Introduction

European integration and NATO membership were dominant directions of Georgia’s politics throughout 2006. EU-Georgia Action Plan in the framework of the European Neighbourhood Policy (ENP) came into force in November setting out a number of priorities that the government is planning to achieve within a period of five years.

Rapprochement with EU and NATO unfolded in the context of deteriorating relations with Russia. Russia, Georgia’s largest trading partner embargoed first fruit, wine and mineral waters exports and finally closed off its market for Georgian products. Russian Gazprom doubled prices of gas supplies to Georgia from 2007.

The government reiterated its commitment to continue reforms to strengthen public institutions and ensure accountability as well as liberalize economy. However, transforming the growth in the economy into social sector investments still remains a major challenge for the government and the poverty levels remain high.

Summary of Progress towards UNDAF Outcomes

Progress in the Common Country Programming Process

2006 was the first year of UNDAF implementation. Strategic planning workshop was organized by the Office of the UN Resident Coordinator for UNCT in early February 2006. UNCT decided to pursue joint programming in the areas of MDGs and HIV/AIDS, with UNDP leading inter-agency efforts for MDG joint programme and UNICEF - for HIV/AIDS joint programme. Throughout the year UNDP and UNICEF led extensive discussions on the content and implementation of the joint programmes. Unfortunately, implementation of joint programmes was not initiated in 2006.

In 2006 Assessment of Domestic Violence Situation in Georgia joint project was initiated. UNFPA is the managing agent; UNDP, UNICEF, UNIFEM and UN RC Office are participating. The Joint Project will be extended until the end of 2007.

In 2006 UNHCR and WFP started a joint project for the Chechen refugees in Pankisi gorge supporting small-scale income generating activities. UNDP is planning to get involved as well through its Kakheti regional development project.

UNDAF Review was conducted on 29-30 November 2006. Participants from all the UN agencies assessed UNDAF implementation in 2006, suggested several adjustments and also discussed ways of advancing joint programmes in Georgia. It was recommended to review the UNDAF to better respond to the national priorities taking into account the comparative advantages of the UN in the country.

Millennium Development Goals

MDG TG has been at the forefront of the MDG related activities and events in 2006. MDG strategy has been prepared to provide an overall framework for UNCT action on MDGs and a basis for a future joint programme. At national level a proposal and ToR were developed for an MDG Advisor and Expert Group to be placed within the President’s office. This initiative, however, wasn’t implemented because of the lack of interest from the government side at that time. Instead, an Economic Advisor has been placed in the President’s office. At local level MDG baseline report for Tbilisi municipality has been prepared (UNDP led the process).
In 2006 the entire UN week was dedicated to MDGs. “Together Achieving the Millennium Development Goals in Georgia by 2015” was agreed upon as a common MDG Slogan. Georgian MDG logos have been designed, MDG visibility campaign was organized throughout the country, visibility items were designed with Georgian MDG logos and the model UN sessions on MDGs for university students in Tbilisi and the regions of Georgia were conducted.

Mrs. Sandra Elizabeth Roelofs-Saakashvili, the First Lady, two Georgian celebrities Ms. Nino Ananiashvili, a ballet dancer, and Mr. Paata Burchuladze, an opera singer have agreed to become UN Goodwill ambassadors in Georgia.

**HIV/AIDS**

The UNTG on HIV/AIDS continued to meet regularly during 2006 to provide technical assistance to the implementation of the National HIV/AIDS programme and to facilitate the coordination among all partners involved in this field. Among the most relevant outcomes for this year is the technical contribution to the development of the new GFTAM proposal recently approved which will bring additional 12million USD to the country and the joint UN assessment on HIV/AIDS among IDPs and Refugees, financially supported by UNHCR. This assessment has given the opportunity to strengthen further the partnerships among UN agencies, improve knowledge and information on the situation of AIDS among IDPs and prepare the ground for a UN Joint Programme proposal. This has been prepared, consultations with partners, CCM and other partners held and consensus achieved on the directions of the proposal. A Donors' meeting is scheduled for February 2007.

UN TG on HIV/AIDS has organised a training sessions on HIV/AIDS for all UN staff and their family members, titled "HIV/AIDS within the UN Workplace". Training was organized within the framework of the UN Learning Strategy on HIV/AIDS.

**Capacity Development and Aid Effectiveness**

One of the major challenges for the UN Country Team programming is the lack of a national strategic framework. PRSP and the Economic Development and Poverty Reduction Programme (EDPRP) have been sidelined by the current government. Basic Data and Directions (BDD), 2006-2010 and the European Neighbourhood Policy (ENP) that are currently in use appear to suffer because of the disconnect and the lack of coherence. However, ENP and BDD provide more opportunities for the UN support to formulation/implementation of relevant national strategies or plans and to ensure MDGs and HRBA are adequately reflected.

UN Resident Coordinator chaired Ambassadorial level Working groups meetings that determined international donor policy on elections and worked with the Central Electoral Committee.

**Harmonized Approach to Cash Transfers**

Most of important steps for HACT implementation have been completed in 2006. The government has been briefed by the RC on HACT and Paris Declaration. All UN staff have been oriented on the new framework in July 2006. Agency specific trainings were carried out in October to address issues related to the use of the FACE form and HACT transactions workflow. An external international consultant has been identified and hired by the Task Force for the purpose of Macro-assessment. The macro-assessment has been finalised towards the end of the year and took into account the comments provided by the Ministry of Finance. SRC funds covered the main part of the macro-assessment costs, contributions made by UNDP, UNICEF and UNFPA. The macro assessment final report is in the validation process by the government.

The UN consolidated a joint list of its counterparts in preparation of the micro assessment. An orientation session for counterparts on the new framework was carried out mid-October. The necessary HACT materials translated
The bid was sent out to identify an accounting company who could conduct the micro assessment. It is expected that the micro assessment will be conducted in early 2007 to allow a full implementation of HACT in the first quarter of 2007.

**Humanitarian Situation and Transition to Development**

The Office of the UN Resident Coordinator in Georgia/Humanitarian Affairs Team hired an external Consultant to assist in updating the Humanitarian Situation and Transition to Development (HSTD) 2006 - Consolidated Policy Recommendations document and preparing similar report for 2007.

Initially, Humanitarian Situation and Strategy conferences were organized and related reports launched by the OCHA office annually. After the closure of OCHA office in Georgia by the end of 2004, the Humanitarian Affairs Team, created post-OCHA under the Office of the UN Resident Coordinator (UNRCO), led the process. In July 2005, the Team organized an independent review of the 2005 Strategy and accompanied report in order to assess the impact and usefulness of such an exercise as well as identify need for similar conference and a Strategy development for 2006. As a result of this review, the decision was made to continue with the practice though renaming both the process and related report into Humanitarian Situation and Transition to Development – Consolidated Policy Recommendations. Thus, the related report for 2006 was prepared and presented at the one-day conference, organized on 25 November 2005.

Last year’s independent review as well as overall experience shows that the impact of these documents and the Conferences has raised awareness in priority areas, and has been perceived as a useful exercise for promoting more analysis, information exchange and planning. The preparation process of the previous Documents provided opportunities to coordinate plans, efforts and developed forums for cooperation. The 2006 Document describes and analyzes the country’s transitional context and priority areas that require continued attention from the aid community and the Government. In general, such reports have been largely used, as a good reference material that included up-to-date and consolidated information on remaining needs, priority issues and challenges.

At the end of the contract period the Consultant updated the HSTD document and prepared similar document for 2007. The work has been accomplished through group and individual meetings/interviews with the UN Country Team in Georgia as well as key international and local NGOs, international Red Cross movement, donors and relevant Government offices.

The transition from a humanitarian response to development has been long overdue for Georgia’s approximately 247,000 internally displaced persons (IDPs), who were forced to flee their homes more than 13 years ago as result of the conflicts in Abkhazia and South Ossetia. Efforts by the international community to initiate the transition to development began in earnest with the New Approach to IDPs in 2000. On the part of the Government, however, commitment has been lacking. In 2006, following increased international advocacy, in particular a mission by the Representative of the UN Secretary-General on IDPs, facilitated by UNHCR and UNOMIG the Government committed itself to develop a national strategy in support of IDPs' integration and improved living conditions, all the while continuing to pursue the longer-term goal of creating the conditions enabling their safe and voluntary return. In December, the draft of the Strategy elaborated through a broad-based consultative process with active participation of some UN agencies and involving all key stakeholders (Government, civil society, IDP networks and the international community) was publicly presented by the Minister for Refugees and Accommodation, for submission to the Government in early 2007.

**Summary on Progress towards UN Reform**

**UNCT Meetings/Retreats**
During 2006, the UNCT met regularly to discuss issues related to the implementation of the UNCT workplan and changes to it (as needed). A UNCT Retreat was held in January 2006 to discuss UNCT accomplishments in 2005, lessons learned and the way forward. The RC Unit as well as the members of the Humanitarian Affairs Team has successfully supported the work of the UNCT. Issues of interest to the UNCT such as the Common Country Programming process, functioning of the Theme Groups, MDGs, UN week activities or any other relevant topics were jointly discussed and agreed upon at the UNCT meetings.

**Theme Groups**

Five UNCT theme groups have been operational in 2006. These are the Theme Groups on MDGs, Statistics, Communications, Gender and HIV/AIDS.

**Human Rights Coordination Group (HRCG)**

The group was established in July 2006 to assist the UNCT in developing unified capacity in supporting government’s efforts to strengthen national Human Rights promotion and protection systems. Monthly meetings of the HRCG were held to exchange with information on progress made so far and capacity gaps of the government to fulfil its international HRs Treaty obligations. The detailed overview of the HRs related programmes run by the UN agencies in Georgia was developed to improve coordination and reduce risk of overlapping. The HRBA training was requested by the HRCG to farther enhance the capacity of the UNCT in streamlining HRs in its programmes.

**Security Management Team (SMT)**

Security issues remained at the forefront of UN agency concerns in Georgia throughout the year. Monthly SMT meetings were regularly held in the UN House to exchange information about security incidents and take decisions and actions to strengthen the security of the participant organizations. The SMT includes all of the UN Country Team agencies plus UNOMIG, World Bank, IMF, EBRD and two international NGO representatives. The UNHCR Security Unit closely cooperated with DSS office in Georgia and supported SMT in various activities.

**Disaster Management Team (DMT)**

The Humanitarian Affairs Team under the Office of the UN Resident Coordinator continued to manage the DMT in 2006 including regular works related to the internal organization of the team. The DMT contacts directory and assets inventory database were updated, several inter-agency contingency-planning exercises were carried out, including revision of preparedness actions for Abkhazia and South Ossetia.

The DMT framework was also used for the Avian and Human Influenza (AHI) pandemic planning for the UN System. This Plan was elaborated under the leadership of the HAT and was based on the UN System pandemic planning guidelines. It focused on the staff health and safety as well as on business continuity of UN agencies and possible interventions in support of the national efforts. The Georgia pandemic preparedness plan was assessed by the UNSIC office as one of the best practices. In addition, the DMT framework was used for the information exchange regarding national AHI preparedness actions and needs. The HAT officer also served as the AHI focal point on behalf of the UN Country Team in Georgia.

In response to the Government’s request for assistance to IDPs residing in collective Centers in Imereti, WFP and UNHCR have provided food aid and winterization supplies during the very heavy snowfall and power interruptions at the beginning of 2006. There was no further need to mobilize or convene the DMT for emergencies. On a number of occasions, DMT members received information and updates on seasonal floods in west / east Georgia.
Increased public awareness and understanding of the work of the UNCT member-agencies

In 2006 UNCT Georgia continued its efforts for increasing public awareness and understanding of the work of the UNCT member agencies in Georgia to address the information gap with regard to the work the UN currently carries out in Georgia and further strengthening of the image of the United Nations in the country.

The Georgian Dance and Song Festival Georgian Soul held under the motto UN Works for You – Together achieving MDGs by 2015 was co-sponsored by UNCT. The UNCT was awarded a diploma – for promoting MDGs and popularising the Georgian Culture.

The UN Media Club was set up in 2006 to promote UN values through an interactive exchange network. In 2006 the UN Media Club members had a chance to attend a number of UNCT events (press conferences, presentations and launches of the reports) and interview Heads of UN agencies. On 20-21 October a field trip for UN Media Club members has been organized to Imereti region. The journalists from leading newspapers and news agencies had a chance to find out how the UN agencies operate in the field. A database of UN Media Club members has been created and they regularly receive press releases and relevant information and publications from the UN Agencies.


UN Week

Various activities including UN visibility campaign, seminars, workshops, exhibitions, conferences, discussions, four Model UN Sessions on MDGs. UNCT agencies as well as UNOMIG took part in the UN Week celebrations.

Other PI activities

Other PI activities during 2006 included UN exhibitions, TV and Radio programmes. Most of the activities described above have been planned and implemented with the active involvement of the DPI Officer. In 2006, the DPI Officer continued providing daily summary of Georgian news to the UNCT member-agencies. Improvements were made to the UNCT web-page www.ungeorgia.ge to reflect, among other things, the changes in the UNCT composition.

Current Status of legal agreements of the UN agencies with the government and Issues Pertaining to Income Taxation of Georgian Employees and VAT Payment

In 2006 the RC Office initiated a comprehensive study of the legal agreements of the UN agencies with the view of harmonizing the legal regulations applicable to the different UN agencies. The study has been completed and recommendations have been presented to the UNCT.

Common Premises and Services

UN House remained premises for the Office of the UN Resident Coordinator, UNDP, UNFPA, UNICEF, UNIFEM project, WHO, DSS and the DPI Officer. WFP and UNHCR are located outside the Common Premises given the limited space in the UN House.

UNDP continued providing administrative and management services for UN House residents (e.g., two-door entrance with guards and receptionist to control access to UN House, provision of IT and technical support, etc.).
UNHCR continued to host the joint SMT 24/7-radio room. Salaries and benefits of the radio operators have been cost-shared by the SMT agencies. Joint inter-agency procurement of fuel, office supplies and vehicle service has been implemented as well. WFP advice has been extended on logistics issues, in particular related to customs clearance and onward transportation of UN imported items.

?? Office of the UN Resident Coordinator

The Office of the UN Resident Coordinator includes two UN Coordination staff, two Humanitarian Affairs staff, one OHCHR National Programme Officer, and a driver. With the removal of the RC’s Humanitarian Coordinator’s function UN Humanitarian Affairs Team closed in January 2007.

?? UNCT Training

There have been several UNCT wide training and learning events organized in Tbilisi in 2006. These are HACT Orientation and FACE Form trainings, DevInfo 5.0 training for Database Administrators, MDG Literacy Training, OHCHR training on ongoing reformation of the UN Human Rights Bodies for the UN Georgia Interagency Human Rights Coordination Group, OHCHR/EC preparatory workshop on the project “Strengthening the implementation of human rights treaty recommendations through the enhancement of national protection mechanisms” for the civil society, media and public defender's Office, OHCHR training on “Treaty Body Reporting” for the representatives of governmental structures of Georgia, UNDAF/Joint Programme Review Workshop.

In addition to these, UN Coordination Officer and one representative of the Statistics Department of the Ministry of Economic Development of Georgia attended Regional DevInfo 5.0 training in Geneva in May.

The UN Coordination Officer has attended Europe and CIS Regional Meeting of Coordination Officers in Istanbul in May.

The UN Coordination Assistant participated in the Sub-regional meeting of UN Coordination Staff in Tehran, Iran. Coordination staff from Pakistan, Georgia, Iran and Turkey attended the meeting. The next meeting is tentatively scheduled to take place in Turkey in summer 2007.

UN Coordination Officer, Humanitarian Affairs Officer (HAO) and Information Officer of the Humanitarian Affairs Team along with the number of the UNDP staff have passed the Prince2 Project Management exam.

In March 2006 the Humanitarian Affairs Officer (HAO), being a stand-by member of the European UNDAC (UN Disaster Assessment and Coordination) team, participated in the disaster preparedness and response mission to Tajikistan. In addition, the HAO, visited Sofia, Bulgaria in October 2006 to assist the UNRC and UNCT in Bulgaria with the Avian and Human Influenza Pandemic Preparedness, as well as general emergency preparedness planning. In addition, Information Officer of the Humanitarian Affairs Team undertook a 3-week training on Statistical Packages for Social Sciences (SPSS) and EPIDATA in June 2006 and Human Rights Training organized by the OHCHR in October 2006.

In May, the OHCHR National Programme Officer attended the induction training at OHCHR, Geneva, Switzerland and in November participated in OHCHR, Europe, North America, Caucasus and Central Asia Unit regional consultations dedicated for the planning of the future directions and operational modalities of the office in the region.

In June the OHCHR National Programme Officer has participated in UNDP workshop on Gender, Local Governance and Human Rights Communities of Practice in Yerevan, Armenia.
In addition, in September the OHCHR National Programme Officer participated in the EC, OHCHR, UNSSC and APT joint Actors for Change workshop on Prevention of Torture for organized for the participants from Europe and Central Asia, held in Warsaw, Poland.

**Key aspects of the proposed 2007 workplan**

UNCT in Georgia is looking at improving coordination and coherence to make best use of complementarities and focusing on priority areas where the UN can collectively make greater impact.

One of the major endeavours in 2007 for the Country Team will be the Strategic Positioning exercise planned for the first quarter of 2007. It aims at ensuring that the UN programming is in line with the national priorities and takes into account the comparative advantage of the UN in the country.

On 22 January 2007 UNCT retreat was held as the first step in the process. At the retreat UNCT discussed the possibility of UN support to the government for further development of national development framework to ensure MDGs and HRBA are reflected.

The UN agencies identified HIV/AIDS, Health, Communications, Regional Development, IDPs/ Conflict zones the priority areas for the UN involvement and inter-agency collaboration in 2007 based on the analysis of each agency’s strategic priorities.

Thematic groups will be tasked to identify complementarities with a view to enhancing synergies for a greater impact of the UN work. The Thematic groups will ensure information sharing among the UN agencies in priority areas and initiate mapping of the UN Agency activities by sector and region in first phase. The second phase will expand the mapping to include other actors. Mapping will be followed by joint planning and implementation in the areas where concerted effort has a potential to bring greater impact. Thematic groups will regularly report back to the UNCT.

Joint programme on HIV/AIDS will be operationalized within the framework of HIV/AIDS thematic group led by UNICEF.

New Thematic groups have been established (replacing the previously existing ones) based on the strategic priorities for 2007 and lead agencies have been defined for each group:

- IDPs/ Conflict zones-UNHCR (chairing), UNDP, UNFPA, UNICEF, WFP
- Health-WHO/UNFPA (co-chairing), UNHCR, UNICEF, WFP, IOM
- Regional Development - UNDP (chairing), FAO, UNFPA, UNHCR, UNICEF, WFP
- Communications – RCO (chairing), Communication officers from all agencies

The report of the UNCT Retreat and the draft Strategic plan will feed into a comprehensive assessment report will be finalized at the second stage of Strategic planning exercise. The assessment will identify where UNCT cooperation is going right, and where it can be realigned for greater effectiveness. It will be prepared based on the inputs from UNCT members, and partners in government and civil society, to assess the relevance of UNCT cooperation in Georgia for the achievement of priorities in the national development framework. UNCT will review the findings of the report at a one day workshop, and develop recommendations for:

a) Realigning the UNCTs priorities;
b) Strengthening relationships with partners;
3) Improving communication and coordination between agencies

Substantive UNDAF mid-term review will be conducted in 2008 and meanwhile UNDAF implementation will be monitored by the UNDAF Monitoring and Evaluation group.
The UNCT in Georgia will complete MDG Action Plan for Georgia completed and will advocate for incorporating MDGs in national development priorities and introducing a monitoring system to track MDG’s progress more effectively.

In 2007 the UNCT will further pursue the issue of harmonizing legal status of the UN agencies.

At the end of 2006 a group of donors met with the intention of revitalising the Donor Framework Group and structuring it in a more systematic way. The RC offered to co-chair the meetings and provide the Secretariat function for this new grouping, to help frame the issues and ensure follow up, under the Resident Coordinator’s Office, with aid coordination becoming one of the major new functions of the Coordination Officer. The final structure and mechanism is to be determined by end-January 2007. Thus the objective for 2007 is to ensure that the new structure both functions and can include a wider range of donors including all interested UN Agencies. At the same time, the RCO will work closely with the Ministry of Finance (government aid coordination authority) with the improvement of its Donor Database. An expert from the Ministry of Finance will be placed within the RC Unit for a two week internship. UNCT anticipates that the exposure of the government counterpart to the UN programming processes and procedures will ensure better and more efficient cooperation.

Since November 2006 a temporary UN Coordination Officer has been hired while the vacancy for the Coordination Analyst (national, ALD3) has been advertised. Recruitment will be finalized in the beginning of 2007. In order to ensure the continuation of the humanitarian affairs/disaster preparedness function an international Humanitarian Affairs/Disaster Preparedness Officer will be created within the RC Office. The funding for the position is expected from the Swiss Development Cooperation. Senior Regional Human Rights Advisor for South Caucasus (OHCHR) and HIV/AIDS officer (UNAIDS) will also be placed within the RC Office.