the law enforcement agencies (police, State border service and judiciary), including the development of Code of Ethics for prosecutors and judges and implementation of the European Code of Police Ethics, as adopted by the Council of Europe Committee of Ministers on 19 September 2001;

– Ensure progress in implementing the recommendations of the Council of Europe Group of States against Corruption (GRECO).

Strengthening democratic institutions

– Strengthening of the Georgian parliament, particularly in the fulfilment of its oversight role (including in the security and defence sector). Establish clear rules regarding lobbying and conflicts of interest;

– Raise the level of legal expertise and law-screening in the processes of harmonization of Georgian legislation with the European standards.

– Encourage greater political pluralism: strengthen the role and functioning of political parties in Georgia;

Ensuring respect for human rights and fundamental freedoms

– Ensure freedom of the media. Encourage proper implementation of the Law of Georgia on Broadcasting and the Law of Georgia on Freedom of Speech and Expression;

– Further improvement of the legal basis and practice in the sphere of detention, in particular pre-trial detention, to prevent torture and ill-treatment of detainees: implement the National Action Plan against Torture;

– Ensure respect for rights of persons belonging to national minorities; sign and ratify European Charter for regional or Minority Languages;

– Develop and implement a civic integration strategy and ensure its implementation, including creation of appropriate monitoring instruments;

– Enhance the role and independence of the Public Defender/Ombudsman institution in accordance with the "Paris Principles".

– Continue efforts to create conditions of safety and security for the civilian population, including respect for property rights, focusing on those areas which are mostly populated by Georgian citizens of various ethnic origins.

– Continue efforts to ensure implementation of the standards set in the European Social Charter and ensure trade union rights and core labour standards in accordance with relevant ILO conventions as ratified by Georgia;

– Continue efforts to ensure the equality of men and women in society and economic life.

– Ensure the protection of the rights of conscripts, including by facilitating the introduction of civil supervision and monitoring of the armed forces;

4.1.2. Cooperation on foreign and security policy, conflict prevention and crisis management

Strengthen political dialogue and cooperation on foreign and security matters

– Continue and develop EU-Georgia political dialogue on regional and international issues, including in the framework of the Council of Europe, OSCE and the UN, and on the implementation of the European Security Strategy;

– Develop cooperation on sanctions issued by the EU, including arms embargoes;

– Develop an enhanced political dialogue and regular exchange of information on Common Foreign and Security Policy including European Security and Defence Policy;

– Sign and Ratify the Agreement on Privileges and Immunities of the International Criminal Court;

– Fight against international crime in accordance with international law, giving due regard to preserving the integrity of the Rome Statute.

Further develop co-operation in addressing common security threats, including non-proliferation of weapons of mass destruction and illegal arms exports

– Cooperate on non-proliferation of weapons of mass destruction, their means of delivery and ballistic missiles, including through implementing UNSC resolution 1540/04, ensuring full compliance with and national implementation of existing international obligations and promoting the accession to and implementation of other relevant international instruments and export control regimes;

– In this context, continue the existing dialogue on our joint policy of non proliferation through enhancing the present cooperation between researchers being involved in activities aimed at helping the former weapon of mass destruction scientists and engineers to redirect their talents to civilian and sustainable activities in the context of the ISTC/STCU.

– Further develop co-operation in the prevention of and fight against the illicit trafficking of materials that are used in the manufacture of WMD;

– Cooperate on developing effective systems of national export control, controlling export and transit of WMD related goods, including WMD end-use control on dual use of goods and technologies, and effective sanctions for breaches of export controls;

– Improve overall co-ordination in the non-proliferation area and examine specific threats related to WMD which undermine regional security and the scope of co-operation in addressing them;

– Cooperate on implementing the provisions of the OSCE Document on SALW, OSCE Document on Stockpiles of Conventional Ammunition and OSCE Best Practice Guide on SALW;

– Improve internal legislation in line with the EU Code of Conduct on Arms Exports;

– As soon as the conditions permit, accede to the 1997 Ottawa Convention on the Prohibition of the Use, Stockpiling, Production and transfer of Anti-Personnel Mines and on their Destruction].

Strengthen efforts and cooperation in the fight against terrorism

– Strengthen EU-Georgia co-operation in the fight against and prevention of terrorism;

– Cooperate to reinforce the role of the UN in the multilateral fight against terrorism, including through implementation of UNSC Resolutions 1373/01, 1267/99, 1566/04, 1624/05 through implementation of all relevant UN Conventions, including the UN Convention for the Suppression of the Financing of Terrorism.

– Promote signing, ratifying and implementing the thirteen anti-terrorism conventions without reservations, and cooperate with a view of agreeing on a Comprehensive Convention on Combating terrorism.

– Work towards the establishment of an information exchange system between relevant judicial bodies and law enforcement agencies of the EU Member States and Georgia;

– Implement the standards laid down in the FATF's recommendations on terrorist financing;

– Ensure respect for human rights in the fight against terrorism.

4.1.3. Regional Cooperation

Participation in regional cooperation initiatives

– Enhance and develop new areas of cooperation in the Black Sea region including the Southern Caucasus, including through EU-funded regional assistance initiatives detailed in relevant sectors of this Action Plan e.g. environment, education and science, border management, as well as the parliamentary dimension;

– Encourage process of improving relations with Russia: adoption/implementation of bilateral treaty; cooperation on resolution of conflicts; border delimitation and cooperation in border management; promotion of stable economic cooperation.

– Continue to participate in the Southern Caucasus Parliamentary Initiative with a view to forming a full Southern Caucasus parliamentary process.

4.2. Cooperation for the settlement of Georgia's internal conflicts

Promote sustained efforts towards the peaceful resolution of the conflict in Tskhinvali region/South Ossetia, Georgia

– enhance EU-Georgia political dialogue on, and contribute to, the settlement of the Georgian internal conflict in Tskhinvali region/South Ossetia, Georgia respecting the sovereignty and territorial integrity of Georgia;

– implementation of demilitarization agreements and intensification of work in the Joint Commission Control (JCC);

– Georgia to enhance its confidence-building efforts;

– Support the active involvement of civil society in the conflict resolution efforts;

– EU to contribute to further confidence building and economic assistance in light of progress in settlement process.

– continue to develop the role of the EUSR for the South Caucasus in conflict resolution, within his mandate;

– EU to enhance support for OSCE efforts and work in the JCC framework, including through promoting the return of refugees and internally displaced persons;

– Include the issue of settlement of internal conflict in Tskhinvali region/South Ossetia, Georgia, in EU-Russia political dialogue meetings;

Promote sustained efforts towards peaceful resolution of the conflict in Abkhazia, Georgia.

– Enhance EU-Georgia political dialogue on, and contribute to, the settlement of the conflict in Abkhazia, Georgia respecting the sovereignty and territorial integrity of Georgia within its internationally recognized borders;

– Georgia to enhance its confidence-building efforts;

– EU to step up support to UN in Geneva process;

– EU to consider further confidence building and economic assistance in light of progress in settlement process;

– Support the active involvement of civil society in the conflict resolution efforts;

– Include the issue of settlement of internal conflict in Abkhazia, Georgia in EU-Russia political dialogue meetings;

– EU to enhance support for the UN and the OSCE in order for them to carry out the implementation of their mandate, including in the field of HR;

4.3. Cooperation in the field of Justice, Freedom and Security

Enhance dialogue and cooperation on justice, freedom and security issues

– Establish a Sub-Committee on Justice, Freedom and Security in the framework of the PCA.

4.3.1. Cooperation on border management

Develop an efficient and comprehensive border management system

– Enhance inter-agency cooperation among State authorities involved in border management as well as cooperation with neighboring countries, including proper border delimitation, demarcation and control. Full implementation of existing and planned multilateral and bilateral border cooperation agreements and protocols.

– Develop a comprehensive education and training strategy on border management for the relevant Georgian agencies, including improved understanding of the Schengen rules and standards;

– Enhance the efficiency of Georgian relevant authorities (Police, State Border Service, Customs) notably through providing modern equipment, adequate infrastructure, facilities and appropriate training in order to increase the security of the Georgian borders and the effectiveness of border crossing checkpoints;

– Adopt and implement a strategy for an integrated system of border management (implementation date 2007);

– Continue cooperation with the team based in Tbilisi under the EU Special Representative for the Southern Caucasus including on issues related to Standard Operational Procedures (SOPs);

Intensify trans-border cooperation between Georgia, The EU Member States and neighbouring Countries

– Elaboration of a "BOMCA type" technical assistance programme in Southern Caucasus region in order to develop regional cooperation between relevant law enforcement bodies (State Border Service, Police, Migration service and Customs)

– Develop long-term cooperation strategy for fighting against, organized crime and trafficking, including radioactive materials sources and any other radioactive material;

4.3.2. Migration issues (legal, illegal, readmission, visa, asylum)

Develop cooperation on migration issues

– Elaborate and start implementing a coherent, comprehensive and balanced national action plan on migration and asylum issues;

– Establish an electronic database for the monitoring of migration flows;

– Improve coordination between relevant national agencies dealing with migration; Exchange of information and possible cooperation on transit migration;

– Support training activities in the field of immigration and asylum;

– Make all possible use of existing Community programmes including AENEAS and its successor, in order to support actions in the field of asylum and migration;

Enhanced dialogue on migration issues including prevention and control of illegal migration and readmission of own nationals, stateless persons and third country nationals

– Exchange of information and best practices on migration and asylum issues (entry and stay, integration, Eurodac system, temporary protection, reception conditions for asylum seekers, detention of illegal migrants), and illegal migration;

– strengthen the dialogue and cooperation in preventing and fighting against illegal migration, which could possibly lead in the future to an EC-Georgia agreement on

readmission; exchange of experience and expertise about the practical implications of such an agreement;

– Cooperation on reintegration of returned asylum seekers and illegal migrants; possible assistance to refugees.

– Develop cooperation with international organisations and relevant agencies of main countries of origin, transit and destination in order to manage migration processes.

Take steps to modernise the national refugee system in line with international standards and an IDP protection system that is self-sustaining and that offers integration opportunities for those who qualify

– Implement the principles of the 1951 Geneva Convention and the 1967 Protocol; improvement of national legislation on asylum and refugees to bring it in line with international and EU standards; Implement standard procedures relating to treatment of asylum applications, in accordance with EU and other international standards; Strengthen the capacity of the Ministry of Refugees and Accommodation, the Department for IDPs;

– Improve protection for and provide assistance to IDPs - promote integration of IDPs in their current places of residence e.g. shelter rehabilitation, skill transfer, creation of employment opportunities;

Facilitate the movement of persons

– Exchange of information on visa issues;

– Cooperate to improve security of travel documents and visa in conformity with international standards;

– Enhanced dialogue on migration issues including: i) prevention and fight against illegal migration; ii) readmission of own nationals, stateless persons and third country nationals; iii) visa issues;

4.3.3. Fight against organised crime, trafficking in human beings, drugs and money-laundering

Strengthen efforts and co-operation in the fight against organised crime

– Continue implementing the National Action Plan for Combating the Trafficking of Persons.

– Sign and ratify protocol to the UN Convention on illicit manufacturing and trafficking of firearms;

– Cooperate with EU law enforcement agencies and international organizations in new crime areas, e.g. Information and Communication Technology related crime, in particular child pornography.

Reinforce the fight against trafficking in human beings, especially in women and children, (as well as activities to integrate victims of such trafficking) and smuggling of illegal migrants

– Implement actions recommended by OSCE action plan to combat trafficking in Human Beings (approved in Maastricht December 2003, Chapters III, IV and V) and enhance co-operation in the framework of relevant international organisations (OSCE, UN);

– Promote regional co-operation between relevant law enforcement bodies (police, border guards, customs and judiciary);

– Develop mechanisms of protection, assistance and rehabilitation for victims

Further strengthen the fight against illicit drug trafficking, including precursors diversion, and against drug abuse in particular through prevention and rehabilitation of drugs addicts

– Continue implementing the 1988 UN Convention on Illicit Traffic of Narcotic and Psychotropic Substances;

– Reinforce national legislation and develop a national anti-drug strategy, covering drug supply and demand, including prevention programmes and programmes for treatment of drug addicts; Develop the capacity of relevant law enforcement authorities;

– Enhance strategic and operational cooperation with Black Sea and Caspian Sea littoral neighbouring countries with a view to better intercept narcotics shipments originating from Afghanistan.

Strengthen efforts and co-operation in the fight against money-laundering

– Fully implement the anti-money laundering law entered into force in 2004, including the effective functioning of the Financial Monitoring Service (FMS), and of the National Money laundering prosecution Unit; where necessary, amend the legislation to bring it fully in line with European and FATF standards;

– Strengthen co-operation between the Financial Monitoring Service of Georgia, the Central Bank, financial institutions, international financial institutions such as the IMF, World Bank, the IFC and the EBRD, and law enforcement agencies;

– Implement the 1990 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime and sign the new 2005 Convention on laundering, search, seizure and confiscation of the proceeds from crime and on the financing of terrorism, which is its natural follow-up; Exchange information on the existing European structures and the existing system in Georgia as regards the fight against money laundering

– Enhancing the inter-institutional data-base on suspicious transactions and set up a proper mechanism to freeze and confiscate the proceeds of crime;

– Promote application of effective sanctions against money laundering;

– Develop a training programme for the staff of the FMS Georgia, judges, prosecutors, and all other relevant personnel;

– Intensify co-operation and promote exchange of information among law enforcement agencies; intensify co-operation between Georgia and international organizations, such as Moneyval, FATF-style regional bodies - Egmont group and the Eurasian group- and other relevant international institutions, as well as with corresponding services of EU Member states and specialized bodies at European level.

4.3.4. Police and judicial co-operation

Develop international and regional judicial and law enforcement cooperation

– Fully implement relevant international conventions on cooperation in criminal and civil law, in particular by signing, ratifying and implementing the Second Protocol to the European Convention on Mutual Assistance on Criminal Matters; fully implementing the 1980 Hague Convention on Child Abduction; Improving inter-agency and international co-operation, in particular by enhancing law enforcement cooperation with neighbouring States in the Black Sea region and in the Caspian Sea region.

Further develop co-operation between Georgia and EU Member State judicial and law enforcement authorities

– Establish a network of contact points with EU Member States judicial and law enforcement authorities with a view to develop cooperation and exchange information;

– Exchange information on best practices in judicial co-operation between EU Member States and Georgia;

– Develop co-operation between Georgia law enforcement agencies and EUROPOL in accordance with the Europol Convention and the relevant Council decisions;

– Implement the 1981 Council of Europe Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data.

4.4. Economic and social reform, poverty reduction and sustainable development

Continue to pursue prudent macro-economic policies in cooperation with IFIs

– Maintain macroeconomic stability by implementing prudent monetary and fiscal policies; Ensure independence of the National Blank of Georgia; Further improve strategic planning of capital expenditures;

– Improve tax collection to ensure sustainable revenue basis to finance Government priorities;

– Reduce quasi-fiscal losses and address energy sector’s legacy debt.

Take significant steps to reduce levels of poverty

– Introduce effective poverty reduction measures aimed at significant reduction in the number of people with income below the poverty line and improved social cohesion, including sustainable systems for education, health and other social services with access for all;

– Continue reform of the social security system notably to improve targeting and effectiveness of social protection measures and social assistance particularly child care;

– Continue reforms in the education and health sectors, and ensure transparency and accountability of the reformed (former budgetary) organisations;

– Undertake effective monitoring of service delivery.

Enhance agricultural production and rural development

– Adopt and implement the agriculture development strategy 2006 -2009 providing for: i) the structural, institutional, legal and administrative support necessary in order to complete the process of land privatisation and liberalisation of land markets; ii) encouraging the diversification of rural activity including development of rural tourism;

– Foster the development, promotion and protection of quality production, (traditional products, organic products, geographical indications, etc.);

– Exchange of experience on best practices and use of international and EU standards;

– Identify and develop measures to improve (i) access to credit facilities, as to encourage private investment in the agricultural sector, (ii) access to local and export markets, and (iii) knowledge transfer and extension services;

Improve market economy functioning and strengthen economic growth through structural reforms

– Undertake operational improvements in enterprises that will remain under state ownership;

– Ensure transparent reporting of revenue from oil and gas transit fees through BTC and BTE.

Promotion of sustainable development

– Identify steps to establish and implement the national strategy on sustainable development;

– ensure strategic planning of sustainable development and coordination between relevant actors;

– Take steps to improve integration of environmental considerations into other policy sectors.

4.5. Trade-related issues, market and regulatory reform

4.5.1. Movement of goods

Trade Relations

– Enhance EU-Georgia bilateral trade through implementation of Georgia's relevant PCA obligations. Monitor compliance with WTO rules and capacity building on international trade;

– Increase compliance with relevant industrial standards, SPS and veterinary norms with a view to increasing benefits from the Generalized System of Preferences and thereby improving Georgia's export performance.

Agriculture

– Initiate a dialogue to explore the possibility for the negotiation of a bilateral agreement on geographical indications, including in the wine and spirits sector.

Customs

– Reinforce customs controls on imports and exports of pirated or counterfeit goods;

– Develop an integrated border management strategy by strengthening co-operation between customs and other agencies working at the border;

– Develop EU-Georgia co-operation with regard to risk-based customs control ensuring safety and security of goods imported, exported or in transit and define standards for certification of operators (exporters and transporters) intervening in commercial exchanges.

Standards, technical regulations and conformity assessment procedures (EU harmonised areas)

Move toward EU and international legislative and administrative practices for standards, technical regulations and conformity assessment

– Ensure effective cooperation in order to establish and strengthen in Georgia a modern institutional system of technical regulation, standardisation, metrology and accreditation.

– Integrate the institutions in charge of standardisation, accreditation, conformity assessment, metrology and market surveillance to the extent possible within European and international structures;

– Develop market surveillance capacities based on the practice of EU Member States;

– Jointly identify priority industrial sectors for possible legislative approximation, including through consultations with producers and exporters; continue efforts for the completion of the process of translating relevant EU standards and technical regulations into Georgian; Cooperation in creating etalon laboratories of international classification in order to ensure a compatibility with international system of measurements; harmonise the necessary legislation with EU technical legislation in the priority sectors;

– Optimize procedures of conformity assessment of industrial products, with the aim of avoiding compulsory certification of low risk products and repeat testing and introduction of European Modules of conformity assessment.

Restrictions and streamlined administration (EU non-harmonised areas)

– Analyse legislation and administrative procedures with a view to identifying and, if need be, progressively removing discrimination and restrictions against imported products;

– Designate a central contact point to facilitate information flows and co-operation with economic operators.

Sanitary and phyto-sanitary issues

Increase food safety for consumers and facilitate trade through reforms and modernisation of the sanitary and phyto-sanitary services.

– Continue work towards full implementation of the WTO Agreement on the Application of Sanitary and Phyto-sanitary measures and active participation in relevant international bodies (World Organisation for Animal Health (OIE), FAO/WHO/Codex Alimentarius, and IPPC/FAO after adhesion);

– Exchange information on and explore possible areas of convergence with EU rules and practices in the field of sanitary and phyto-sanitary issues (e.g. policy, legislation, strengthening of institutions, implementing practices);

– Adhere to the International Plant Protection Convention;

– In the medium-term, draw up a first list of measures for gradual convergence towards EU general food safety principles and requirements (e.g. regulation 178/2002/EC; animal and plant or plant products identification and traceability systems; hygiene in food processing). Start approximation of Georgian legislation in these areas;

– Fulfillment of EU requirements on animal health and for the processing of animal products (c.f.: "General Guidance for third country authorities on the procedures to be followed when importing live animals and animal products into the European Union", DG SANCO/FVO October 2003);

– Work towards interconnection with the EU Rapid Alert System for Food and Feed (RASFF).

4.5.2. Right of establishment, Company Law and Services

Right of establishment and Company Law

Full implementation of PCA commitments in title IV, Chapter II (Conditions affecting establishment and operation of companies) and Title VI, art. 49 (Investment promotion and protection)

– Progressively abolish barriers to establishment, including to foreign investment;

– Ensure full application of the best endeavor standstill clause so that the conditions for establishment of companies are not more restrictive than when the PCA was concluded;

– In line with EU standards, improve the registration process for companies, notably by strengthening administrative structures involved in company registration; facilitate establishment, in particular with regards to access to companies' basic legal and financial information, transparency of legislation, etc. Continue simplification of licensing requirements;

– Converge with and ensure effective implementation of key principles on company law, accounting and auditing in relevant international and EU rules and standards;

– Improve consistency and predictability in the administrative and judicial authorities responsible for oversight of company law and related investment conditions;

– Review Georgia's law and practice relating to bankruptcy;

– Continue improving corporate governance legislation in line with international standards and ensure its effective implementation.

Services

Gradual abolition of restrictions to progressively allow the supply of services between the EU and Georgia in certain sectors, in line PCA commitments in Title IV, Chapter III (Cross-border supply of services)

– Complete a review of national legislation by Georgia so as to identify barriers to the provision of services with the aim of abolishing them;

– Establish a Business Information one-stop-shop with the aim of facilitating provision of services to the private sector.

Financial services

Continue reform of financial services sector, including development of a securities market

– Give a proper consideration to the recommendations of the IMF/WB FSAP (Financial Sector Assessment Program) of 2006;

– Enhancement of a prudential regulatory framework for financial services and supervision equivalent to that existing in the EU;

– Ensure effective functioning of independent supervisory authorities in accordance with internationally recognised standards.

4.5.3. Movement of capital and current payments

Ensure full application of PCA commitments under Chapter V (Current Payments and capital)

– Ensure the free movement of capital relating to direct investment made in companies and other investments made in accordance with the provisions on Establishment (Chapter II of Title IV of PCA);

– Ensure the protection of such foreign investments and the liquidation and repatriation of profits and capital.

– Exchange information about the present legal and regulatory regime as concerns capital movement;

– Consider progressive facilitation of capital movements other than those relating to direct investments.

4.5.4. Movement of persons including movement of workers

Full implementation of commitments under Article 20 of PCA (labour conditions)

– Ensure full application of the best endeavour clause by abolishing all discriminatory measures based on nationality which affect migrant workers, as regards working conditions, remuneration or dismissal.

4.5.5. Other key areas

Taxation

– Complete the network of bilateral agreements between Georgia and EU Member States on avoidance of double taxation in line with the OECD Model Tax Convention;

– Initiate a dialogue on the principles of the EU Code of Conduct for Business Taxation with a view to ensuring fair conditions for Georgia in its future process of integration into the internal market.

Competition policy

Anti-trust and control on state aids policy

– Ensure enforcement of the competition law, in particular by: optimization of the administrative capacity enhancing the independence of the Free Trade and Competition Agency.

Converge with EU principles on Competition according to Title V article 43 and 44 of the Partnership and Co-operation Agreement

– Examine the possibility of establishing further transparency as regards State aid granted in Georgia, in particular by (i) elaborating general rules of state aid and (ii) drawing up annual reports on the amounts, types and recipients of aid.

Intellectual and industrial property rights

– Ensure full conformity of IPR legislation with PCA obligations and TRIPS requirements and its efficient enforcement;

– Ensure proper functioning of the judicial system to guarantee access to justice for right-holders and availability and effective implementation of sanctions;

– Consolidate the relevant institutional structures, as well as of the offices for industrial property rights, copyright protection and collecting societies. Extend cooperation with third country authorities and industry associations;

– Establish system of effective protection of geographical indication;

– Take measures to increase public awareness in the field of intellectual and industrial property protection. Establish an efficient system of use of patent information for enterprises.

– Increase resources dedicated to enforcement, including for the judicial system;

– Improve enforcement of the relevant conventions provided for by PCA Article 42(2);

– Conduct a study on piracy and counterfeiting in Georgia and ensure effective dialogue with rights holders.

Public procurement

– Converge with and effectively implement key principles in the EU legislation on public procurement (e.g. transparency, non-discrimination, competition and access to legal recourse);

– Develop conditions for open and competitive award of contracts between the parties, in particular through calls for tenders, in line with Article 50 of the PCA;

– Improve the functioning of the current system through increased transparency, information provision, access to legal recourse, awareness and training among contracting authorities and business community, as well as the limited use of exceptions.

Statistics

– Adoption of statistical methods fully compatible with European standards and advance the modernisation of the Department of Statistics of Georgia with the view to strengthen the independence and a sustainable functioning of official statistics.

– Elaborate a short and medium term development strategy of official statistics for harmonisation with European standards in the relevant statistical areas (in particular national accounts, business statistics, external trade statistics etc), taking into account the process of gradual harmonization with EU standards.

– Take steps to restructure the regional and local offices of the Department of Statistics of Georgia to ensure an optimal balance between available resources and data quality needs;

– Improve the quality and coverage of the statistical business register.

Public Internal Financial Control and related issues

Sound management and control of public finances

– Promote the development of appropriate administrative capacity to prevent and fight effectively against fraud and other irregularities affecting national and international funds, including the establishment of well-functioning co-operation structures involving all relevant national entities;

– Ensure effective cooperation with the relevant EU Institutions and bodies in the case of on-the-spot checks and inspections related to the management and control of EU funds;

– Improve public finance management and transparency, through upgrading of the existing Treasury Accounts Systems, appropriate audit of budget revenue and expenditures. Set up and implement an integrated informational system for public finance management.

Public Internal Financial Control

– Develop a strategy paper for the public internal financial control system (managerial accountability and internal audit);

– Develop legislative framework for public internal financial control;

– Pursue gradual harmonization with the internationally agreed standards (IIA, INTOSAI, IFAC, GFS-2001,) and methodologies, as well as with EU best practices for the control and audit of public income, expenditure, assets and liabilities;

External Audit

– Continue the reform of the Chamber of Control in line with the internationally accepted and EU best practice external audit standards (INTOSAI standards).

Enterprise policy

– Create a favourable environment for the development of SMEs in accordance with the provisions of Art. 64 of the PCA and taking into account enterprise policy priorities in Georgia;

– Promote the exchange of information and of best practice on enterprise and industrial policy and associate Georgia to EU initiatives to stimulate competitiveness (e.g. exchange of information, participation in networks and studies, training);

– Explore the need and possible options for launching a dialogue on enterprise and industrial policy.

4.6. Cooperation in specific sectors: including transport, energy, environment, telecommunications, research and innovation

4.6.1. Transport

– Continue implementation and refinement of the national sustainable transport policy for the development of all modes of transport and related infrastructure as well as where appropriate approximation of legislative and regulatory frameworks with European international standards, in particular for safety and security issues;

– Develop an infrastructure strategy (identifying capacity constraints, lack of inter-modal equipment and missing link infrastructure) in order to identify the priority infrastructure projects in various sectors;

– Develop co-operation in satellite navigation, (including joint research actions and applications).

Implement selected measures and reforms in the road transport sector

– Develop and implement an action plan on road safety including the technical control/road worthiness testing of vehicles and implementation of legislation on the transport of dangerous goods as well as improve control on movement of the overloaded vehicles;

– Ensure that international transport sector is regulated in terms of access to the profession; Introduce and ensure strict enforcement of mandatory driving times and rest periods in the international transport sector complying with international standards.

Implement selected measures and reforms in the railway transport sector

– Improve efficiency of freight transport services (including issues of border crossing procedures). Promote multi-modal services, address issues of interoperability.

– Complete Restructuring of the railway sector;

Implement selected measures and reforms in the aviation sector

– Sign and Implement the (horizontal) agreements on certain aspects of air services with the European Community;

– Promote regulatory approximation, including on safety and security issues;

– Increase administrative and technical capacity to comply with Joint Aviation Authorities (JAA) standards and obtain full JAA member status;

– Cooperation in the area of air navigation.

Implement selected measures and reforms in the maritime sector

– Complete restructuring of the port sector (separating regulatory/operational and commercial functions);

– Implement relevant international IMO (International Maritime Organisation) conventions requirements; pursue effective enforcement in the areas of Port State Control and Flag State implementation as well as resolutions of the Maritime Environment Protection Committee on tanker safety;

– Speed up the phasing-out of single-hull oil tankers and introduce the pertinent changes agreed in the IMO Marpol Convention;

– Promote regulatory approximation, including on safety and security issues.

Regional transport cooperation

– Continue cooperation on Caspian and Black Sea regional transport issues in the context of the follow-up to the EU-Black Sea-Caspian Basin Transport Ministerial Conference held in Baku on November 2004;

4.6.2. Energy

Energy policy convergence towards EU energy policy objectives

– Elaborate and implement a coherent long-term energy policy converging gradually with the EU energy policy objectives including security of energy supply;

– Explore the medium-term possibility for participation in the Intelligent Energy-Europe programme.

Gradual convergence towards the principles of the EU internal electricity and gas markets

– Establish a list of measures for gradual legal and regulatory convergence towards the principles of the EU internal electricity and gas markets, accompanied by time schedules and a financing plan;

– Work towards the progressive elimination of energy price distortions; and improve bill collection rates;

– Further develop the National Energy Regulatory Commission in line with the principles of the Electricity and Gas Directives 2003/54 and 2003/55;

– Complete restructuring the electricity (including hydropower), gas and heat sectors, ensure their financial viability.

Progress regarding energy networks

– Take steps to reduce energy network losses;

– Improve the safety and security of energy infrastructure.

Progress on energy efficiency and the use of renewable energy sources

– Take steps to develop an action plan including a financial plan for improving energy efficiency and enhancing the use of renewable energy;

– Adopt legislation addressing energy efficiency and renewable energy;

– Reinforce the institutions dealing with energy efficiency and renewable energy sources;

– Implement a set of measures in this area.

4.6.3. Environment

Take steps to ensure that conditions for good environmental governance are set and start implementing them

– Strengthen administrative structures and procedures to ensure strategic planning of environment issues and co-ordination between relevant actors;

– Adopt legislation and establish procedures regarding access to environmental information and public participation, including implementation of the Aarhus Convention;

– Continue preparing regular reports on the state-of-the-environment;

– Reinforce structures and procedures to carry out environmental impact assessments;

– Establish communication strategies on the benefits of environmental policy; support civil society actors and local authorities.

Take action for prevention of deterioration of the environment, protection of human health and achievement of rational use of natural resources in line with the commitments of Johannesburg Summit

– Develop framework legislation and basic procedures and ensure planning for key environmental sectors, air quality, water quality, waste management, nature protection;

– Enhance administrative capacities, including for the issuing of permits as well as for enforcement and inspection;

– Implement existing national plans and programmes (e.g. on integrated coastal zone management, forest management, and water management);

– Take measures to strengthen control of all types of radioactive sources.

Enhance co-operation on environmental issues

– Implement provisions under the Kyoto Protocol and the UN Framework Convention on Climate Change including through the active cooperation under the Clean Development Mechanism;

– Participate actively in the Danube – Black Sea Task Force and the Black Sea Commission to implement a trans-boundary approach to water management; ensure active participation in the Eastern European, Caucasus and Central Asia component of the EU Water Initiative;

– Ratify relevant UN-ECE Conventions on the environment;

– Identify possibilities with neighbouring countries for enhanced regional co-operation, in particular with regard to water issues;

– Possible participation in selected European Environment Agency activities.

4.6.4. Information Society and media

Further progress in electronic communications policy and regulations. Development and use of Information Society applications

– Adopt a national policy on the development of the telecommunications and IT sectors and further develop comprehensive regulatory framework including numbering, users rights, privacy protection and data security;

– Promote the use and exchange of views on new technologies and electronic means of communications by businesses, government and citizens in areas such as e-Business (including standards for e-signatures), e-Government, e-Health, e-Learning, e-Culture;

– Work towards adopting audiovisual legislation in full compliance with European standards with a view to future participation in international instruments of the Council of Europe in the field of media. Promote an exchange of views on audiovisual policy, including co-operation in the fight against racism and xenophobia;

Regional cooperation

– Facilitate the interconnection of the Caucasian Research and Education Networks with their European counterparts via GEANT in order to support scientific collaboration.

– Develop distance education programmes in Southern Caucasus and Black Sea Countries.

4.6.5. Science and technology, research and development

Develop Georgia's capacity in technological R&I to support the economy and society

– Reinforce human, material and institutional resources in order to improve the capacities in technological R&I.

– Restructure science management system through introduction of peer review-based competitive environment for the selection of grant applications, institutional integration of scientific institutions with higher education institutions (HEIs) and reinforcing outcome-oriented R&D projects.

Prepare Georgia's integration into the European Research Area and into the Community R&I Framework Programmes on the basis of scientific excellence

– Implement appropriate information strategy to facilitate adequate participation of Georgian scientists in the Community R&I Framework Programmes.

– Reinforce Georgian participation in international Marie Curie fellowships including support of the appropriate return mechanisms.

4.7. People-to-people contacts

4.7.1. Education, training and youth

Reform and modernise the education and training systems within the framework of Georgian plans towards convergence with EU standards and practice.

– Ensure access for all to high quality education by providing sufficient funding, setting up quality assurance services, reforming education and training systems, including vocational education and training and fostering lifelong learning, in particular through implementation of a national education reform strategy;

– Reform the higher education sector in line with the principles of the "Bologna process". Strengthen local capacities for policy development and implementation, address accreditation and licensing procedures;

– Promote reform of higher education and cooperation between higher education institutions in the EU and Georgia through the TEMPUS programme;

– Enhance the capacities of institutions and organisations involved in developing and implementing quality assurance in the field of education and training, by using for example the tools offered by the TEMPUS programme;

– Stimulate universities to establish teaching activities in European Integration studies and encourage universities to apply for Jean Monnet Modules and Chairs;

– Strengthen the adaptation of higher and vocational education to the future demands of the labour market by increasing the involvement of social partners and stakeholders from civil society;

– Encourage participation in the Erasmus Mundus and TEMPUS programmes and in the new scholarship scheme.

Enhance co-operation in the field of education, training and youth

– Continue and enhance a policy dialogue between EU and Georgian authorities in the field of education and training;

– Enhance youth exchanges and cooperation, in particular among the three Southern Caucasus and Black Sea countries in partnership with their counterparts from the European Union in the field of non-formal education for young people and promotion of intercultural dialogue through the YOUTH programme.

4.7.2. Public health

Health sector reform

– Continue health sector reform inter alia through enhancing the policy and regulatory framework with a view to notably: improve access and affordability for whole population; improve the organisation, quality, and efficiency of the sector and its institutions, including the Ministry of Labour, Health and Social Affairs; increase the share of primary health care services and of prevention and health promotion activities in the total health care budget; implement a sustainable healthcare finance strategy; improve the quality of and access to information on health statistics, risks and determinants in Georgia; enhance the quality of health workers including through training.

4.7.3. Culture

Enhance cultural co-operation

– Investigate the possibilities for co-operation in the framework of EU programmes in the field of culture;

– Exchange views on the UNESCO Convention on the protection and promotion of the diversity of cultural expressions which was adopted on 20th October 2005 and to promote the ratification and implementation of the text ;

5. MONITORING

The Action Plan will be submitted for formal adoption to the EU-Georgia Cooperation Council. The Action Plan will guide the work between the EU and Georgia. Should the need arise, on the EU side, for specific measures necessitating legally binding decisions, the Commission will recommend to the Council the adoption of the necessary negotiating directives.

The joint bodies established under the Partnership and Cooperation Agreement will advance and monitor the implementation of the Action Plan. The structures under the relevant agreements, where appropriate, should be reviewed, to ensure that all priorities under the ENP are duly reflected .

The Commission, in close cooperation with the Secretary-General/High Representative, as appropriate, will produce reports on the Action Plan's implementation at regular intervals. It will invite Georgia to provide information for these reports. The Commission will also work closely with other organisations such as the Council of Europe, the OSCE, relevant UN bodies, and International Financial Institutions.

A first review of the implementation of the Action Plan will be undertaken within two years of its adoption.

The Action Plan can be regularly amended and/or updated to reflect progress in addressing the priorities.

Glossary

BOMCA	Border Management Programme for Central Asia
EASA	European Aviation Safety Agency
EUPM	European Union Police Mission
EUPOL	European Union Police Mission
FATF	Financial Action Task Force on Money Laundering
GATT	General Agreement on Tariffs and Trade
ICC	International Criminal Court
IFAC	International Federation of Accountants
IIA	Institute of Internal Audit
ILO	International Labour Organisation
INTOSAI	International Organisation of Supreme Audit Institutions
IST	Information Society Technologies
OSJD	Organisation for Railway Cooperation
OTIF	Intergovernmental Organisation for International Carriage by Rail
SCAD	Southern Caucasus Action Programme on Drugs
TRACECA	Transport Corridor Europe Caucasus Asia
TRIPS	WTO Agreement on Intellectual Property
WHO	World Health Organisation
WMD	Weapons of Mass Destruction