



**ENGAGING CITIZENS,
EMPOWERING COMMUNITIES**



**ANNUAL REPORT
2017**



ENGAGING CITIZENS, EMPOWERING COMMUNITIES

ENGAGE AND
MONITOR FOR
CHANGE

EUROPEAN
INTEGRATION

OPEN DOOR
GRANTMAKING

SOCIAL
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YOUTH
INTEGRATION

MESSAGE
FROM THE
PRESIDENT

The current decade is being increasingly characterized by the attempts of both democratic and non-democratic states to silence the voices necessary for healthy political debate and interaction. The threats to individual and collective activism are many, ranging from laws restricting access to information and enjoyment of rights to freedom of assembly and of association to non-legal barriers that are being raised to reduce

access to funding and to limit citizen participation in public decision making. In this new global environment, we at Europe Foundation are once again reminded of the importance of our mission of empowering people to effect changes for social justice and economic prosperity, so that they can improve their communities and their own lives. The past years have also proven the relevance of EPF's general approach of supporting citizen monitoring

actions, encouraging corporate and community philanthropy, promoting evidence-based advocacy and policy making, nurturing cross-community and cross-sectoral partnerships, and fostering youth integration.

Looking back on 2017, Europe Foundation, together with its grantees and partners, has seen firsthand the importance of opening up spaces and promoting civic participation for the country's development. In 2017 alone, CSOs supported by the Foundation's Engage and Monitor for Change Program mobilized 55 civic activists in various participatory civic monitoring actions, adding to a pool of over 20,900 citizens reached through civic monitoring and advocacy grants supported by the Foundation since 2008. Through its Open Door Grantmaking program, EPF has been able to identify multiple community-driven initiatives that have increased citizen engagement in Georgia's social, economic, and political life, benefiting some of the country's most vulnerable groups. For example, the Center for Accessible Tourism Parsa, which focuses on community-driven development initiatives in the field of disability rights, has been promoting accessibility audits to create more inclusive and accessible environments, while another EPF grantee, Smenadi, trained and mobilized the parents of children with cochlear implants to launch an evidence-based advocacy campaign for an improved rehabilitation program for children with hearing impairments.

As before, EPF has worked intensely on empowering Georgia's youth, by helping them in acquiring new skills and the confidence necessary to become active members of their communities. Through more than 115 small, youth-led initiatives, the program has mobilized 1,856 volunteers and 11,125 community members in 25 Georgian

municipalities, including Abkhazia. Moreover, the young people supported by EPF have implemented 80 new community development initiatives outside of EPF support, propelling seven local governments, two businesses, fifteen public schools, and six civil society organizations to make in-kind contributions to youth-led activities designed to address local community needs.

Despite the many successes achieved by Georgian civil society, challenges still remain, not least because citizen trust in public institutions is low, the overall level of enthusiasm for volunteering or participating in public life is lackluster. While more and more citizens are starting to believe that they can effect change, this group still represents a percentage of the population that is significantly lower than that of citizens in the EU or OECD member states. The demand for good governance is becoming increasingly pronounced and much needs to be done to ensure that governing is accountable, transparent, equitable, inclusive, effective, efficient, responsive, and participatory. So is the demand for European integration, as according to EPF's bi-annual EU Knowledge and Attitudes survey conducted in 2017, the vast majority of Georgian citizens associate the EU with democracy and democracy promotion.

I hope you will be able to take the time to read about the Foundation's work in the next few pages, and to learn about the often under-reported good work of those Georgian CSOs that strive to address the challenges faced by our country and to achieve our common goal – a democratic, conflict-free, and prosperous Georgia.

Ketevan Vashakidze



Gia Tsalani, IDP from Abkhazia with his 6 Year Old Son

ENGAGE AND MONITOR FOR CHANGE

EPF's Engage and Monitor for Change Program strives to contribute to increased and better-informed citizen participation in the country's social, political, and economic decision-making processes. To this end, EPF builds capacity of civil society actors so that they are able to: design and implement civic monitoring and advocacy campaigns addressing societal needs; provide technical and financial support to CSOs; contribute to more accountable and transparent public policy making; and mobilize civic activists through working groups and platforms to address issues common for all regions.

For years, EPF directed its efforts toward: improving the operating environment and creating opportunities for CSOs to participate in public policy-making; fostering dialogue between civil society actors and state authorities; increasing citizen access to information, and; strengthening civil society's capacity to analyze problems and advocate for change. The EPF-supported CSO civic monitoring and advocacy actions often resulted in improved government policies and service delivery that have benefitted numerous communities. Thus, by the end of 2017, 130 tangible changes in addressing societal needs were brought about by the monitoring and advocacy efforts of EPF grantees, with more than 1,100 civic activists and citizens mobilized to monitor public authorities and to actively advocate for change in different regions of Georgia.

In 2017 alone, CSOs supported by the Engage and Monitor for Change Program mobilized 55 civic activists from six regions of Georgia to undertake participatory civic monitoring actions, adding to a pool of over 20,900 citizens reached through civic monitoring and advocacy grants supported since 2008. Further, EPF grantees identified multiple issues of local concern, of which 44 have already been put on the public policy agenda. For example, the Program's recent grantee, the Young Scientists Club (YSC) of Ozurgeti, engaged with local authorities to advocate for the better provision of municipal services, while the Civil Society Institute's Batumi branch waged advocacy for improved adherence to freedom of information (FOI) standards by public authorities in Adjara.

The positive results of civic monitoring and advocacy efforts by EPF grantees and their partners have been noticed both locally and nationally. Thus, the Head of the Ozurgeti Municipality Council recognized

MARINA KUPATADZE
*Samtskhe-Javakheti
Media Centre, training
participant*

Decisions on public spending should be driven by the citizens' needs. Participation in budget processes allows individuals to ascertain their civic rights and responsibilities and acknowledges their contribution to the decisions made on budget allocation and spending. The budget literacy training-seminars organized by EPF helped me to understand the technical language of public budgets and to learn about the principles of setting budget priorities. The knowledge and skills I acquired during the training will enable me to participate in budget planning and to better monitor public spending in my municipality.



Vera Goderidze, IDP from Abkhazia, Kutaisi, Georgia

**NUTSA
DZIMISTARISHVILI**
*citizen from Grigoleti,
Lanchkhuti Municipality*

I was involved in this [EPF-funded] project as a community coordinator. In the beginning, the people who attended village assemblies were rather skeptical and considered them to be pointless exercises. Later, after they saw the tangible results of their efforts, such as improved traffic regulations and the installation of new streetlights and garbage bins, citizens believed that they could become the agents of change.

significant contributions by EPF's current and former grantees – YSC, Guria Youth Resource Centre (GYRC), and the Democratic Development Union of Georgia – toward the improved transparency and accountability of Ozurgeti municipality. The noted success was also marked in the 2017 Local Self-Government Index, an annual assessment of transparency and accountability of local governments, wherein Ozurgeti ranked third among Georgia's 71 municipalities, while its Municipal Council came in first.

Throughout 2017, EPF maintained its focus on increasing citizen access to budget processes and data, by strengthening the capacity of civil society actors and fostering sectoral cooperation for improved public finance management (PFM) standards and practices. To foster citizen engagement in the PFM reform process, in 2017 EPF organized budget literacy trainings for 32 CSOs and media outlets from Tbilisi and nine regions of Georgia. In addition, EPF continued to advocate in front of national authorities to support the institutionalization of the sectoral

OPEN BUDGET SURVEY 2017 | GEORGIA

82

OUT OF 100

TRANSPARENCY

OPEN BUDGET INDEX

Georgia provides the public with extensive budget information

22

OUT OF 100

PUBLIC PARTICIPATION

Georgia provides few opportunities for the public to engage in the budget process

74

OUT OF 100

BUDGET OVERSIGHT

BY LEGISLATURE & AUDIT
The legislature and supreme audit institution in Georgia provide adequate oversight of the budget

**DAVID
MAMARDASHVILI**
*Deputy Director of
the Entrepreneurship
Development Agency*

Given that Produce in Georgia had just recently been initiated when the Association of Young Economists of Georgia (AYEG) [EPF's grantee] conducted our assessment of the program, we did not expect this exercise to unveil any findings or areas for improvement. However, the recommendations developed by AYEG were absolutely relevant and pertained to the areas that we had already started to address through our work; hence we implemented these recommendations directly upon their submission by AYEG.

dialogue for more inclusive and needs-based budget development and execution. Following the advocacy efforts waged by EPF together with the Coalition for Budget Transparency, the Ministry of Finance agreed to support this action by altering the composition of the existing PFM Reform Coordination Council to allow for larger and substantively different civil society participation. The positive results achieved by the Program were confirmed by the findings of an external evaluation, which noted that EPF's efforts in the area have contributed to a positive shift in the national authorities' attitude toward civil society participation in PFM reforms and enhanced CSO capacity to monitor public expenditure.

In the coming years, EPF will continue to direct its efforts toward improving the regulatory environment for CSO operations and strengthening their capacity to influence policy reforms. As the EPF-commissioned external evaluations demonstrate, despite the progress made by the GoG toward reforming the public finance sector, the need to enhance public participation throughout the budget cycle still remains. This finding is confirmed by the 2017 Open Budget Survey, where Georgia's budget transparency was rated quite highly (82 out of 100), but its performance under public participation earned a mere 22 points out of 100, which indicates that there are still very few opportunities provided to the public to engage in the budget processes. Thus, EPF will maintain ongoing communication with the MoF to ensure that actionable steps are made toward formalizing the citizen participation mechanism by incorporating respective changes in the PFM Reform Coordination Council's 2018-2021 Decree, as proposed by EPF and its partners. Furthermore, EPF will continue to facilitate intra-sectoral dialogue and to build capacity of civil society actors so that they are able to effectively advocate for the needed PMF reforms.

1,100

Civic Activists and Citizens Mobilized

130

Tangible Changes in Addressing Social Needs

LET THE CUSTOMER BEWARE



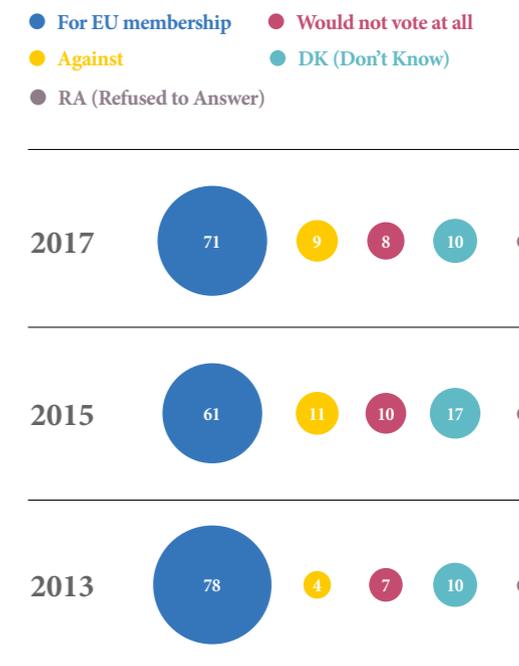
EUROPEAN INTEGRATION

Through its European Integration Program, EPF strives to ensure that civil society is engaged in and contributes to participatory decision-making with the goal of achieving a full convergence to European values, standards, and practices. To this end, the Foundation builds capacity of civic actors in specific issue areas, monitors the fulfillment of Georgia's commitments under the EU-Georgia Association Agreement (AA), gages Georgian citizens' knowledge of and attitudes toward European integration, and facilitates consensus-building on the implementation of AA issues among different stakeholders.

For years, EPF's efforts within the Program have aimed at promoting civic participation in Georgia's sanitary and phytosanitary (SPS) reforms, pushing for improved coordination between the public agencies responsible for the approximation of food safety standards, and informing consumers, including the country's youth, about SPS reforms and other consumer rights related issues. In addition, EPF has been contributing to the development of various strategic frameworks created by the Government of Georgia (GoG) to implement its commitments in this area. This work continued in 2017, with the Foundation providing recommendations on improving the 2017 EU-Georgia Association Action Plan, while also galvanizing the work of the largest CSO platform designed to represent the views of Georgian civil society in the process of Georgia's EU approximation.

In 2017, the Foundation saw strong results from its previous advocacy work, which came about in large part due to a multi-pronged approach that incorporated research, public outreach efforts, and the

If there were referendum tomorrow on Georgia's membership in the EU, would you personally vote for or against it? (%)



Citizens' Knowledge of and Attitudes Toward the EU in Georgia, 2017 Survey Report

CARLO NATALE
Deputy Head of the
European Union
Delegation to Georgia

I am personally pleased that, for the eight-year sequence covered by the Europe Foundation surveys, the enthusiasm of the Georgian people toward European Integration has remained consistently high. This is probably the most important observation and we shall draw inspiration and more energy for these positive results.

capacity building of CSOs on European integration related issues, as well as opening a dialogue with public authorities to ensure Georgia's progress toward its ENP and then AA/DCFTA commitments. Thus, by the end of 2017, 135 advocacy initiatives had been implemented by or with the participation of EPF grantees, partners, and beneficiaries and Georgia saw 84 cases of improved legislation and practice, mostly in the SPS area, which were identified by CSOs and adopted by the GoG. EPF's efforts were also successful in pushing public authorities to respond to the advocacy efforts of CSOs and the business community, with public authorities taking 75 specific actions based on SPS-related complaints leveled by CSOs, business, or citizens. Furthermore, the annual Best Food Enterprise of the Year competition has achieved significant interest from food operators, ensuring both the improved implementation of existing SPS standards and public acknowledgment of the most compliant enterprises.

The most important outcome of EPF's SPS-related work in the past ten years has been the creation and gradual strengthening of the country's food safety system, which, until 2010, had been non-existent. Since that time, the NFA has gained greater independence, becoming a legal entity under public law, spreading its reach throughout Georgia and improving its cooperation with other SPS-relevant public institutions. As EPF's annual SPS assessments demonstrate, the country now has a functioning sanitary and phytosanitary system, which, while in need of further improvements, is a far cry from the complete deregulation that was in place a decade ago and which prompted EPF to initiate this line of work.

2017 was marked with the EPF President's chairing of the Eastern Partnership Civil Society Forum's (EaP CSF) Georgia National Platform (NP), which unites 180 local CSOs, professional unions, and business associations. During EPF's Chairmanship, NP membership increased by 12%, making what was already the largest CSO platform significantly more inclusive. Throughout the year, EPF initiated a number of structural changes that serve to increase the transparency and representativeness of the Platform's governance structures. With direct



Joint Conference of the Government of Georgia and the EaP CSF Georgian National Platform



Best Food Enterprise of the Year 2017 Award Ceremony

support from the Foundation, the NP was able to adopt its new long-term strategy and revise its mission statement.

The need to continue working on European integration remains, with multiple AA commitments still to be fulfilled and the already completed reforms to be consolidated. This has been confirmed by various annual and biannual studies conducted by the Foundation, including the nationwide public opinion poll on the knowledge and attitudes of the Georgian public toward European integration, which has now provided longitudinal data since 2009 and allows all interested stakeholders to better target their public awareness or development programming. As the results of the 2017 survey demonstrate, while the citizens are now more aware of the EU and continue to support Georgia's European aspirations, the overall knowledge of many important issues remains limited and segments of the population are more susceptible to anti-European propaganda. In the coming years, EPF will continue to facilitate improved policy and compliance with the European integration commitments and to build greater consensus on the EU-Georgia Association Agreement implementation issues among different stakeholders.

CRISTINA CASELLA
Programme Manager,
EU Delegation to Georgia

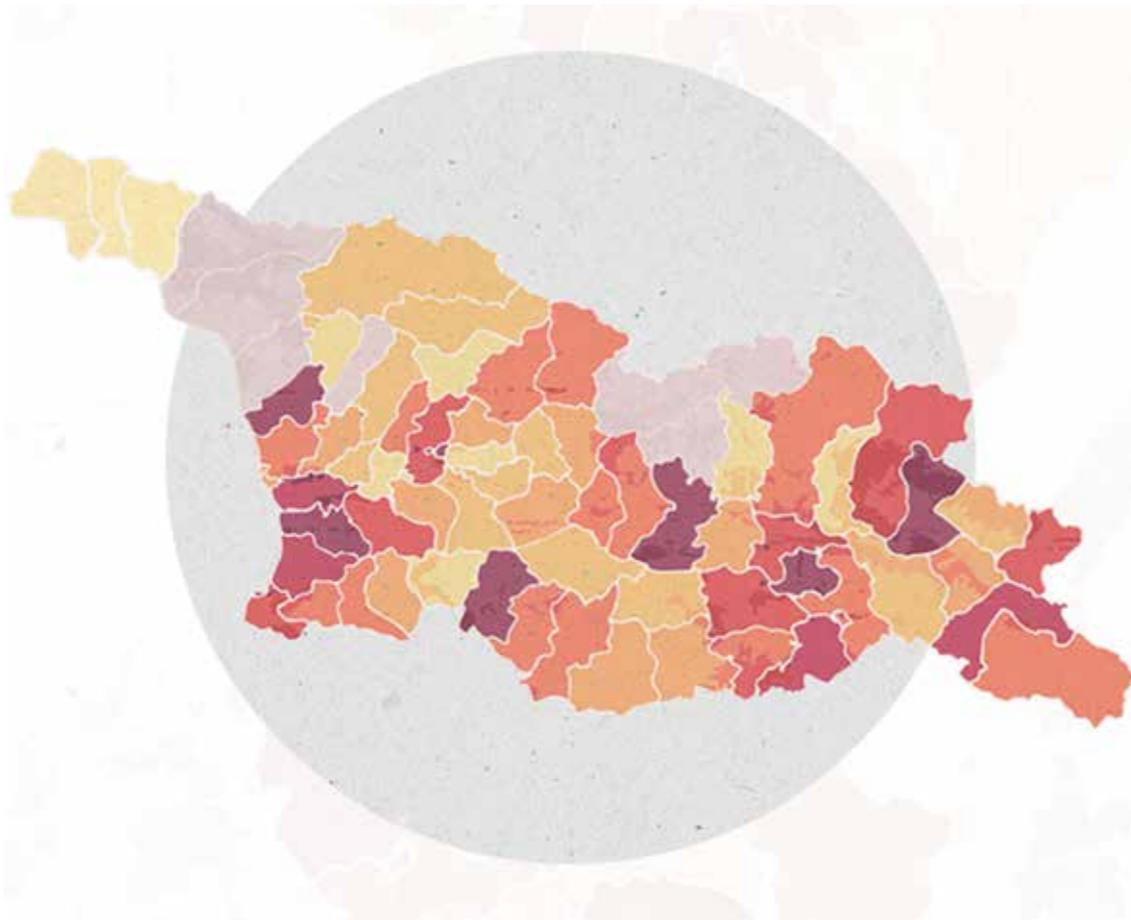
EPF's work in the food safety area contributes to strengthening and consolidating CSOs active in the field and to promoting constructive dialogue between public institutions and non-state actors. EPF is also successful in its awareness raising campaigns, informing Georgian citizens about food safety and encouraging them to take a proactive role to ensure that their consumer rights are respected. Through hard work and dedication, EPF is having a positive impact in the area of food safety and consumer protection, thereby making a difference in the lives of Georgian citizens.

135

Advocacy Initiatives

84

Cases of Improved Legislation



OPEN DOOR GRANTMAKING PROGRAM

EPF's flagship Open Door Grantmaking Program provides CSOs with one of the very few opportunities available in Georgia to be proactive in identifying and addressing local needs, and in developing fresh ideas and solutions to existing challenges. The Program's demand-driven approach allows CSOs to provide timely responses to the issues that have been identified by their constituencies, because the Program supports projects that foster civic engagement for systemic changes, and that have the potential to be replicated either in geographic terms or across various issue areas.

Over the years, the Program has identified and funded more than 100 local initiatives designed to increase citizen engagement in Georgia's social, economic, and political life, benefiting more than 20,000 people across the entire country. The Program's grantees have succeeded in replicating EPF-funded methods and practices by attracting funds from other donors and setting positive examples for other CSOs to emulate. For institutionally stronger and more sustainable civil society, the Program also provides strategic grant support to well-established civil society organizations working in the regions of Georgia that are interested in implementing long-term interventions (18-24 months) and have the capacity to manage larger grant projects. Strategic support comes with custom-tailored organizational development technical assistance, with baseline and endline OD assessment to support beneficiary CSOs in measuring progress.

INA SOKHADZE
*Director of Association
Art for Public Interests*

We submitted the project 'Inclusive Education in the Museums of Georgia' to numerous organizations. The feedback we received was rather skeptical. We were told that with numerous social problems faced by PWDs still unsolved, the idea of introducing inclusive programs in museums seemed premature. Organizations specializing in PWD issues tended to pay more attention to other social welfare issues such as pensions. The only organization that saw the need for this project was Europe Foundation.



Exhibition for the Blind and Visually Impaired in the Framework of the EPF-funded Project



Teo Gelashvili at the Museum of Occupation of Georgia

Throughout 2017, the program supported six, new, locally-driven initiatives, promoting civic participation and inclusive development. Three of the funded initiatives are aimed at the integration and engagement of People with Disabilities (PWDs) and their family members, including the Center for Accessible Tourism Parsa, which aims at promoting community-driven development initiatives in the field of disability rights, through the mobilization of CSOs and CBOs, as well as of local government representatives, to push for a more inclusive and accessible environment. Another EPF grantee, Art for Public Interests, launched a nation-wide initiative aimed at increasing the integration of PWDs in the

country's social and cultural life, by supporting and advocating for the institutionalization of accessible and inclusive educational programming in all state-funded museums of Georgia. Another EPF grantee, Smenadi – the Organization of Parents of Children with Cochlear Implants, trained and mobilized the parents of children with cochlear implants to launch an evidence-based advocacy campaign for an improved rehabilitation program for children with hearing impairments.

The Program's grantees also made good progress toward promoting civic engagement for the improved delivery of municipal services. For example, the Guria Youth Resource Center

(GYRC), completed a project that contributed to institutionalized e-governance and e-participation in Ozurgeti, enhancing citizen-government interaction and increasing the transparency of public authorities. Taking advantage of EPF's strategic grant support, the grantee also developed organizationally, enhancing its online presence, strengthening board governance, and improving its program and financial management systems. More importantly, as a result of the efforts of GYRC and other local CSOs, the Open Government Partnership Action Plan for 2016-2017 reflected the following obligations of Ozurgeti Municipality: (1) the live streaming of Sakrebulo sessions; (2) regular online citizen surveys to assess needs, and; (3) the creation of functional citizen engagement centers in the 28 administrative units of Ozurgeti municipality.

While EPF's efforts have led to significantly increased and better-informed citizen participation in public decision-making processes, the need to continue working in this direction remains a priority. Among the multiple challenges faced by Georgian CSOs, many are associated with their limited legitimacy and weak internal governance which is mainly hampered by weak organizational structures. Recognizing the fact that most CSOs lack media and journalism skills, EPF will provide media literacy capacity building opportunities to its grantees, so that they can learn how to develop messages that serve the purpose of educating the rights bearers and of countering popular misconceptions, while at the same time checking the duty bearers against their responsibility to respect, promote, and protect human rights.

IRMA KILADZE
Director of CSO Smenadi

Our aim is to inform as many people as possible about cochlear implants. To this end, with EPF's funding, we apply all possible means: information campaigns, face-to-face meetings, and communication with media outlets. We try to make our voice heard by the government to ensure that it correctly plans and implements cochlear implant policy; these regulations and systems were created in such a way that the needs of these patients were disregarded. It is unthinkable for the state to agree to finance an implant or to allocate money for rehabilitation and, at the same time, to not provide the possibility for a replacement or repair of this device, especially while knowing that patients are completely dependent on these devices.

100

Local Initiatives to Increase
Citizen Engagement

20,000

Beneficiaries across Georgia



Mariam Niniashvili, Beneficiary of Social Enterprise Hand4Help

SOCIAL ENTERPRISE DEVELOPMENT

Over the years, EPF has been supporting social enterprise (SE) development in Georgia, to help increase civic engagement and inclusive political and economic governance through enterprising non-profits in Georgia. Given the novelty of the concept, EPF started to promote the concept by collaborating with local and international players, waging a public information campaign and providing grant support to SEs to create positive examples for both CSOs and the Government to emulate. Already, EPF helped 12 CSOs to establish social enterprises, enabling them to diversify sources of income and increase their financial sustainability. This has resulted in the creation of around 100 jobs for socially vulnerable individuals (e.g. PWDs, IDPs, women), whose causes are advocated for by the targeted CSOs. In addition, EPF has succeeded in creating lasting partnerships between CSOs, universities, businesses, and public authorities through the annual Students for Social Enterprise competition, which aims to promote the knowledge and practice of social entrepreneurship among Georgian youth.

EPF's consistent efforts have increasingly highlighted the importance of social entrepreneurship for the financial sustainability of CSOs and have drawn the attention of both civil society and public authorities to the SE concept. As a result, multiple CSOs have been supported to set up SEs by other donors and different state agencies. In 2017 alone, public authorities supported 21 social enterprises. EPF also supported four CSOs in either setting up new SEs or improving their existing ones. These CSOs (For Real Changes (SE Babale), Khevsureti and Community (SE Arabuli Arthouse), Mziani (SE



Social Cafe' Mziuri

**IRAKLI
ZHORZHOLIANI**
*Director of the LEPL
Children and Youth Fund*

Social entrepreneurship and its promotion throughout the country fosters employment, empowers local communities, and drives social innovation. Europe Foundation, with its many interesting initiatives, has greatly contributed to developing the field of social entrepreneurship.

Café Akhali Mziuri), and Union-Association Agora (SE Agro-Agora) have already made significant strides toward profitability.

As reported last year, the Foundation embarked on its own enterprising path, becoming a founding partner of Impact Hub Tbilisi, a co-working space located in Fabrika, a former Soviet-era sewing factory which has been transformed into a multi-functional urban space. As a membership-based organization, Impact Hub Tbilisi is dedicated to individuals, enterprises, start-ups, and organizations focused on making a positive social impact in Georgia and provides access to professional support and an inspiring environment for working, meeting, learning, and connecting. In 2017, EPF and Impact Hub Tbilisi organized their first joint project, the Social Impact Award (SIA) – an internationally licensed student competition, aimed at promoting the concept of social enterprise among students – which reached 157 youth (86 women, 71 men) from Tbilisi and Telavi.

Throughout the year, EPF continued to foster the more active engagement of public authorities and the business community, bringing these stakeholders closer to the CSOs through grantmaking, student competitions, and SE capacity building. As a result of these efforts, two former EPF grantee CSOs – For a Better Future and the Abkhazian Blind and Deaf Union Hera – reported on diversified income, which they directed toward fulfilling their mission to enhance the quality of life and to promote the rights of vulnerable constituencies, including the IDP women and PWDs.

As in previous years, EPF promoted the SE concept to the wider public through awareness raising



Nana Gamkrelidze, EPF's Program Manager Talking about Social Entrepreneurship with SIA Participants



Lia Tabatadze, Director of Social Enterprise Babale

and outreach events. Thus, to boost sales and to increase the visibility of existing SEs, EPF organized its annual Social Enterprise Fair, this time in cooperation with Impact Hub Tbilisi and the Georgia Rugby Union. The Fair coincided with the visit of the Australian U20 National Rugby Team, with its members supporting the 15 SEs present at the Fair in promoting and selling the exhibited products.

While EPF's efforts have led to a significantly improved ecosystem for SE startup and development, existing SEs continue to face a range of challenges, such as lack of entrepreneurial skills, limited financing opportunities, etc. During the next several years, EPF will continue to work toward improving the financial sustainability of CSOs through helping them to diversify their funding via social entrepreneurship. As all SEs are also SMEs, EPF will extend its efforts to build CSO capacity for meaningful participation in and monitoring of SME-related reforms, contributing to enhanced and inclusive governance in Georgia. At the same time, EPF will put significantly more emphasis on women's economic empowerment, to further promote gender equality and inclusive governance.

LIA TABATADZE
*Director of Social
Enterprise Babale*

I often point out that, had SE Babale simply been an ordinary business and had these enthusiastic parents not worked with me day and night, then it would have faded from existence long ago. In reality, Babale continues to operate owing to the enthusiasm of the parents and to its social mission. I am grateful to those organizations in Georgia which support our enthusiasm and assist us in achieving our goals. Compared to what was happening eight years ago, I think we have done a lot: there are other employment places like Babale and we are proud of it. We are also proud that the items created by our enterprise are popular not only because they are made by PWDs, but because they are of a high quality by any standard. We believe that we are a successful social enterprise model and we will be proud if we manage to build on this success in the future.

12
CSOs Supported in Establishing
Social Enterprises
100
Jobs Created for Socially
Vulnerable Individuals



YOUTH INTEGRATION

EPF believes that young people, if provided with appropriate skills and mechanisms, have a unique potential to bring fresh perspectives, energy, and solutions to entrenched problems. In Georgia, however, few outlets exist for practical youth empowerment activities designed to promote civic participation and integration. EPF's Youth Integration Program promotes youth volunteerism and civic engagement, by building their capacity as civic leaders and community philanthropists and by providing them with opportunities to engage as active citizens in identifying and addressing local needs. Given EPF's reach across the administrative boundary line (ABL) in Abkhazia, the program also works toward creating a cadre of likeminded civic leaders on both sides of the ABL with a long-term perspective of improving cooperation across the conflict divide.

To this end, EPF has applied a Youth Bank (YB) methodology, creating groups of young people in a given community and empowering them with the training and resources to find, fund, and oversee small youth-led initiatives designed to address the issues faced by their respective communities. Over the years, the Program has trained and empowered more than 930 young grantmakers, who, in turn, have mobilized more than 8,128 volunteers (both young people and adults) and have engaged them in identifying and resolving local problems. Furthermore,

Ilkhama Kurbanova, Member of Marneuli Youth Bank

ILKHAMA KURBANOVA
*Marneuli Youth Bank
Member*

I study at a Georgian school. I like studying and reading, and I enjoy attending lessons, however, before I became a Youth Bank member, I felt very shy and insecure. Whenever I was asked to go to the chalkboard, I was scared of making mistakes and being laughed at so, most of the time, I preferred to stay silent. I did not participate in discussions with my classmates. Youth Bank was a turning point for me. Being part of the program, I have learned that my ethnicity is not something to be ashamed of. The Youth Bank environment helped me gain self-confidence. I am sure that my Youth Bank peers will support me in my endeavors and not make fun of me. I want to become a lawyer in the future and help others understand how to protect their rights. The progress I have made as part of the Youth Bank community has given me self-assurance that I can do more. Making mistakes does not mean the end of the world.

the YB members have engaged in 264 community initiatives outside of EPF-funded projects, contributing to the sustainability of the results. The Program's beneficiaries have also succeeded in mobilizing local governments, businesses, and public schools to support youth initiatives either with in-kind or financial contributions.

In 2017 alone, the Program mobilized 376 young people to implement 117 community-driven youth initiatives, as well as provided multiple capacity building opportunities to around 260 youth on environmental protection, food safety, social entrepreneurship, etc. By supporting youth-led grantmaking, the program empowered the targeted young people to implement 80 community development initiatives outside EPF's support. In total, these efforts succeeded in mobilizing 1,856 volunteers and benefiting 11,125 community members in 2017 alone.

Notable strides have been made in contributing to tolerance and confidence-building among ethnic



Youth Bank Members Meet Mr Anders Samuelsen, the Minister of Foreign Affairs of Denmark



Marneuli Youth Bank Members

Abkhaz and Georgian youth. The endline survey of the targeted young people completed by EPF at the end of its confidence-building intervention demonstrated that the assessments of respondents from Abkhazia on how easy or difficult it would be for them to work with Georgians improved significantly, increasing from 4.8 to 6.8 (on a scale of 1 to 10).

While there has been an increase in the level of youth civic engagement in the last few years, the data on youth engagement and participation in Georgia's political, economic, and social life still paints a gloomy picture. Young people are disenfranchised and have difficulties accessing political space, the labor market, and educational opportunities. In search of education and employment opportunities, young people are forced to migrate from their permanent places of residence toward Tbilisi or other regional centers, which results in brain drain and abandoned communities. In the coming years, EPF will continue to bring together civil society organizations, educational institutions, employers and other stakeholders to stimulate collaboration between different sectors and stakeholders to increase youth engagement and participation in Georgia's social and economic life.

930

Grantmakers Trained
and Empowered

8,128

Activists Mobilized

264

Community Initiatives Supported



Europe Foundation

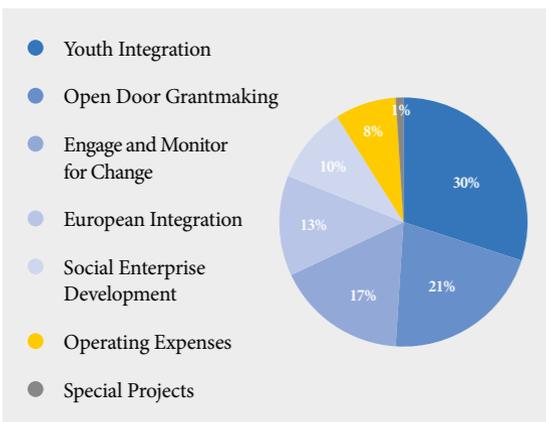
Statement of Financial Position for the Year Ended 31 December 2017 USD

Assets	2017	2016
Current Assets		
Deferred grant expenses	76 625	60 451
Current income tax prepayment	17 736	
Grant Receivables		86 748
Other Receivables	23 178	716
Cash and cash equivalents	1 474 537	1 355 558
Total current assets	1 592 076	1 503 473
Non current assets		
Investment in Associate	32 557	37 981
Total non-current assets	32 557	37 981
Total assets	1 624 633	1 541 454
Liabilities and net assets		
Current liabilities		
Diferred grant income	1 143 274	1 038 301
Other payables	35 199	51 464
Current income tax liabilities		21 222
Total current liabilities	1 178 473	1 110 987
Net Assets		
Accumulated result	755 744	746 837
Foreign currency translation reserve	(309 584)	(316 370)
Total liabilities and net assets	1 624 633	1 541 454

FOUNDING PARTNERS
Eurasia Foundation/USAID
Swedish International Development Cooperation Agency (Sida)

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European Commission
USAID
Embassy of the Kingdom of the Netherlands

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Badri Japaridze, TBC Bank
Levan Gigineishvili, Guivy Zaldastanishvili Academy in Tbilisi
Ketevan Vashakidze, Europe Foundation



The publication is made possible by the support of Sida and Danida. The contents are the responsibility of Europe Foundation and do not necessarily represent views of Sida, the Swedish Government, Danida or the Danish Government.

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