



**Ministry of Displaced Population of
the Occupied Territories, Labour,
Health and Social Affairs (MoLHSA)
Ms. Tamar Gabunia,
First Deputy Minister
Copy: Mrs. Tamila Barkalaia,
Deputy Minister**

**AGENCE FRANÇAISE
DE DÉVELOPPEMENT**
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Object Meeting request to MoLHSA for portfolio review and future collaboration on Social Welfare, in preparation of Annual Consultation Meeting with Ministry of Finance.

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Followed by Valentine Lenfant

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Dear Ms. Gabunia,

AFD has received the mandate to operate in Georgia since 2012, and historically built its activity around a robust and fruitful collaboration with the Ministry of Displaced Populations of the Occupied Territories, Labour, Health and Social Affairs (MoLHSA) by supporting a series of reforms in the social welfare and health policies sectors.

In 2017, AFD extended a EUR 60 million policy-based loan to the Government of Georgia to co-finance the Private Sector Competitiveness Development Policy Operation (DPO) developed by the World Bank. On top of this loan, AFD mobilized 500.000 EUR grant to implement a Technical Assistance (TA) program, that ended in December 2020. This Program was dedicated to support the pension system reform, which was one of the actions foreseen within the framework of the DPO.

Building on this first experience, a multiyear policy based loan (PBL) for a total amount of EUR 140 million was launched in 2018 to address the second main pillar of social assistance: health care. In order to align with MoLHSA priorities, and to cope with the Covid-19 crises, the third and last installment of this loan has been revised to reach EUR 70 million, disbursed in July 2020. Furthermore, AFD remains fully mobilized to address potential needs of GoG during the ongoing vaccination campaign.

With the aim to align this flagship program with a long term capacity building strategy, AFD mobilized an additional EUR 500.000 technical assistance grant to support the GoG in implementing the reforms and actions of the policy matrix attached to the loan operation. A restitution workshop will be organized by Expertise France in the course of the second Semester 2021.

Thanks to a fruitful collaboration with GoG and valuable inputs from all stakeholders, results of this first phase are already visible. Among others, this program allowed to set up and test a robust model of granting disabilities in two regions, to align mental health care system with EU requirements, to resettle IDPs families living in collective collapsing centers in durable housing, and to mobilize resources to support national response plan to the Covid-19 pandemic.

We are now heading to the end of this three-year cycle of cooperation, and in the unprecedented context of Covid-19, this year 2021 appears as a crucial milestone to pursue this collaboration, and answer MoLSHA needs and priorities for the years to come by mobilizing adapted technical and financial tools. AFD is now fully committed to prepare this new phase of intervention (i) by launching a detailed evaluation process that will inform future project design, and (ii) by mobilizing additional financial and technical resources to adapt to this transition period.

- (i) With reference to our previous discussions in October and November, AFD launched a two-step evaluation process: an auto-evaluation carried out by Expertise France, implementer of the technical assistance, will be made available at the end of the first quarter 2021. Later in 2021, a full-fledged external evaluation will cover all actions implemented in the Social Welfare and Health sector since 2017 to assess more broadly the impact of AFD's funding, TA and policy dialogue. The MoLHSA and MoF will be closely associated at each step of this process, in order to identify areas of improvement to be taken in consideration during the design process.
- (ii) Moreover, technical grants for a total of EUR 1.1M have been mobilized to ensure continuity in the activity and identify priority interventions for 2021 and 2022. This technical assistance program will also allow strengthening a Climate resilient and Gender inclusive approach of Social Welfare in future collaboration. In that perspective, a mission was carried out in October 2020, with support from AFD HQ expert Mr. Nicolas Le Guen, and resulted in a first proposition of disbursement matrix based on priority reforms shared by the MoLSHA for the 3 years to come. This document has been annexed to this letter and we remain at your full disposal to update this document according to your current priorities.

In order to further detail out these orientations, and discuss related avenues of cooperation for 2021 and 2022, AFD wishes to organize an Annual Consultation Meeting chaired by MoF on the week of the 16th of April.

Prior to this meeting, we would like to organize a working session with you and your team on the week of the 29th March as per your best convenience, to draft the minutes of the Annual Consultation meeting.

Kindly let us know which date would suit you. We are looking forward for fruitful discussion with your team, and remain at your disposal for any additional information.

Warm regards,

Raphael JOZAN
Director – Regional Rep Office for South Caucasus



Annex 1 - Policy based loan - Social Welfare Matrix (26th of October)

Objectives	Responsible Government Entity	Trigger action(s) Year 1	Trigger action(s) Year 2	Trigger action(s) Year 3	Results (indicators, baseline, target)	Scope of TA
Pillar 1. To develop social support and solidarity system, inclusive to women and resilient to climate change.						
Ensure the professionalization of social work (people with disabilities, child care) in order to improve the social care for vulnerable layers of population and reduce inequalities between women and men	MoHLSA	Defining roadmap for operationalisation of an organisational layout of State care agency and its territorial structure Piloting is implemented in at least one additional region Changes in legal framework, related to disability, to roll out the methodology have been approved by the MoHLSA (law into force in 2021)	Methodology for analysis of needs and coordination of the social care on territory (including one stop shop approach) is developed by the MoHLSA Action plan for certification of acting social workers is developed and approved by MoHLSA Assessment of piloting and formulation of final recommendations Approval by the MoHLSA of costing of social services for PWD Action plan for national scale-up of functional/social model of assessing and granting disability status is developed and approved by MoHLSA	Model based on the new methodology is effective in <u>3 regions</u> The MoHLSA in collaboration with its partners trained professionals and implemented the new methodology for assessing and granting disability status in <u>XX regions</u> A global assessment is implemented by the Government with support from its partners to adapt and improve the methodology Specific attention should be given to the gender dimension in order to develop fine tuning	Policy objective: The needs of vulnerable population are analysed and appropriate social care package is proposed through Georgian territories based on decentralised model Baseline (2020): > Creation of State care agency; Target (2023): > At least XX social workers trained in X regions of the country (at least 50% of which should be women); First global assessment on the methodology approved ; > Functional/social model of assessing and granting disability is fully launched at the national level Baseline (2020): > Professionals trained in 2 regions and conducting assessment; > Legal basis for functional/social model is approved (law into force);	Support in development of model for decentralization of social care, including coordination between different actors on local level TA in development of methodology for analysis of needs and coordination of the social care on territory (including one stop shop approach) Develop the methodology of monitoring & evaluation of social care programs and their impact TA in piloting of functional/social model of assessing and granting disability is implemented in one additional region Assessment of piloting and capitalization and extension of pilot to other region(s) Trainings of social workers on dealing with disability assessment and support Support in development of methodology of costing of social services for PWD

				Target (2023): > At least <u>XX professionals</u> trained in X regions of the country (at least 50% of which should be women); First global assessment on the methodology approved ;		
Develop social support measures in order to reinforce resilience of informal sector workers affected by climate changes	MoESD and MoHLSA	In the view of limiting impact of climate change and natural disasters for informal sector labour forces, a study is conducted to assess the scope, nature and budget projections of this social protection measures Any gender dimension that would come out of the report will be analysed	Based on the study, the MoHLSA proposes new model of social support measures in order to reinforce resilience of informal sector workers affected by climate changes and natural disasters Special measures insuring access to health services will be developed	Strategy for reinforce resilience of informal sector workers affected by climate changes and natural disasters is developed and approved by MoHLSA	TA to elaborate scenarios and models social support measures in order to reinforce resilience of informal sector workers affected by climate changes and natural disasters: ▪ Study on structuring informal sector and analysis of sectors most affected by climate change ▪ Support in developing scenario and simulations on social coverage of the informal sector workers affected by climate changes and natural disasters	
Promote inclusive access to electricity for energy poverty threatened customers according to the social support scheme adopted by the Government	MoESD and MoHLSA	In the view of promoting access to electricity, a study has been financed by AFD and conducted with MoESD to assess the scope, nature and budget projections of this social support scheme This study will be updated to take in account the social impact of COVID 19 crisis Any gender dimension that would come out of the report will be analysed.	The legal framework is elaborated to run a pilot project in Tbilisi. The Government determined and trained professionals, who will be eligible to conduct the pilot project. Pilot project to test the social support scheme has been implemented and analysed Professionals of the MoHLSA distribute LED and information on how to improve thermal comfort efficiently in the dwellings to vulnerable population	The legal framework is elaborated and approved by the government to ensure scaling-up of social support scheme Standards are approved by the Government and monitoring is performed to ensure quality control. Energy Community Secretariat is processing regular compliance review. A dedicated study is commissioned to ensure that the new program is not having	Number of energy poverty threatened customers benefiting from this social support scheme: Baseline (2020): > No standards for specific social support scheme ; Target (2023): > Standards approved, monitoring conducted and recommendations sent to define social support scheme; > At least <u>XX energy poverty threatened customers</u> benefit from this social support scheme (of which at least 50% are	TA in realisation of Study to analyse inclusive access to energy through social support scheme Designing of proposals for policies and scenarios to fight energy poverty based on European experiences

Improve effectiveness and efficiency of universal healthcare	MoHSA	Innovative payment mechanism is elaborated by MoHSA and approved by the Government	New reimbursement mechanism for medicines is developed by MoHSA Recommendation related to revised package and costing of primary health care are adopted by the MoHSA	Innovative payment mechanism is fully implemented at the national level	Out of pocket on drugs: > Baseline (2020): <u>58%</u> > Target (2023): <u>XX%</u> General government expenditure on health as percentage of current health expenditures (GGHE-D as percentage of CHE) > Baseline (2020): <u>40%</u> > Target (2023): <u>XX%</u>	Study of innovative payment mechanism for MoHSA including best practices Recommendation related to revised package and costing of primary health Study to define implementation of Telemedicine
Ensure national scale-up of the new mental health model	MoHSA	Mental health development strategy, including communication strategy for general population, is elaborated by the MoHSA Specific attention should be given to the gender dimension	New of model of mental health care is elaborated by the MoHSA with its partners trained professionals	Changes in legal framework to roll out the model have been approved by the Government Implementation of the new model in <u>XX regions</u> with the promotion of deinstitutionalization and the development of community based services The Government is monitoring activities to ensure that mental health institutions (public and private) respect Human rights principles	Budget dedicated to mental illnesses > Baseline (2020): <u>XXXXXX GEL</u> > Target (2023): increase <u>XX%</u> % of patients receiving out patients treatment > Baseline (2020): <u>XX%</u> > Target (2023): <u>XX%</u>	TA to roll out the Mental Health Strategy 2030 in different consecutive action plans (2-3 years) and their monitoring: <ul style="list-style-type: none"> Communication and dissemination of the strategy towards professionals and stakeholders Mobilize and coordinate technical and financial assistance from partners and donors TA to elaborate a mental health diagnosis registry Trainings of social workers in mobile team TA to improve monitoring system on human rights

Integrate health and social issues in climate change adaptation and mitigation policies		National health care adaptation strategy and action plan (among medical and social facilities) and developed and approved by the MOHLSA	Evaluation of vulnerability to climate change, health impacts and adaptation (health care aspects) is elaborated	Health care facilities reduce the share of greenhouse gas emissions in national emission		
(NEHAP – strategic objective n°5)	MOESD and MOHLSA		The legislation is aligned with the requirements of UNFCCC convention	Communication strategy for health and social workers on gas emissions reduction is developed and approved by the MOHLSA	Target Baseline (2020) > No early warning system in case of peak of pollution Target (2023): > standards approved ;	Technical Assistance to the Nation Centre for Disease Control: <ul style="list-style-type: none"> Assessing health risks of air pollution on vulnerable groups Capacity building for strengthening early-warning systems (air quality) and preparedness for pollution peak Capacity building on statistics and IT tools In elaborating a coordinated action plan on air pollution peak in order to mitigate health risks and exposure
Promote air quality monitoring and development of specific measures to limit impacts on health and climate change	MOESD and MOHLSA		Strategy related to health-relevant information on population exposure air pollution and its influence on health is approved by the Government	Relevant legislation is harmonized according to the Association Agreement		
(NEHAP – strategic objective n°3)						
Pillar 3. To optimize resources allocated to IDP needs and promote sustainable Resettlement						
Pursue the resettlement of IDPs living in Collapsing Collective Centers (the “CCCs”) in thermal comfort housings.	MOESD and MOHLSA	IDP families (about 200) lawfully living in at least XX additional CCCs have been sustainably resettled in durable housing over the last 12 month at the time of assessment	IDP families (about 200) lawfully living in at least XX additional CCCs have been sustainably resettled in adequate housing over the last 12 month at the time of assessment.	IDP families (about 200) lawfully living in at least XX additional CCCs have been sustainably resettled in energy efficient housing over the last 12 month at the time of assessment	Policy objective: new allocated IDPs in newly built building are living in energy efficient housings, which are safe for their lives and health Baseline: about XXX IDP families are living in <u>XX CCCs</u> (2021) Target: By the end of 2023, at least XXX IDP families, who are lawfully	TA to the IDP agency in developing scenarios and models to introduce energy-poverty as a criteria in assessing vulnerability for granting housing

			families which have already been resettled respecting national legislation on energy efficiency .	living in CCCs in 2021, have been sustainably resettled in durable housing.		
Implement the reform of IDP's allowance system and social inclusion measures	MoHSA	Based on the analysis of models designed to better tailored the allowance to IDP needs, the draft law for the reform is adopted by the Government A draft Communication Strategy (including awareness rising for Parliament members) to support the reform is implemented, with focus on involving in the information campaign relevant stakeholders, especially IDPs and their representatives (CSOs).	New livelihood action plan for IDPs is adopted by the MoHLSA The legal framework is elaborated to run a pilot project in <u>XX</u> The MoHLSA determined and trained professionals, who will be eligible to conduct the pilot project A dedicated study is commissioned to ensure that the new program is not having any adverse effect on women.	Pilot project to test the reform has been implemented and analysed. An evaluation is conducted by the MoHLSA and its partners to assess impacts of the livelihood action plan and develop recommendations to ensure sustainable revenues for IDPs.	Policy objective: Awareness of all relevant stakeholders about the adopted reform regarding the IDP monthly allowance system Target: Estimated percentage of IDPs well informed on the reform Baseline 2020 : < <u>XX</u> % Target 2023: at <u>least XX</u> % Policy objective: Better support is provided to vulnerable IDPs who are not eligible for TSA assistance. Target : <u>XX</u>	TA to the MOHLSA and IDP agency: <ul style="list-style-type: none">▪ Fine-tune new policy scenario▪ Organisation of public awareness campaign to IDPs and IDP representatives (CSOs, Member of Parliaments, community leaders, ...)▪ Support in IT and database upgrade tools to be included for data analysis TA to IDP Agency in elaborating the New Livelihood Action Plan (2022-2023)
Develop and implement social inclusion measures for Eco-migrants (vulnerable to climate change)	MoHSA	Propose a model of social inclusion measures for Eco-migrants. Gender perspective will be analysed.	New livelihood action plan is developed and adopted by the MoHLSA Necessary regulation is elaborated to run pilot project <u>XX</u> region	Necessary regulation changes to roll out social inclusion measures for Eco-migrants are approved by the MOHLSA	Number of households affected by direct climate change impacts and natural disasters receiving assistance: Baseline (2020): > No standards for specialized assistance for Eco-migrants;	TA to the IDP Agency on : <ul style="list-style-type: none">▪ Identifying specific socio-economic needs of eco-migrants and policies▪ Support in developing of model of social inclusion measures for Eco-migrants.▪ Develop suggestions for improving needs analysis of eco-migrant and fraud management▪ IT and database upgrade

					<p>Target (2023):</p> <ul style="list-style-type: none"> > Standards approved, monitoring conducted and recommendations sent; > At least XX households receiving social inclusion assistance (at least 50% of recipients are women). 	
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