ANNEX C1: Twinning Fiche

Project title: Strengthening Capacity of the Competition Agency of Georgia

Beneficiary administration: LEPL – Competition Agency of Georgia

Twinning Reference: GE 18 ENI EC 02 19

Publication notice reference:

EU funded project

TWINNING TOOL

List of Abbreviations

AA- Association Agreement;
BA – Beneficiary Administration;
DCFTA – Deep and Comprehensive Free Trade Agreement;
EBRD – European Bank for Reconstruction and Development;
GCA – Competition Agency of Georgia;
GIZ – German Society for International Cooperation;
GoG – Government of Georgia;
LEPL - Legal Entity of Public Law;
MOESD – Ministry of Economy and Sustainable Development of Georgia
OECD – Organisation for Economic Cooperation and Development;
PAO – Programme Administration Office;
PAR – Public Administration Reform;
PL – Project Leader;
PSC – Project Steering Committee;
RTA – Resident Twinning Adviser;
SIGMA - Support for Improvement in Governance and Management;
STE – Short term Expert;
UOKIK - Office of Competition and Consumer Protection of Poland.

1. Basic Information

1.1 Programme: EU support for the Implementation of the EU-Georgia Association Agreement, ENI/2018/041-415

For British applicants: Please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 12.2 of the General Conditions1 to the grant agreement.

1.2 Twinning Sector: Finance, Internal market and economic criteria

1.3 EU Funded Budget: 1.200.000 €

2. Objectives

2.1 Overall Objective(s):

The overall objective of the project is to support the enhancement of Competition and Consumer Protection Policy of Georgia in line with the commitments of Georgia in the context of the EU-Georgia Association Agreement (AA).

2.2 Specific Objective:

The specific objective of the project is to prepare the Competition Agency of Georgia (GCA) for the effective enforcement of competition and consumer protection law and policy in Georgia, in line with the EU best practice by strengthening institutional and human resources capacities of the Agency.

2.3 The elements targeted in strategic documents i.e. National Development Plan/Cooperation agreement/Association Agreement/Sector reform strategy and related Action Plans

The proposed Twinning project tackles the obligations and priorities both at national and international level. It is fully in line with the EU-Georgia **Association Agreement** including the **Deep and Comprehensive Free Trade Area (DCFTA).** The DCFTA outlines the main principles of the Competition Policy the EU follows and by signing the AA, Georgia undertook the obligation to comply with these principles. Namely, to elaborate comprehensive legislation required for the proper merger control and for targeting the cases on abuse of dominant position and anti-competitive agreements. As regards the Consumer Protection Policy, Chapter 13, Articles 345-347 of the AA/DCFTA focuses on the main principles of Consumer Protection Policy. According to Art. 345, Parties shall cooperate in order to ensure a high level of consumer protection and to achieve compatibility between their systems of consumer protection.

The issues targeted by the project also reflect priority directions described both in the **Social-Economic Development Strategy of Georgia 2020 and the Government Platform 2018-2020 "Freedom, Rapid Development and Welfare**", which emphasize the free competition to represent one of the main concepts

of Georgia's economic growth model. The documents underline the importance of improving legislative and institutional mechanisms for free market competition and place great emphasis on Competition legislation to be based on effective norms and enforcement mechanisms for eradicating cartel transactions, agreements limiting competition and efforts to abuse dominant market positions.

№1551 Decree of Government of Georgia on Comprehensive Strategy on Competition Policy from 3rd December, 2010 provided basis for creation of the proper legislation framework, which would be in line with the EU best practice and would cover all the main issues of competition policy in order to create fair competition on the market.

Anti-Corruption Strategy of Georgia and Action Plan 2019-2020 aims to prevent and combat corruption. The documents identify the 16 strategic priorities for the abovementioned aim. One of them is to support the good faith, transparency and competition in the private sector.

The implementation of the Twinning project would contribute to the realization of the priorities and obligations stated above.

3. Description

3.1 Background and Justification:

In 2014, on the basis of the Law of Georgia on Competition and Ordinance of the Government of Georgia №288 of 14.04.2014, the independent Legal Entity of Public Law – Competition Agency was established.

The Agency is created to enforce the competition law and policy in Georgia. The main objectives of the Agency are: implement the provisions of Georgian Law on Competition; further enhance and develop competition law; preserve fair competitive environment in the country; monitor and analyze the commodity and services markets or detection of competition infringements and unfair competition; make obligatory assessment of competitive impact of concentrations; conduct investigations, detect violations of competition law, impose fines and issue recommendations; monitor the implementation of the adopted decisions and recommendations; raise a competition culture in society by improving public awareness on competition. Perform other functions provided for by the Statute of the Agency.

GCA is the independent Legal Entity of Public Law accountable to the Prime Minister of Georgia. According to the Statute of the Government of Georgia, the Agency consists of 4 structural Units: Economic Competition Protection Department, Market Monitoring and Analysis Department, Legal Department and Administrative Department. The Agency is represented by the Chairman and two Deputy Chairmen. At the time being, Agency has 51 employees (including technical staff). Detailed chart of the institution can be found attached as Annex 2.

When it comes to the legal framework, the Law of Georgia on Competition adopted in March 2014, sets forth the principles for protecting free and fair competition from unlawful restrictions in order to create a basis for the development of free trade and a competitive market. The mentioned Law covers the following issues: restrictive agreements, decisions and concerted practices; abuse of dominant position;

state aid; concentration control (merger control); inadmissibility of distortion of competition by the state authorities, unfair competition and monitoring and analysis the goods and services markets.

In addition to the Law on Competition, the following 7 by-laws create the ground for effective enforcement of the Competition Policy:

- Regulation №526 of Government of Georgia of 1 September 2014 On Exemption from Prohibition on Competition Restricting Agreements;
- Regulation №529 of Government of Georgia of 1 September 2014 On Approving Small Amounts of Individual State Aid and General Procedure for Granting State Aid;
- Order of the Chairman of Competition Agency of Georgia №30/09-1 of 30 September 2014 On Approval of the Forms of Applications and Complaints, Rules for their Submission and Procedures and Deadlines Related to the Admissibility of the Application and Complaint;
- Order of the Chairman of LEPL Competition Agency №30/09-2 of 30 September 2014 On Approving the Procedure for Applying the Leniency Program and Benefiting from Exemption from Liability;
- Order of the Chairman of LEPL Competition Agency №30/09-3 of 30 September 2014 On Approval Methodological Guidelines of Market Analysis;
- Order of the Chairman of LEPL Competition Agency №30/09-4 of 30 September 2014 On Approval of the Procedure on Submission and Consideration of Notification about Concentration;
- Order of the Chairman of Competition Agency of Georgia №30/09-5 of 30 September 2014 On Approval of the Rule and Procedures of Investigation.

Within the framework of the EU funded Project "Support to the Georgian Competition Agency", the amendments to the Law of Georgia on Competition[1] have been elaborated in close cooperation with the Government of Georgia, the members of the Parliament of Georgia, sector regulators, other stakeholders and final changes have already been incorporated into the draft law. Amendments were initiated in the Parliament of Georgia by the Committee of Sector Economy and Economic Policy in June 2019. As expected, hearings will start after the opening of the autumn Parliamentary Sessions. These Amendments are expected to further approximate Law of Georgia on Competition to the best EU practice.

According to the Draft Law on Amendments to the Law of Georgia on Competition, there are expected following **new functions and enforcement tools**:

- The Agency will have the right to **request information from the undertakings on every stage of investigation, merger, market monitoring** and undertakings will be obliged to provide to the Agency requested correct information. Otherwise, the Agency will have the power to impose fines on the undertaking if it fails to submit information within the established timeframes;
- The Agency will have the right to carry out **unannounced on-site inspections** on the basis of court decisions;

[1] There is one framework law - Law of Georgia on Competition – which sets forth the principles for protecting free and fair competition from unlawful restrictions in order to create a basis for the development of free trade and a competitive market. In addition, the 7 by-laws (adopted on the bases of the Law of Georgia on Competition) create the ground for effective enforcement of the Competition Law and Policy in Georgia. The consolidated English version of the Law of Georgia on Competition is available at: https://matsne.gov.ge/en/document/view/1659450?publication=4

- Agency will have the right **to impose fines** on the undertaking if it fails to submit the concentration notification to the Agency;
- If as a result of the concentration, it is expected that the effective competition will be substantially distorted, in order the concentrations to be carried out the parties may offer modification of the operation through **structural or behavioral remedies.** If the Agency considers that, as a result of modification, the concentration does not substantially distort effective competition, it shall draw up an opinion on compliance of the concentration with the competitive environment. Moreover, if concentration had been already carried out and the undertaking fails to comply with the structural or behavioral remedies, the Agency **can impose penalties** on the undertaking;
- The provider of de minimis aid[2] shall be obliged to submit to the Agency the information on the amount, term and beneficiary undertaking/undertakings of the state aid, on an annual basis. The Agency shall enter the information into **the registry of de minimis aid;**
- The Agency will have right to agree on the **conditional obligations** offered by the party of investigation, regarding undertaking specific actions for the purpose of remedying an alleged violation of Competition Law. In such a case, the Agency shall take a decision without the assessment of an alleged fact of violation of the Law on Competition.

As to the regulated sectors, currently, the **sector regulators** (Georgian National Energy and Water Supply Regulatory Commission, Georgian National Communications Commission and the National Bank of Georgia) do not fall under the scope of the Georgian Law on Competition. The Georgian National Communications Commission and the National Bank of Georgia have limited provisions on competition within the sector specific legislations. For example, Georgian Law on Electronic Communications prohibits abuse of dominant position and sets fine for infringement of the Law, but the cartel related issues remain out of the scope of the Law. In addition, Law on Electronic Communication entails articles on merger control. Georgian Law on Commercial Banks contains articles about all main directions of competition policy (it prohibits cartel agreements, abuse of dominant position and sets obligation on merger notifications). As to the Georgian Law on Electricity and Natural Gas does not contain any reference neither on cartels, nor on abuse of dominant position or on mergers. Once the amendments enter into force, Georgian Law on Competition will be enforced in all sectors of economy in Georgia.

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[2] According to the acting Law of Georgia on Competition the GCA is informed about the larger amounts of aid and it has full picture of granted larger amount aids. as to the de minimis aid it does not require consent of the GCA. Article 7 of the Regulation N529 of Government of Georgia of 1 September 2014 "On Approving Small Amounts of Individual State Aid and General Procedure for Granting State Aid" sets the de minimis aid thresholds. For example, Aid measures shall be exempt from the notification requirement if the total amount of de minimis aid granted to a single undertaking shall not exceed GEL 400 000 over any period of three fiscal years. De minimis aid grantor is not obliged to inform the GCA about granted aids, consequently, due to this legal gap (absence of the legal basis, establishing proper mechanisms for coordination between the GCA and de minimis aid provider), the GCA does not have comprehensive information on granted de minimis aids, hence the Agency is unable to properly implement de minimis aid related rules in practice.
The draft law aims to tackle this problem, through obliging the de minimis aid grantors to inform the GCA and through creating the de minimis aid state registry. After the draft law is approved by the Parliament of Georgia, the GCA will have the comprehensive information about the de minimis state aid as well.

Since the Competition Law is a relatively new field in Georgia, it is crucial to conduct continuous targeted awareness raising campaigns for raising competition culture in the society. Hence, GCA aims to continue conducting events, which will serve the abovementioned goal. Therefore, the Twinning project will be an important support to the Agency in terms of preparing awareness raising materials and organizing relevant events.

Consumer Protection Law has a relatively long history in Georgia. Law on Consumer Protection was adopted by Parliament of Georgia on 20 March of 1996. The Antimonopoly Authority was responsible for enforcement of Consumer Protection related issues from 1997 till 2005. In 2005 the above mentioned authority was abolished. The Law on Consumer Protection still remained in force without enforcing authority for following 7 years. The Law was declared invalid on 8 May 2012. From that period till nowadays, there is no specific Law regulating the consumer protection issues.

New Law on Consumer Protection that is in line with the main principles of EU Consumer Protection Law has been drafted by the Parliament of Georgia with the support of GIZ and it should be adopted in 2019 as this obligation derives from the AA/DCFTA. According to the existing draft law, the Competition Agency of Georgia will be the responsible authority for enforcement of the Consumer Protection Law.

As it was already mentioned, for the time being, there is no specific Law related to Consumer Protection, accordingly, newly adopted Law will be an important challenge both for enforcer and for stakeholders.

Another important challenge is to adjust the staff to the new legal framework and to raise their qualification, as proper enforcement is imposssible without well-trained employees. Therefore, it is crucial to continue capacity building activities for GCA staff members for the further development of Competition and Consumer Protection Enforcement Policies in Georgia.

Following progress of the Twinning project and consolidation of the GCA's operational and institutional capacities in the fields of competition and consumer protection the Agency shall achieve tangible results in the development and promotion of best practices in accordance with the EU best practice.

3.2 Ongoing Reforms:

Georgian Competition Agency actively enforces the Law of Georgia on Competition since 2014. GCA mandate covers all the main obligations given in the DCFTA. Namely, anti-competitive agreements; abuse of dominant position; distortion of competition by the state authorities, authorities of Autonomous Republic and local self-government authorities; merger control; unfair competition and state aid.

GCA actively monitors both goods and services markets to appraise competitive environment, as well as investigates cases on distortion of competition by state authorities, issues decisions and recommendations to improve competition on relevant markets.

Despite abovementioned, it also has to be mentioned, that the gaps in the Law of Georgia on Competition (namely, absence of dawn raids; problems related to the request for information; problems related to the concentration/merger control and etc.) hinder the Agency from enforcing the competition policy more effectively and efficiently. That was the crucial reason for the decision on drafting the legislative amendments to the Law of Georgia on Competition had been made. As already highlighted, the

amendments to the Law of Georgia on Competition have been elaborated within the framework of the EU funded Project “Support to the Georgian Competition Agency”.

GCA also actively advocates competition policy. Advocacy means to explain to the main stakeholders the benefits of proper and effective Competition Law and Policy enforcement. As Competition is a relatively new field for Georgia and there is no common understanding on the related issues, advocacy policy should cover as many target groups and various layers of society as possible. In this term GCA conducts various events for different groups. For more understanding it is always good to share experience of other countries, who already had been through same phases of development as Georgia has now. GCA plans to strengthen advocacy campaign and cover more layers of society. There is also expectation that Twinning Programme will also contribute on this matter.

General Policy and Legislative Process

The National Policy Planning System Reform Strategy, adopted by the Government of Georgia in August 2015 recognizes the current weak link between the policy planning process and legislation drafting, the absence of practice of legislative impact assessment and the weak institutional capacity of ministries in legal drafting. The OECD/SIGMA 2018 assessment in the policy development and coordination area highlights a number of weaknesses in the current (policy-making) and legislative process. The assessment will also feed into the new action plan for the implementation of the Public Administration Reform (PAR) roadmap. The document specifically notes the reoccurring problem with implementation of laws, which can be attributed to the low quality of laws due to weaknesses in the law-making process. There is a pressure to complete numerous legal reforms in the shortest possible time: "This situation inevitably places enormous pressure on the combined law-making resources of the Government and the Parliament and leaves little time for essential elements of a well-ordered law-making process, such as regulatory impact assessments or proper consultation with civil society." Improvement of the legislative drafting process and quality of legislation is now a priority area of action for the Administration of Government under the Prime Minister (steering the policy-making process) and all line ministries. This primarily involves the Administration of Government, Ministry of Justice, and Ministry of Economy and Sustainable Development. In order to meet the targets and obligations in law making process the Government introduced changes in Law on Normative acts (amended on June 13, 2018) and Regulation of the Government (amended on August 24, 2018).

It should be underlined that the Government, with international support, developed a uniform methodology for regulatory impact assessments, to be used by all legal drafters. Similar efforts were made with regards to developing a uniform approach to legal approximation.

To sustain the legal approximation process the Ministry of Justice (MoJ) with the Twin EU assistance (below mentioned projects Association Agreement Facility and Legal Drafting projects) elaborated Legal Approximation Guidelines and Manual. These documents provide key principles and techniques of approximation that will guide and orient legal drafters throughout the approximation process.

The documents are under finalization and after official adoption by the Government should be used consistently, not only by MoJ, but also by all line ministries, and institutions tasked with the

approximation exercise. Such proceedings will help to ensure the achievement of a steady and sustainable approximation path.

Along the legislative process the Government is proceeding with the rational organization of state administration and clear accountability lines between institutions, including supervision and reporting between line ministries and agencies. The Civil Service Bureau (CSB) is tasked with the development of uniform civil service state policy. Functional reviews of the line Ministries have been already done and currently the CSB is performing an analysis of state agencies with the intention of identifying and putting forward reforms to improve the organization of PA, to streamline their mandates, enforcement mechanism as well as policy making process.

In this regard the project will ensure consistency between the review of the organizational set-up of the beneficiary institution with the national legislation regulating the organization of the state administrations and above mentioned analysis of the state agencies.

3.3 Linked Activities:

The following projects have directly or indirectly been supporting the GCA during the past years:

"Support to the Georgian Competition Agency" – funded by EU; Period of implementation 2017-2019; Main objectives of Project are to increase enforcement efficiency and raise staff qualification.

"Consultation of Law and Justice in South Caucasus" – with the financial support of GIZ and technical assistance of Academy of Ministry of Finance, implementation period April 2019- June 2019. The Objective of the Project is to raise awareness among the staff members of the local governmental bodies on Competition related issues. The Project will cover 6 regions of Georgia.

"Development and Advocacy of Competition Agency of Georgia" – funded by EBRD; Implementation period 2016-2017; Main objectives of the Project was to raise qualification of the staff members of GCA and advocate Competition Policy. In frame of the Project, first International Competition Conference was organised. Conference was attended by numerous of European Competition Authorities. Staff members of GCA also had opportunity to attend summer school, conferences and took internship in the Office for the Protection of Competition of Czech Republic.

TAIEX Expert Mission on Consumer Rights Protection in Georgia, Period of implementation January 2018. The aim of this expert mission was to assist Georgian legislators in the development of a comprehensive legal framework on consumer protection and consumer rights.

TAIEX Workshop on the Cooperation between the Competition Agencies and Sector Regulators, Period of implementation February 2016. The aim of the assistance was to instruct beneficiary on the main issues of competition, as abuse of dominant position and cartels, state aid.

"Raising awareness among lawyers on Competition Policy issues" – funded by Transparency International Georgia; Period of implementation July 2018. Aim of the Project was to raise knowledge of Members of Bar association and Judges on Competition Issues.

“Support to the Competition Agency of Georgia” – funded by GIZ; Period of Implementation 2014. The Objective of the Project was to support GCA in drafting several by-laws and document on Calculating Fines. Also, to train staff of newly established Agency.

“Support Competition Agency of Georgia”– funded by UOKIK and Polish Government; Period of implementation 2014. Main aim was to train staff members of GCA.

Related Programmes and Projects

The reform of Public Administration (PAR) is of utmost importance for the country and the process is supported through donor community. The EU total contribution to the “Support to the Public Administration Reform in Georgia” 2016-2019, is EUR 30 000 000 Euro. Out of which EUR 20 000 000 is budget support share and EUR 10 000 000 for complementary support. The objective of the programme is to improve the efficiency, accountability and transparency of the public administration of Georgia, in line with the key Principles of Public Administration that have been developed by OECD/SIGMA in close cooperation with the European Commission. It will have a particular focus on the improvement of the policy planning and coordination capacities and processes in the central public administration. The professionalization of the civil service (including the reform of the civil service training system) will also be supported through the programme.

Project Title “Support to the Public Administration in Georgia". EU funded; Duration: 2019-2021. Description: The objective of the project is to improve the efficiency, accessibility, accountability and transparency of the Georgian Public Administration in accordance with European principles of Public administration and best practices. More specifically, the project is mainly focused on improving the results-based approach in policy planning, development, coordination, monitoring and evaluation, increasing the awareness of the Civil servants and streamlining the implementation of the civil service reform in public institutions, improving the intra and inter-ministerial business processes related to policy making and service delivery enhancing thus the efficiency of the administration and the quality of service delivery, strengthening policy development and implementation of the anti-corruption and transparency national policies, thus increasing the accessibility, accountability and transparency of the executive branch and combating corruption, establishing an efficient, accountable and transparent institutional and legal framework for efficiently, timely and reliably delivered public and electronic services and raising public awareness and increasing visibility of the Government’s public administration reform agenda as well as on available public services.

Project Title: “Capacity Building of the Civil Service Bureau of Georgia to Implement the Civil Service Reform”. EU funded; Duration: 2019-2020**.** Description: The objective of the project is to enhance the professionalism of the civil service in Georgia. More specifically, the project aims to strengthen the institutional and Human Resource (HR) capacities of the Civil Service Bureau (CSB) to manage the implementation of the Civil Service Reform, through the reinforcement of the legal framework, introduction of modern Human Resource Management (HRM) information system, tools and techniques, development of training scheme for HR managers and improvement of Assets Declaration Monitoring system.

Project Title: “Facility for the implementation of the Association Agreement in Georgia”; EU funded; Duration**:** 2015-2018; Description: The project provided policy advice and capacity building

support to the Georgian Government in coordinating the implementation of the Association, strengthening the institutional capacities of the line ministries and other public institutions to carry out the required reforms, including on policy development and legal approximation processes. Since February 2019, phase II of the aforementioned project has been launched. Duration: 2019-2021.
Project Title: Legislative Impact Assessment, Drafting and Representation; EU funded; Duration: 2015-2017; Description: The project aims to improve the legal drafting process at the central level of government (through promoting better coordination among relevant entities, and introduction of the regulatory impact assessment of draft legislation) as well as the Government's international representation and reporting functions with special emphasis on the Ministry of Justice.

Two other projects, EU funded – implemented by GIZ, and USAID-funded ("G4G") also support LA and Regulatory Impact Assessment (RIA) but with focus on economic sphere.

3.4 List of Applicable *Union acquis*/standards/norms:

Competition related provisions are laid down in the Articles 203-209 of AA, (Chapter 10 of the DCFTA). According to AA/DCFTA Georgia has to implement comprehensive competition laws, including maintaining an authority responsible and appropriately equipped for the effective enforcement of the competition laws.

According to the Agreement, the Georgian side undertook the following commitments:

- Maintaining and implementing competition laws in the field of antitrust and mergers;
- Maintaining the authority responsible for the enforcement of competition law;
- Ensuring transparency of subsidies. Every 2 years Georgia shall provide the EU with a detailed report regarding the subsidy granted by the Government or a public institution for production of goods. The report is deemed fully presented if all relevant information is placed on a publically accessible internet webpage. Reports detailing separately subsidies for services must be provided to the EU as per request.

As to the Consumer Protection, respective provisions are given in the in Articles 345-347 of AA (Chapter 13 of DCFTA). According to Art. 347 of AA, Georgia has to approximate national legislation to the following EU directives and regulations, provided in the Annex XXIX of the AA:

- Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety;
- Council Directive 87/357/EEC of 25 June 1987 on the approximation of the laws of the Member States concerning products which, appearing to be other than they are, endanger the health or safety of consumers;
- Commission Decision 2009/251/EC of 17 March 2009 requiring Member States to ensure that products containing the biocide dimethyl fumarate are not placed or made available on the market;
- Commission Decision 2006/502/EC of 11 May 2006 requiring Member States to take measures to ensure that only lighters which are child-resistant are placed on the market and to prohibit the placing on the market of novelty lighters;

- Directive 98/6/EC of the European Parliament and of the Council of 16 February 1998 on consumer protection in the indication of the prices of products offered to consumers;
- Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive');
- Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006 concerning misleading and comparative advertising;
- Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects of the sale of consumer goods and associated guarantees;
- Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts;
- Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts;
- Council Directive 85/577/EEC of 20 December 1985 to protect the consumer in respect of contracts negotiated away from business premises;
- Council Directive 90/314/EEC of 13 June 1990 on package travel, package holidays and package tours;
- Directive 2008/122/EC of the European Parliament and of the Council of 14 January 2009 on the protection of consumers in respect of certain aspects of timeshare, long-term holiday product, resale and exchange contracts;
- Directive 2002/65/EC of the European Parliament and of the Council of 23 September 2002 concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC;
- Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC;
- 98/257/EC: Commission Recommendation of 30 March 1998 on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes;
- Commission 2001/310/EC Recommendation of 4 April 2001 on the principles for out-of-court bodies involved in the consensual resolution of consumer disputes;
- Directive 98/27/EC of the European Parliament and of the Council of 19 May 1998 on injunctions for the protection of consumers' interests;
- Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation).

3.5 Components and Results per Component

Components and results of the Project are divided in two main parts, as competition and consumer protection remain to be separated fields. Components will mainly target similar activities, but with some differences, as consumer protection policy is not yet officially under the mandate of GCA.

Component 1/Mandatory result 1: Approximation of Georgian Competition Policy and legal Framework to EU best practices performed

Within the AA/DCFTA, Georgia aims to achieve new and higher standards in the field of competition policy. Despite the fact, that [for Georgia] DCFTA does not set out the obligation of gradual regulatory approximation in the field of competition policy, for development of Georgian competition policy, approximation to EU best practice is of vital importance. As it was already mentioned in the previous sections, amendments to the Law of Georgia on Competition was elaborated, which is closer to general competition legislation of the EU. Approximation cannot be achieved simply, it is a long process. Approximation includes legislative changes, practical aspects, staff capacity raising (among other activities seminars, trainings, internships and study visits should be highlighted) and etc. As legislative changes have been covered by EU technical assistance project support of Twinning Project in elaborating guidelines (internal and external) and by-laws and in strengthening GCA's capacities is expected.

Sub-result 1.1.: Georgia`s relevant secondary legislation aligned with the EU Competition Law

Sub-result 1.2. Capacity of GCA staff enhanced in the field of Competition Policy

Sub-result 1.3: Awareness of main stakeholders (Business, judges, lawyers, NGO's, sectoral regulators, state authorities, media, academia) on competition policy increased and advocacy policy strengthened

Component 2/Mandatory Result 2: Approximation of Georgian Consumer Protection Policy and legal framework to Union Acquis performed

The draft law on Consumer Protection is in general in compliance with relevant EU directives, however substantial assistance from the Twinning Project is required to support the enforcement of the law after its adoption by the Parliament.

The enforcement process could be supported by elaboration of the relevant documents required for the implementation of the respective tools envisaged by the law. Further, Capacity building (among other activities seminars, trainings, internships and study visits should be highlighted) of GCA staff on consumer protection cases will be of utmost importance. All the training programs elaborated within the project, will be in line with the already existing framework for Georgian public sector.

Sub-result 2.1.: Georgian Consumer Protection legal framework aligned with relevant Union Legislation

Sub-result 2.2 Capacity of GCA staff enhanced in the field of Consumer Protection

<u>Sub-result 2.3</u>: Awareness of relevant stakeholders (Business, judges, lawyers, NGO's, sectoral regulators, state authorities, media, academia, consumers) on consumer protection issues raised

3.6 Means/input from the EU Member State Partner Administration(s)*:

Member State(s) is/are kindly requested to develop activities in the submitted proposal which are needed in order to achieve the results stipulated in the fiche.

3.6.1 Profile and tasks of the PL:

The MS PL will be expected to devote a minimum of 3 days per month to the project in his/her home administration. In addition, he will coordinate from the Member State side the work of the Project steering Committee (PSC). MS PL may participate in the project also as a short-term expert (STE). In this case, the MS Project Leader should satisfy requirements stipulated in the fiche for both the Project Leader and the relevant STE profile. Participation in some communication and visibility activities is also expected.

<u>Profile</u>

- University level education in Law or Economics or equivalent professional experience of 8 years
- Minimum of 3 years of professional experience gained as Head of competition or consumer protection authority;
- Comprehensive knowledge of respective legislation and regulations in the EU MS;
- Excellent spoken and written English language skills;
- Good communications and inter-personal skills;
- Good leadership skills;
- Experience in project management would be an asset

<u>Tasks:</u>

- Overall direction, supervision, guidance and monitoring of the project; ability to mobilise the necessary expertise in support of the efficient implementation of the project;
- Signature of project progress reports and the final report prepared with the support of RTA;
- Timely achievement of the project results;
- Co-Chairing of project steering committees; Provision of legal and technical advice and analysis whenever needed.

3.6.2 Profile and tasks of the RTA:

The RTA will be located in the premises of the Competition Agency of Georgia in the beneficiary country on a full time basis and will be responsible for the direct implementation of the project under the overall supervision of the MS Project Leader.

He/she will work closely with the BC Project Leader and the RTA Counterpart to deliver the project outputs.

The RTA will maintain day-to-day cooperation with the beneficiary administration and coordinate the work performed by the STEs for the whole duration of the project implementation. The RTA will have a key role in the coordination of the inputs required for the successful implementation of all the project activities.

The RTA should be supported by a permanent RTA Assistant. The RTA assistant should work in close collaboration with the beneficiary administration BA. The RTA assistant will perform general project duties and will be providing translation and interpretation services as necessary, practical arrangements for the project, such as organizational issues of expert missions, conferences, training, seminars, maintaining project records and etc. Until the RTA can select and hire an assistant, the Beneficiary administration will make a member of its staff available to support the RTA in his/her daily tasks.

A full-time language assistant should also be recruited. She/he should perform most of the required interpretation/translation services. She/he will provide day-to-day interpretation/translation to the RTA and project experts during missions.

Whenever required and needed for simultaneous interpretation during seminars and workshops, translation of large volume of documents additional interpretation may be procured and funded by the project.

Minimum two visibility events will be organized in the course of the implementation of the project. Kick-off meeting at the start of the implementation and the Final meeting at the end of the implementation of the project activities. These will have to be coordinated with the EU Delegation to Georgia.

Profile**:**

- University level education in Law or Economics or equivalent professional experience of 8 years
- Minimum of 3 years of professional experience gained as Professional working on competition or consumer protection issues;
- Comprehensive knowledge of respective legislation and regulations in the EU MS;
- Excellent spoken and written English language skills;
- Good communications and inter-personal skills;
- Good leadership skills;
- Experience in project management would be an asset.

Tasks:

- Supervision, guidance and monitoring of the project; ability to mobilise the necessary expertise in support of the efficient implementation of the project;
- Timely achievement of the project results;
- Overall coordination project implementation and of all activities;
- Coordination of the activities of the team members (PL, Component leaders, STEs, BA counterparts)in line with the agreed work plan to enable timely completion of project outputs;

- Provide technical input to the project whenever needed and provision of advice in his field of expertise;
- Liaise with MS and BC PLs and daily contacts with BC RTA counterpart;
- Preparation of the initial and subsequent work plan(s) and project progress reports, together with PL, to be submitted to the Steering Committees;
- Liaison with EUD Project Manager and Programme Administration Office (PAO);
- Liaison with other relevant projects and relevant Georgian institutions.
- Strengthening and further development of Accreditation field in the country, by promoting cooperation within main counterparts and target groups.

3.6.3 Profile and tasks of Component Leaders:
The main task of the Component Leaders is to coordinate the activities under the area of responsibility in liaison with the partner institutions.

Component 1/Mandatory result 1: Approximation of Georgian Competition Policy and legal Framework to EU best practices performed

Profile

- University level education in Law or Economics or equivalent professional experience of 8 years;
- Minimum of 3 years of professional experience gained as Professional working on competition issues;
- Comprehensive knowledge of respective legislation and regulations in the EU MS;
- Excellent spoken and written English language skills;
- Good communications and inter-personal skills;
- Good leadership skills;
- Experience in project management would be an asset

Tasks:

- Guidance and monitoring of the component; ability to mobilise the necessary expertise in support of the efficient implementation of the component;
- Timely achievement of the component results;
- Conducting analysis of the area relevant to the component;
- Preparing and conducting training programs;
- Timely proposals for any corrective measures;
- Liaise with MS and BC PLs and daily contacts with RTA and BC counterpart.

Component 2/Mandatory Result 2: Approximation of Georgian Consumer Protection Policy and legal framework to Union Acquis performed

Profile:

- University level education in Law or Economics or equivalent professional experience of 8 years;

- Minimum of 3 years of professional experience gained as Professional working on competition or consumer protection issues;
- Comprehensive knowledge of respective legislation and regulations in the EU MS;
- Excellent spoken and written English language skills;
- Good communications and inter-personal skills;
- Good leadership skills;
- Experience in project management would be an asset

Tasks:

- Guidance and monitoring of the component; ability to mobilise the necessary expertise in support of the efficient implementation of the component;
- Timely achievement of the component results;
- Conducting analysis of the area relevant to the component;
- Preparing and conducting training programs;
- Timely proposals for any corrective measures;
- Liaise with MS and BC PLs and daily contacts with RTA and BC counterpart.

3.6.4 Profile and tasks of other short-term experts*:*

In order to provide the full range of expertise necessary, short-term experts will be drawn from different skill sets to assist the RTA on specific activities. The required MS experts must either be civil/public servants of the relevant MS administration or be permanent staff of authorized mandated bodies. All experts must comply with the requirements set in the Twinning Manual 2017. Each STE should possess the following general qualifications and professional experience:

Profile:

- University level education in Law or Economics or equivalent professional experience of 8 years;
- Minimum of 3 years of professional experience gained as Professional working on competition or consumer protection issues;
- Comprehensive knowledge of respective legislation and regulations in the EU MS;
- Excellent spoken and written English language skills;
- Good communications and inter-personal skills;

Tasks:

- Offer expertise on given issues (written, oral, conduct trainings and etc.);
- Timely achievement of the component results;
- Contributing to the sustainability of the project by ensuring that aspects of the project related to their field of expertise are implemented timely;
- Supervision and on-site coordination of all activities related to their field of expertise and performed under this project;
- Timely proposals for any corrective measures;

- Assistance with drafting project related documents in accordance with the national rules for legislative development and preparation of trainings, study tours, workshops, seminars, etc.
- Liaise with RTA and BC counterparts;
- Communication with stakeholders and media.

4. Budget

Maximum Budget available for the Twinning is 1,200,000 €

5. Implementation Arrangements

5.1 The EU Delegation to Georgia will be responsible for the tendering, contracting, payments and financial reporting and will work in close cooperation with the Beneficiary Administration. The person in charge of this project within the EU Delegation to Georgia is:

Ms. Sirje Põder
Attachée, Programme Officer, Private Sector Development, Trade Facilitation
Delegation of the European Union to Georgia
38 Nino Chkheidze St, 0102 Tbilisi, Georgia
Tel: +995 32 2943 763
E-mail: Sirje.PODER@eeas.europa.eu

5.2 Institutional Framework

As already mentioned, in 2014, on the basis of the Law of Georgia on Competition and Ordinance of the Government of Georgia №288 (14.04.2014) the independent Legal Entity of Public Law – Competition Agency was established. The Agency is accountable to the Prime Minister of Georgia.

The main objective of the GCA is to implement the competition policy, create an environment conductive to the development of competition in Georgia and for this purpose identify, eliminate and render inadmissible all types of anti-competitive agreements and actions.

The principles of the Agency's activities are as follows: independence, non-discrimination, impartiality, transparency and accountability. In order to ensure the transparency of the activities of the GCA its decisions are public and available to the interested public.

Functions of the Agency are:

a) implement the policy provided for by the legislation of Georgia on competition and for this purpose, draft proposals for the development and application of the relevant normative acts;
b) monitor and analyse the gods and services markets with an aim to detecting competition distortion and unfair competition;
c) in there is concentration as defined by Article 11^1 of the Law of Georgia on Competition, make obligatory assessment of its competitive impact, and prepare and issue an opinion;

d) monitor compliance with the legislation of Georgia on competition, detect violations of this legislation, examine them and make relevant decisions within its authority;
e) monitor the implementation of the adopted decisions;
f) cooperate with international organisations and bodies authorised to implement the competition policies of other countries;
g) cooperate with the legislative and executive bodies of Georgia, international organisations for the purpose of improving the competition legislation of Georgia and the competition policy, as well as resolve organizational-legal, technical and funding issues;
h) raise public awareness regarding the legislation of Georgia on competition and the aims and purposes of the competition policy, and ensure publicity of the Agency's activities;
i) perform other functions provided for by the Statute of the Agency.

According to the statute approved by the Government of Georgia, the Agency consists of 4 structural Units: Economic Competition Protection Department, Market Monitoring and Analysis Department, Legal Department and Administrative Department. The GCA has an international relations manager, a public relations manager and an internal monitoring manager, which are employed in neither of the abovementioned departments. The Agency is represented by the Chairman and two Deputy Chairmen. At the time being Agency has 51 employees. Detailed chart of the institution is attached.

Economic Competition Protection Department, Legal Department and Market Monitoring and Analysis Department will be actively involved in the enforcement of the Twinning project. It has to be highlighted that the new department, which will be created on the basis and after adoption of the new law on consumer protection, will also be involved in the Twinning project.

It also has to be mentioned, that the changes of the institutional framework is not the direct objective of the Twinning project, but the amendments to the Law on Competition of Georgia, as well as adoption of the new law on consumer protection will lead to a change of the institutional framework of the Competition Agency.

The changes of the institutional framework is not the direct objective of the Twinning project, but it has to be highlighted that the amendments to the Law on Competition of Georgia, as well as adoption of the new law on consumer protection will lead to a change of the institutional framework of the Competition Agency.

5.3 Counterparts in the Beneficiary administration:

The PL and RTA counterparts will be staff of the Beneficiary administration and will be actively involved in the management and coordination of the project.

5.3.1 Contact person:
Ms. Sopio Momtselidze
Head of Legal Department of the Competition Agency of Georgia;
154 D, Aghmashenebeli Street, 0102, Tbilisi, Georgia.

5.3.2 PL counterpart
Has to be identified
Chairman of the Competition Agency of Georgia
154 D. Aghmashenebeli Street, 0102, Tbilisi, Georgia

5.3.3 RTA counterpart
Mr. David Chichinadze
First Deputy Chairman of the Competition Agency of Georgia
154 D. Aghmashenebeli Street, 0102, Tbilisi, Georgia

6. Duration of the Project

Duration of the execution period: 27 months. [The execution period will end 3 months after the implementation period of the Action (work plan) which will take 24 months].

7. Management and Reporting[3]

7.1 Language

The official language of the project is English. All formal communications regarding the project, including interim and final reports, shall be produced in the language of the contract.

7.2 Project Steering Committee

The Project Steering Committee (PSC) will be created at the beginning of the project, comprising of the representatives of GCA,, Member State Institutions, the EU Delegation to Georgia and Programme Administration Office (PAO) of the Ministry of Foreign Affairs of Georgia.

A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements via-à-vis the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalising the interim reports and discuss the updated work plan. The PSC meetings could be attended by the current ongoing related projects or representatives of MOESD and other relevant institutions, with respect to the project aims and objectives. Those stakeholders can be involved in the PSC with observer status.

The Steering Committee will meet at regular quarterly intervals; It will be co-chaired by the Project Leaders (EU Member State and Beneficiary Country). Discussions and important decisions, taken during the meetings will be kept in the official minutes in English with the possibility to disseminate among the committee members afterwards. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual.

[3] Sections 7.1-7.3 are to be kept without changes in all Twinning fiches.

7.3 Reporting

All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in section 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and inputs. Two types of reports are foreseen in the framework of Twining: interim quarterly reports and final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements via-à-vis the mandatory results and provide precise recommendations and corrective measures to be decided by in order to ensure the further progress.

Monitoring and Evaluation of the project will be conducted using the project-specific logframe, to be encoded in the EU projects monitoring system OPSYS. The contractor should report on the results at impact, outcome and output levels, linked to sources of verification presented in the logframe. Reporting will be carried out through Progress, Interim and Final Reports as laid down in the terms of reference / project description and general conditions. For the better quality of the log frames and indicators, the contractors are encouraged to get familiar with DG NEAR guidelines on Indicators - P. 45 and the EU Results Framework. Wherever an indicator set out in the project log frame is also reflected in the EU Results Framework, project reporting will also cover it.

8. Sustainability

The achievements of the Twinning project (mandatory results) will be maintained as a permanent asset to the Beneficiary Institution even after the end of the Twinning implementation. In this context, two points have to be highlighted. firstly, as it was already mentioned, the project achievements will greatly enhance the institutional knowledge/institutional memory of the GCA and secondly, the GCA fully realizes that there is a danger of the institutional memory loss, every time, the trained employee will leave the GCA, unless there are no proper steps taken to retain the information received in the framework of the Twinning project within the organization.

Accordingly, the GCA plans to introduce an effective mechanism for maintaining the achievement of the Twinning project through elaborating various training modules, guidelines, and handbooks. More precisely, during the twinning project, the GCA plans to elaborate an Employee Training Program, which will gather all the information received through the Twinning project. The aim of the Training program is twofold, firstly, to store the institutional knowledge and secondly, to ensure that the knowledge is successfully transferred to and retained by existing and future employees.

Horizontally to all planned measures, the action will adopt an approach intended to maximise the capacity building effect and ensure sustainability of results. In particular: Any manuals/guidelines will be mainly developed by the beneficiary institutions and will be simple enough to be regularly reviewed and updated by the beneficiaries without further external support. Any guidelines or procedures developed under this action will not contradict any legal provision of the country.

9. Crosscutting Issues *(equal opportunity, environment, climate etc…)*

Economic freedom is recognized as one of the fundamental principles of the democratic state by the Constitution of Georgia. According to Article 6 of the Constitution:

> *1. Economic freedom is recognized and guaranteed.*
>
> *2. The State shall take care of developing a free and open economy, and free enterprise and competition.*
>
> *3. Abolishing the universal right to private property shall be prohibited.*

Moreover, the freedom of enterprise and consumer rights, as the fundamental human rights, are protected by Article 26(4) of the Constitution of Georgia.

As it was already mentioned, Agency has a strong belief that the amendments to the Georgian Law on Competition, as well as the new Law on Consumer Protection, will bring competition and consumer protection enforcement onto completely upgraded level. Establishment of fair business practices and preservation of fair competitive environment should become one of the pillars on the way to market growth, increase of consumers' welfare and sustainable development of Georgian economy. The above mentioned is achievable only by properly equipped authority with highly trained and qualified staff members.

Respectively, in addition to the amendments, through the Twinning project, according to its competences, the Competition Agency of Georgia aims at creating the environment where the requirements of the Constitution are met and the rights of each and all consumer(s), as well as the rights of the economic entities, are equally protected.

The principles and practice of equal opportunity will be guaranteed so as to ensure equitable gender participation in the project. The principle of equal opportunity shall apply both to the GCA staff involved in the project and project members participating from contracting authority/ies. Every effort will be made to ensure broad gender representation among all participants.

The principle of implementation of this Twinning project will based on a paperless work environment. This means, in particular, minimising paper use during project implementation by the maximum feasible use of emails and, if available, project web-site and/or project electronic data base for co-operation between partners

10. Conditionality and Sequencing

Law on Consumer Protection is drafted by Parliament and after entering into force of this Law GCA will broaden its functions related to Consumer Protection. The Draft Law was officially initiated in the Parliament of Georgia in June 2019. Human Rights and Civil Integration Committee already conducted first committee hearing and follow up hearings are to be organised in September 2019, during the autumn Parliamentary sessions. The Agenda of upcoming hearings is already available.

As mentioned above, amendments to the Law of Georgia on Competition have been also drafted, aiming at enhancing Competition Policy in the country and bringing Competition enforcement on different level. The said amendments were initiated in the Parliament of Georgia by the Committee of Sector Economy and Economic Policy in June 2019. As expected, hearings will start after the opening of the autumn Parliamentary Sessions.
It should be highlighted that the beneficiary commits itself to contribute to timely achievement of mandatory results stated in the Fiche. The sequencing of the Twinning project activities will be arranged in close coordination between project partners. From the first step it will be most essential to make gap assessment of the relevant legal framework, make proper planning for alignment of legislation and prepare respective amendments. The capacity building activities will be gradually introduced to comply with all the changes introduced.

In addition, if the adoption of amendments is postponed, that shouldn't hinder implementation of Twinning project, as there is already standing framework Law in place, which creates initial legal basis for competition policy enforcement.

11. Indicators for Performance Measurement

Component 1/Mandatory result 1: Approximation of Georgian Competition Policy and Legal Framework to EU best practices performed

Indicators for performance measurement:

- Availability of the national legislation for the enforcement of the Competition Policy approximated to the one of the EU

Sub-result 1.1.: Georgia`s relevant secondary legislation aligned with the EU Competition Law

Indicators for performance measurement:
- Availability of respective new by-laws/amendments to the existing by-laws;
- Availability of guidelines in the field of competition policy (Guidelines about Procedural Fairness and Merger Investigations).

Sub-result 1.2. Capacity of GCA staff enhanced in the field of Competition Policy

Indicators for performance measurement:
- Share of GCA relevant staff trained within the project.

- Number of manuals (Handbooks), including Impact Assessment of the decisions of GCA, Role of direct and indirect evidence for Competition Investigations[4], Handbook on Economic Analysis and etc;
- Availability of the Employee Training program.

Sub-result 1.3: Awareness of main stakeholders (Business, judges, lawyers, NGO's, sectoral regulators, state authorities, media, academia) on competition policy increased and advocacy policy strengthened

Indicators for performance measurement:

- Availability of a Competition Advocacy Plan ;
- Level of awareness of specific target groups on competition policy, through awareness raising meetings, seminars, lectures, organized within the project.
- Availability of printed media item aiming at awareness rising on the Competition Policy;
- Availability of informative video aiming at awareness raising on the Competition Policy

Component 2/Mandatory Result 2: Approximation of Georgian Consumer Protection Policy and legal framework to Union Acquis performed

Indicators for performance measurement:

- Availability of the legal basis for the enforcement of the Consumer Protection Policy, aligned to the one of the EU

Sub-result 2.1.: Georgian Consumer Protection legal framework aligned with relevant Union Legislation

Indicators for performance measurement:

- Availability of by-laws;
- Availability of guidelines regarding the utilization of tools envisaged by the new law;
- Availability of Consumer Protection Policy/Strategy of Georgia.

Sub-result 2.2 Capacity of GCA staff enhanced in the field of Consumer Protection

Indicators for performance measurement:

- Share of GCA staff trained within the project;
- Number of complaints dealt with in close cooperation with the GCA staff.

[4] Direct and indirect evidences gathered in the process of investigation; their role and admissibility during the investigation process and court hearings.

<u>Sub-result 2.3</u>: Awareness of relevant stakeholders (Business, judges, lawyers, NGO's, sectoral regulators, state authorities, media, academia, consumers) on consumer protection issues raised

<u>Indicators for performance measurement:</u>

- Availability of consumer protection advocacy policy/strategy;
- Number of informational brochures on consumer protection prepared within the project.
- Level of awareness of the different stakeholders on consumer protection policy, through awareness raising meetings, seminars, lectures, organized within the project.
- Availability of informative video aiming at awareness raising on the consumer protection Policy.

12. Facilities available

The Beneficiary commits itself to deliver the following facilities:

- Adequately equipped office space for the RTA and the RTA assistant(s) for the entire duration of their secondment;
- Supply of office room including access to computer, telephone, internet, printer, photocopier;
- Adequate conditions for the STEs to perform their work while on mission;
- Provide suitable venues for the training sessions and meetings that will be held under the Project;
- Security related issues will be assured according to the standards and practices applicable for all Georgian public institutions.

ANNEXES TO PROJECT FICHE

1. The Simplified Logical framework matrix;
2. Organisational Chart of the Competition Agency of Georgia.

Annex 1: Simplified Logical Framework

Project Title: **Strengthening Capacity of the Competition Agency of Georgia**			Programme name and number: **EU support for the Implementation of the EU-Georgia Association Agreement, ENI/2018/041-415, Direct Management**		
Beneficiary Institution: **LEPL - Competition Agency of Georgia**			Total budget: **1, 200,000 €**		EU ENI financing (100%)
	Description	**Indicators (with relevant baseline and target data)**	**Sources of verification**	**Risks**	**Assumptions (external to project)**

Overall Objective	The overall objective of the project is to support the enhancement of Competition and Consumer Protection Policy of Georgia in line with the commitments of Georgia in the context of the EU-Georgia Association Agreement (AA).	Degree of approximation of the competition law of Georgia with relevant EU legislation Baseline: 2019 - limited approximation Target: the national competition legislation is approximated to the relevant EU competition legislation to minimum 60% by the end of the project Availability of a competition authority responsible and appropriately equipped for the effective enforcement of the competition laws Baseline: 2019- Competition Agency established and operational with limited capacities Target: 2022- Competition Agency appropriately equipped for the effective enforcement of the competition laws Degree of compliance of consumer protection legal and institutional framework of Georgia to the respective framework of the EU Baseline: 2019 - no compliance Target: 2022 – largely (75%) compliant.		Change in political situation in Georgia	Georgia`s commitment on the fulfillment of AA/ DCFTA requirements continued. Strong support and proactive cooperation of Twinning partner(s).

Specific (Project) Objective(s)	The specific objective of the project is to prepare the Competition Agency of Georgia (GCA) for the effective enforcement of competition and consumer protection law and policy in Georgia, in line with the EU best Practice by strengthening institutional and human resources capacities of the Agency.	Number of cases in the field of Competition policy, Baseline: 2018- 6 cases Target: 4 additional cases per year after entering into force of the Law Number of notified mergers. Baseline: 2018 - 2 notified mergers; Target: 4 additional notifications per year after entering into force of the Law Availability of State Aid Registry Baseline: 2019 - not available Target: 2022 - Registry in place and operational Number of cases in the field of consumer protection Baseline: 0 Target: 10 cases per year after entering into force of the Law.	Webpage of GCA Annual Report of GCA State Aid Registry	Amendments to the Georgian Law on Competition not in place Lack of Complaints/applications[5] Lack of notified mergers[6] Georgian Law on Consumer Protection not in place	Georgia`s commitment on the fulfillment of AA/ DCFTA requirements continued Strong support and proactive cooperation of Twinning partner(s)

Mandatory results/outputs by components	**Mandatory result 1:** Approximation of Georgian Competition Policy and legal framework to EU best practices performed.	Availability of the national legislation on the enforcement of the Competition Policy approximated to the one of the EU Baseline: 2019 - Legal basis compatible with EU legal standards with 30% Target: 2022 – the national legislation on the enforcement of the Competition Policy is approximated to the one of the EU minimum 60% by the end of the project.	Legislative Herald of Georgia, LEPL www.matsne.gov.ge AA implementation report. Project quarterly and final reports	Amendments are not adopted by Parliament of Georgia	Georgia`s commitment on the fulfillment of AA/ DCFTA requirements continued Strong support and proactive cooperation of Twinning partner(s)
	Mandatory result 2: Approximation of Georgian Consumer Protection Policy and legal framework to Union Acquis performed	Availability of the legal basis for the enforcement of the Consumer Protection Policy, aligned to the one of the EU Baseline: 2019- not in place Target: 2022 - legal basis in place (60%).			

Sub-results per component (optional and indicative)	1.1. Georgia`s relevant secondary legislation aligned with the EU Competition Law.	Availability of respective new by-laws/amendments to the existing by-laws Baseline: 2019 - by-laws/amendments to the existing by-laws not in place Target: 4 months after entry into force of the Law - by-laws/amendments to the existing by-laws required by the amendments to the Law on Competition elaborated Availability of guidelines in the field of competition policy (guidelines about procedural fairness and merger investigations) Baseline:2019 - 5 guidelines available Target: 2021 - 3 additional guidelines (on procedural fairness and merger investigations) available.	Published by-laws Published Guidelines Project documentation: quarterly and final reports, legal analysis reports, institutional analysis reports, recommendations etc	Difficulties related to the implementation of the upgraded legislation (technical capacities, human resources) Delays during the project implementation	Strong support and commitment to maintenance of the project outcomes and recommendation ensured Availability of all necessary materials and documentations during the project implementation ensured

	1.2. Capacity of GCA staff enhanced in the field of Competition Policy	Share of GCA relevant staff trained within the project. Baseline: not applicable Target: 2021 - 60% of relevant staff trained Number of manuals (Handbooks), including Impact Assessment of the decisions of GCA, Role of direct and indirect evidence for Competition Investigations, Handbook on Economic Analysis and etc; Baseline: not available Target: 2021- 3[7] handbooks Availability of the Employee Training program Baseline: not available Target: 2021- Employee training programme developed and operational.	Project documentation: quarterly and final reports, legal analysis reports, institutional analysis reports, training needs assessments, recommendations etc		

[7] This number will be revised together with the partner authority before commencement of the Twinning project.

	1.3. Awareness of main stakeholders **(Business, judges, lawyers, NGO's, sectoral regulators, state authorities, media, academia)** on competition policy increased and advocacy policy strengthened.	Availability of a Competition Advocacy Plan Baseline: 2019 - Competition Advocacy Plan adoptedTarget: Medium term (2020-2022) Competition Advocacy Plan developed and adopted Level of awareness of specific target groups on competition policy, through awareness raising meetings, seminars, lectures, organized within the project Baseline: not applicable Target: 75% of participants of the events better aware on main principles of Competition Policy Availability of printed media item aiming at awareness rising on the Competition Policy Baseline: 2019 - 5 Guidelines Target: 2021 - 1 additional printed media item produced (x 500) Availability of informative video aiming at awareness raising on the Competition Policy Baseline: 2018 - 1 video about the activities carried out by the Competition Agency of Georgia; Target: 2021 - 1 new video prepared.	Project documentation: quarterly and final reports, legal analysis reports, institutional analysis reports, recommendations etc Published Medium term (2020-2022) Competition Advocacy Plan Printed Media items		

	2.1. Georgian Consumer Protection legal framework aligned with relevant EU Legislation.	Availability of by-laws Baseline: 2019- not available Target: 2021 - 1 by-law elaborated[8] Availability of guidelines regarding the utilization of tools envisaged by the new law Baseline: 2019- not available; Target: 2021- 2 guidelines developed Availability of Consumer Protection Policy/Strategy of Georgia Baseline:2019 - not available Target: 2021- Strategy elaborated and adopted by GCA /the Government.	Published by-laws Published Guidelines Project documentation: quarterly and final reports, legal analysis reports, institutional analysis reports, recommendations etc Published Consumer Protection Policy/Strategy of Georgia	Delays during the project implementation Insufficient human recourses	Strong support and commitment to maintenance of the project outcomes and recommendation ensured Availability of all necessary materials and documentations during the project implementation ensured

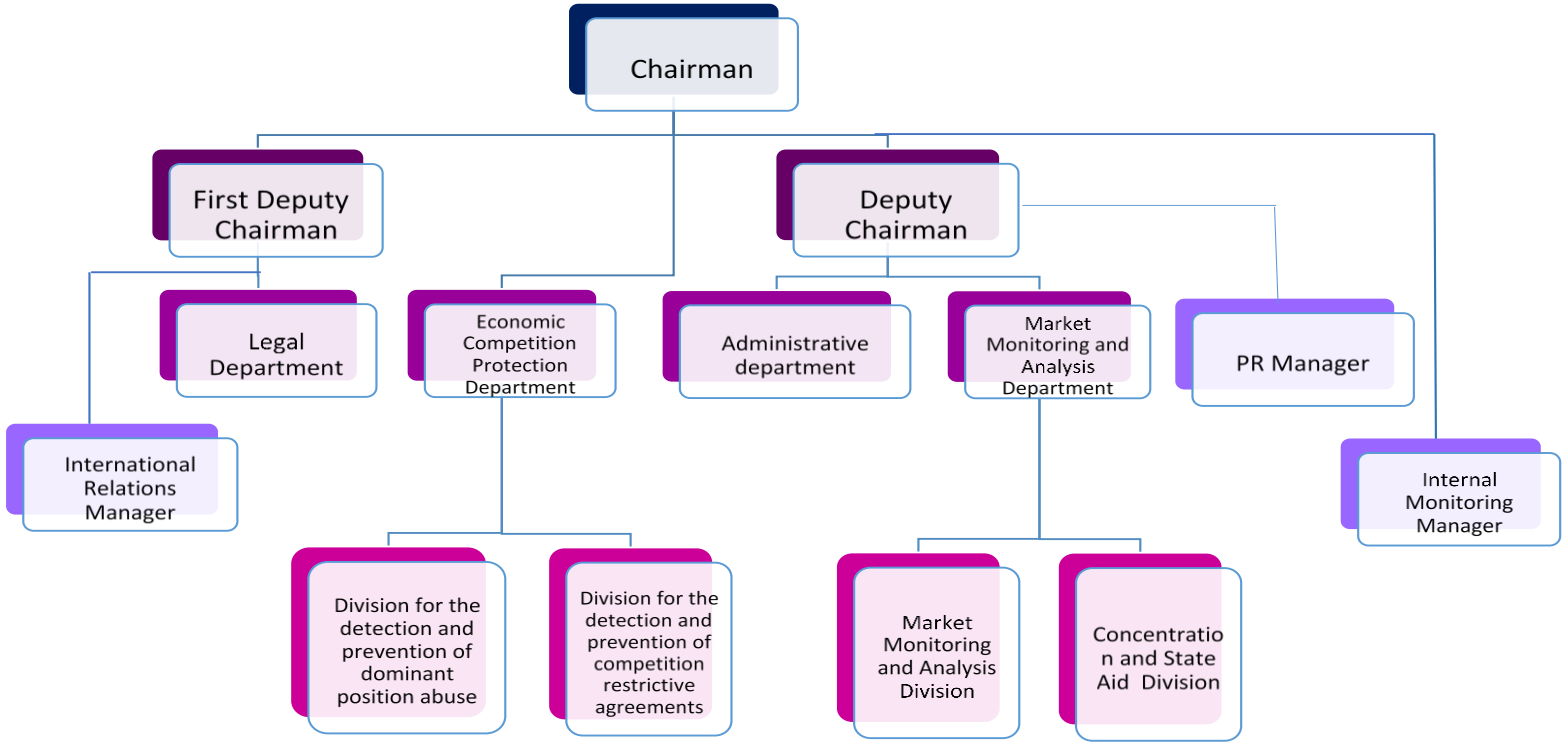
[8] If the Law will be enacted in January, 2020, there will be no necessity of partner organization to participate in elaborating by -laws. If necessary, number of by-laws will be revised before Twinning project starts.

	2.2. Capacity of GCA staff enhanced in the field of Consumer Protection	Share of GCA relevant staff trained within the project Baseline: not applicable Target: up to 15%[9] Number of complaints dealt with in close cooperation with the GCA staff Baseline:2019 - not applicable as no regulation/procedure in place Target: Starting from 2021 - minimum 1 case per quarter.	Project documentation: quarterly and final reports, legal analysis reports, institutional analysis reports, training needs assessments, recommendations etc GCA webpage		

[9] Number of future staff who will be dealing with consumer protection issues is unknown, but as we assume whole staff should be trained. 15% is related to existing staffMi.

	2.3. Awareness of relevant stakeholders (Business, judges, lawyers, NGO's, sectoral regulators, state authorities, media, academia, consumers) on consumer protection issues raised	Availability of Consumer Protection advocacy policy/strategy Baseline: 2019- not available Target: 2022 - Consumer Protection Advocacy policy/strategy elaborated and adopted by GCA Number of informational brochures on consumer protection prepared within the project. Baseline: not applicable Target: 2022 - 1 printed media item produced (x 500) Level of awareness of the different stakeholders on consumer protection policy, through awareness raising meetings, seminars, lectures, organized within the project. Baseline: not applicable Target: 75% of participants of the events better aware on main principles of Consumer Protection Policy Availability of informative video aiming at awareness raising on the consumer protection Policy Baseline: 2019 - not available Target: 2021 - 1 video prepared.	Project documentation: quarterly and final reports, legal analysis reports, institutional analysis reports, recommendations etc Published Consumer Protection advocacy policy strategy Printed informational brochures Informative video on the consumer protection Policy		

Annex 2: Organisational Chart of the Competition Agency of Georgia


Chairman
First Deputy Chairman
Deputy Chairman
Legal Department
Economic Competition Protection Department
Administrative department
Market Monitoring and Analysis Department
PR Manager
International Relations Manager
Internal Monitoring Manager
Division for the detection and prevention of dominant position abuse
Division for the detection and prevention of competition restrictive agreements
Market Monitoring and Analysis Division
Concentratio n and State Aid Division