



**EURASIA
PARTNERSHIP
FOUNDATION**



MISSION STATEMENT:

To empower people to effect change for social justice and economic prosperity through hands-on programs, helping them to improve their communities and their own lives.

EPF GEORGIA 2013 IMPACT STATEMENT

The year of 2013 was a year of transition, change, and consolidation of achievement for Eurasia Partnership Foundation (EPF). This year saw the departure of EPF's long-serving President George Zarubin, and the promotion of Ketevan Vashakidze to this position, leading to a further restructuring of the Foundation. This was also the year in which EPF's research program, the Caucasus Research Resource Center (CRRC), became an independent legal entity. With a shared international Board of Trustees, which includes experienced diplomats, business leaders, and researchers, EPF and CRRC will continue to work side-by-side toward the achievement of their missions. It was also in 2013 that EPF moved into a newly built and refurbished office space on Kavsadze Street, after almost two years away from the Foundation's historical location. EPF's return to Kavsadze 3 was made possible with the generous support of Eurasia Foundation in Washington, DC and USAID, and has, in essence, completed the "localization" process that EPF started in late 2007.

Needless to say, 2013 was a year that demonstrated the Foundation's institutional resilience and programmatic strength, which is in large part due to its strong program and grants management team, an involved Board of Trustees, and a well-designed systems of internal controls, all of which allowed the good work to continue without delay amidst transition and change. In the next pages, you will read about some of the programmatic successes that the Foundation had in 2013, ranging from conflict mitigation work across the Administrative Boundary Line (ABL) in Abkhazia to mobilizing civil society organizations and consumers at large for improved sanitary and phyto-sanitary (SPS) legislation and practice. In 2014, EPF will unveil its 5-year strategy toward empowering people to effect change for social justice and economic prosperity. We look forward to working with our partners, grantees, and beneficiaries toward achieving our common goal: a Georgia that is democratic, conflict-free, and made up of civically engaged citizens, socially responsible businesses, and sustainable, accountable, and effective third sector organizations.

EPF Team



Competition - Students for Social Enterprise

SOCIAL ENTERPRISE DEVELOPMENT PROGRAM

Viktor Baramia, Senior Program Manager, Social Enterprise Development Program

“Food shoppers in Georgia will be excited to learn that the nicely packed Georgian traditional spice, Svanetian salt, presented on the shelves of major supermarkets in Tbilisi, is produced by a social enterprise (SE) that employs people with special needs. The Social Enterprise Ertad, which produces the Svanetian salt Zeskho, was established in 2013 by a local Civil Society Organization (CSO), the Movement for Accessible Environment, with grant support and technical assistance from EPF’s Social Enterprise Development Program. The success of this and various other SEs supported by EPF and its partners has greatly contributed to promoting the development of social enterprise as a viable business model that can contribute to long-term CSO sustainability and to improving the inclusion of vulnerable groups in Georgia’s socio-economic life. 2013 was particularly successful in mobilizing a diverse group of stakeholders (CSOs, the donor community, local business, and national and local public authorities) in supporting further development of the SE concept in Georgia. One of the examples is the annual competition Students for Social Enterprise, which brings together business school students, the local government, the business community, and CSOs to support SE development. The 2013 competition saw the participation and collaboration of four business schools, five CSOs, several donors and Tbilisi City Hall, which resulted in the support of an additional SE using grant funds from EPF and concessional credit through Tbilisi City Hall’s Small Business Development program. EPF will continue to collaborate with various stakeholders to increase their interest toward social entrepreneurship and to effect policy changes in this area.”

Zviad Archuadze, Head of Economic Policy Office, Tbilisi City Hall

“In 2011, we launched a joint initiative with EPF to support social enterprise development through a concessional credit scheme. Despite the fact that City Hall received numerous requests for this type of support, we were not able to identify an applicant that was able to meet both the social and economic criteria for support. Now we have one successful case in which a business idea elaborated in cooperation with students has turned into a successful SE with grant support from EPF and additional funding in the form of a concessional loan through

the municipality program. At the same time, we started thinking about introducing other schemes to support social enterprise on the municipal level and allocating budget funds for this purpose.”

Giorgi Alavidze, Project Director, SE Ertad

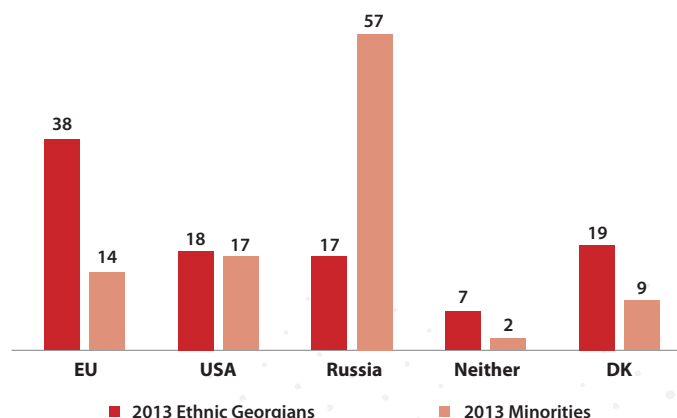
“Even though social entrepreneurship is fairly new in Georgia, it has enormous potential. SE Ertad, which produces Svanetian salt, is already employing people with special needs, supporting their socio-economic integration and helping them to improve their self esteem. It is from them that we receive feedback on how to expand our production and, consequently, bring more social benefits to the community. With EPF’s urging, we started to follow food safety standards and to send out samples to local labs for analysis on harmful bacteria before the product hits the shelves. In future, we hope to expand our production, to employ more individuals with special needs.”

EUROPEAN INTEGRATION PROGRAM

Vakhtang Kobaladze, Senior Program Manager, European Integration Program

“EPF has made significant strides in supporting the wider participation of civil society in the process of aligning Georgia’s sanitary and phytosanitary (SPS) legislation and practice with EU standards. An EPF-led CSO Coalition on food safety and consumer protection actively participated in the discussion of the draft changes in the law on food safety prepared by the Ministry of Agriculture. EPF and the coalition members took an active part in drafting the consumer protection law, as part of an official working group created by the Parliament of Georgia’s European Integration Committee. Of the fifteen major recommendations developed by the CSO Coalition in 2013 regarding SPS legislation, Georgian authorities have provisionally accepted eight. In addition to its legislative advocacy work, EPF has raised funds to ensure the stable functioning of the country’s most popular consumer assistance service and website (www.momxmarebeli.ge), which was developed by an EPF grantee the Center for Strategic Research and Development of Georgia (CSRDG). To improve outreach to consumers in Georgia’s regions, EPF also started to support local CSOs in undertaking consumer protection work.

Who can currently best support Georgia - the EU, USA or Russia?



Knowledge and Attitudes toward the EU in Georgia

In addition, EPF conducted the third wave of its nationwide public opinion poll on the knowledge and attitudes of the Georgian public toward European integration. This poll also covered areas where Armenian and Azeri ethnic minorities are compactly settled. The 2013 survey results were compared with the 2011 and 2009 polls, which allowed identifying trends and highlighting changes during the past four years. EPF will continue to utilize survey data to direct its activities, interventions and grantmaking decisions to support increased public awareness and civic engagement in Georgia's European integration efforts."

Tamar Beruchashvili, Deputy Minister of Foreign Affairs of Georgia

"The 2013 survey conducted by the Foundation provides a broad picture of the attitudes and general knowledge of Georgian citizens toward European integration. This is important in helping us understand the best way to inform our citizens and to promote positive attitudes among them toward enhanced relations with the EU. Furthermore, the survey functions as an important guideline for the Government of Georgia for planning its next steps in the European integration process – a priority policy area for both Georgia's foreign and domestic policy."

Rezo Kobakhidze, Director of the Natadze Scientific and Research Institute of Sanitary, Hygiene and Medical Ecology and the Founder and Chairman of the Supervisory Board of the CSO Environment, Risks and Citizens' Rights

"I believe that, in 2013, EPF carried out a number of very needed, timely, diverse, and important activities in the food safety field. These activities are important for food entrepreneurs, the National Food Agency, CSOs working in the field of consumer protection, the media, and every single individual or organization interested in food safety. EPF's activities have been both comprehensive and remarkable in their transparency and the way in which they engage interest groups from various sectors. As a professional with 35 years of experience in food safety, and having worked in a variety of positions and sectors, I personally benefited from EPF's 2013 activities by acquiring important theoretical knowledge, further improving my skills, and by getting acquainted with valuable work practices, which my colleagues in EPF shared with me."

YOUTH INTEGRATION PROGRAM

Mariam Kobalia, Program Manager, Youth Integration Program

"The Youth Bank (YB) idea is to recruit 7 to 9 volunteers (aged 16-21) in a particular community and to develop their capacity to identify, fund, and oversee small projects that are initiated by their peers. There are 25 Youth Bank Committees throughout Georgia, including across the administrative boundary line (ABL) in Abkhazia. The annual YB statistics are impressive: over 300 project proposals involving more than 1,000 young people were submitted to the 25 Youth Banks operating throughout Georgia. Moreover, the Youth Bank volunteers funded and oversaw over 60 youth-led initiatives, as well as mobilized more than four local municipalities and businesses to make in-kind or financial contributions to youth-led initiatives. These impressive statistics notwithstanding, I am most excited when I see how the lives of the Program beneficiaries have changed, as their participation in the Youth Banks boosts their employment skills, self-esteem, and motivation to engage in public life. I will never forget the sparkling eyes of the young people from Keda, Khulo, and Shuakhevi, the mountainous regions of Adjara, when they were selected as Youth Bank committee members, happy to be given the opportunity to learn



Youth Bank Meeting

outside the school environment, to be active in their communities, and to become members of a larger youth network.

Another noteworthy aspect of the Program is its reach across the ABL into Abkhazia. In 2013, EPF assessed the confidence-building measures within the Program, which demonstrated that the number of respondents from both sides of the ABL who express a desire to work with each other has increased by at least 15%."

Giorgi Gergedava, a member of the initiative group funded by Zemo Bargebi Youth Bank

"In the village of Zemo Bargebi there are no places where young people can go to engage in positive extracurricular activities. As a result, many young people are just hanging around in the streets, doing nothing. When the Youth Bank was established and its membership composed of the young people in our village, a hope that this would lead to positive changes appeared in me and my friends. I heard about the call for proposals and decided to develop a project proposal with my friends... I would never have imagined that the YB members, these young people, would be able to counsel us on how to develop our project proposal. I was impressed by their competence! My project idea was dedicated to promoting a healthy lifestyle by engaging young people in sports. It was our first experience in project development and implementation, which turned out to be a great learning experience. We mobilized the young people living in our village and encouraged them to participate in basketball, tennis, and chess competitions organized as part of our small project."

Kakhi Gigauri, Youth Bank alumnus and trainer (Akhmeta Youth Bank '08)

"When I finished high school and entered university in Tbilisi, I thought that the days of my participation in the Youth Bank were over, as I no longer resided in Akhmeta. However, with support from EPF and together with other YB alumni, who were also enrolled in universities in Tbilisi, we established the YB Alumni Club, which has provided further skills-building opportunities for us. Thus, we were given a chance to complete several train-the-trainer (ToT) programs and to support the EPF program team in training 110 newly selected Youth Bank members in YB methodology. It was rewarding to observe this new generation of Youth Bankers and to see their enthusiasm in embarking on this new path of community engagement and self-improvement."

FOUNDING PARTNERS

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

DONORS IN 2013

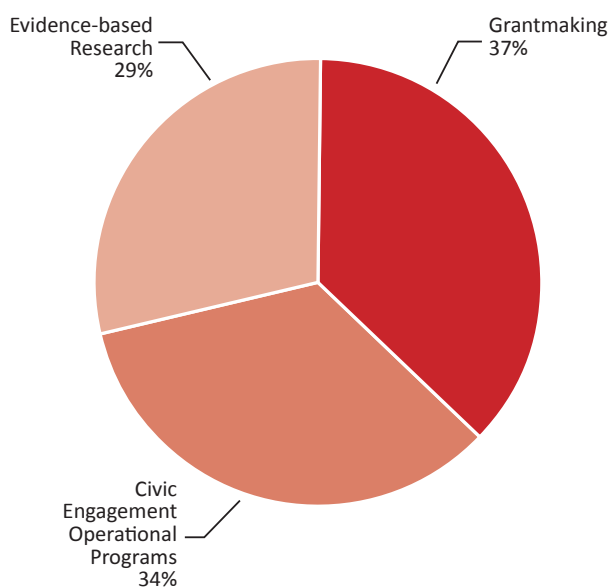
Over 100,000 USD

- East West Management Institute/USAID
- Eurasia Foundation/USAID
- European Commission (EC)
- European Union (EU) and United Nations Development Programme (UNDP) joint initiative, COBERM
- Federal Government of Belgium, Public Federal Service Foreign Affairs, Foreign Trade and Development Cooperation
- Sida

Under 100,000 USD

- Department of Foreign Affairs and International Trade Canada/ Canada Fund for Local Initiatives
- Ministry of Foreign Affairs of Finland
- Robert Bosch Stiftung

EPF GEORGIA FINANCIALS



BOARD OF TRUSTEES:

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Dr. Daniel Tarschys, University of Stockholm
Ketevan Vashakidze, Eurasia Partnership Foundation

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

EURASIA PARTNERSHIP FOUNDATION (REGISTERED IN GEORGIA) STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 2013		
ASSETS		
NON-CURRENT ASSETS	2013	2012
Furniture and equipment including intangibles (Note 3)	\$ -	\$ 2,108
Total non-current assets	-	2,108
CURRENT ASSETS		
Cash (Note 4)	1,058,241	1,757,789
Accounts receivable (Note 11)	170,566	59,457
Grants and contributions receivable (Notes 5 and 11)	1,904,567	1,323,660
Prepaid expenses (Note 11)	-	37,854
Total current assets	3,133,374	3,178,760
TOTAL ASSETS	3,133,374	3,180,868
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Grants payable (Notes 6 and 11)	\$ 474,445	\$ 535,918
Deferred revenue (Notes 6 and 11)	8,029	102,157
Refundable interest (Notes 6 and 11)	68,250	38,684
Accrued expenses and accounts payable (Notes 6, 11 and 13)	42,260	81,133
Due to CRRC-Georgia (Notes 1 and 6)	423,317	-
Total current liabilities	1,016,301	757,892
NET ASSETS		
Unrestricted	6,373	305,726
Temporary restricted (Note 7)	2,110,700	2,117,250
Total net assets	2,117,073	2,422,976
TOTAL LIABILITIES AND NET ASSETS	\$ 3,133,374	\$ 3,180,868

Gelman, Rosenberg and Freedman have conducted an audit for our financial statements and have issued an unqualified opinion.

Contact Information:

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