

Making the Most of Public Resources for Full Inclusion and Participation of People with Disabilities in Georgia

Final report

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Acronyms

CSOs: Civil Society Organisations

DCCs: Day Care Centers

DPOs: Organisations of Persons with Disabilities

EPF: European Foundation

GDP Gross Domestic Product

GoG: Government of Georgia

LMICs: Low and Middle-Income Countries

MoE: Ministry of Education

MoLHSA: Ministry for Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs

PFM: Public Financial Management

PWDs: Persons with disabilities

UN CRPD: United Nations Convention on the Rights of Persons with Disabilities

1. Background

1.1 Rational and origin of the process

While public finance management (PFM) is still a new field for most civil society organizations (CSOs), there is more and more interest in learning about and advocating for improved PFM standards and practices and adequate mobilization and use of public resources. Since significant part of thematic advocacy waged by the Europe Foundation (EPF) grantees is connected to PFM, in 2018 the Foundation decided to use a thematic angle to advocate for PFM reforms and focus on issues related to people with disabilities (PWDs) and their families.

Building on the on-going monitoring process to the United Nations Convention on the Rights of Persons with Disabilities (UN CRPD) committee and advocacy for the new legislation, the Foundation proposed to organizations of PWDs (DPOs) and their allies to conduct a participatory process that strives to answer the following questions:

- To what extent the level and use of current public expenditures adequately contribute to realization of rights of PWDs? How has public spending for inclusion of PWDs pre-and post CRPD ratification evolved?
- Does the current PFM system ensure optimum use of available public resources for inclusion of PWDs?
- What is the current level of engagement of PWDs and their representative organizations in budget and PFM process and what would it take to ensure their adequate and meaningful engagement?

The Foundation invited a diverse group of DPOs and allies to take part in this innovative process, which was launched with a first workshop on July 31st- August 2nd in Tbilisi. The workshop set a common ground for the work and helped jointly define the parameters of the data collection. During the workshop, the process that included 3 phases was agreed:

- Phase 1: Setting the common ground for budget and PFM system analysis – July 2018
- Phase 2: Data collection and analysis – September - December 2018
- Phase 3: Participatory analysis of data collected and elaboration of recommendations –January – April 2019.

Advocacy work related to making the PFM more disability responsive and improving mobilization and use of public resource for inclusion of PWDs involves analysis of issues both in the design and implementation of disability policies as well as the PFM system.

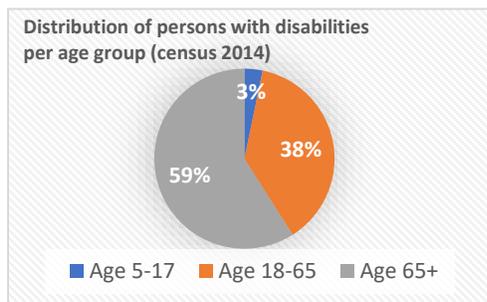
1.2 Background element related to realization of rights of Persons with Disabilities

Available reports, preliminary interviews and the July workshop provided a converging perspective on realization of rights of PWDs that can be summarized in several key points:

- According to the 2014 Census there are 324,000 PWDs (8% of the population) and as of 2018 there were 125, 196 PWD status receiving disability social assistance (38% of census identified PWDs).
- There have been noticeable efforts and progress in the last 15 years with significant steps towards deinstitutionalization, development of social protection for PWDs, steps towards inclusive education, reform on legal capacity, start of early intervention, public purchase of locally produced wheelchairs and active role of the public defender on the rights of PWDs, among others.
- The gains have not been equally distributed
 - among groups of PWDs persons with intellectual disabilities or psychosocial disabilities apparently receiving less support,
 - among regions as most resources are being concentrated in Tbilisi, with much less access to services in regions.
- It is not clear to what extent the CRPD ratification was the closing of a mobilization cycle or a push towards greater achievement. It seems that little has moved in the recent years and that most progress has been achieved before the CRPD ratification.
- The support to PWDs, especially children, revolves around the social package, a social assistance allowance, and day care centers (DCCs), which provide different type of support. There are significant questions with regards to DCCs' actual contribution to inclusion and to what extent they are acting as decoy for inclusive education.
- There are significant gaps with regards to accessibility with incomplete standards and poor enforcement.
- There has been some progress in recent years in terms of public attitudes and awareness towards PWDs.

Census 2014 data	Cannot Do		A Lot of Difficulty		Total
	Men	Women	Men	Women	
Age 5-17	989	705	2,452	1,825	5971
Age 18-59	4,850	3,403	22,108	22,164	52525
Age 60-64	1,087	874	6,127	8,829	16917

Age 65+	7,159	11,512	30,596	59,108	108375
Total	14,085	16,494	61,283	91,926	183788
Total	30,579		153,209		183788
As percentage of the Total population	1%		4%		5%



In terms of data on inclusion, the Washington Group Short Set (WGSS) of questions, which were included in the 2014 census, provided a good overview of number of people with disability. It is to be noted that the WGSS not always capture all persons who have disability, particularly those with intellectual or psychosocial disabilities.

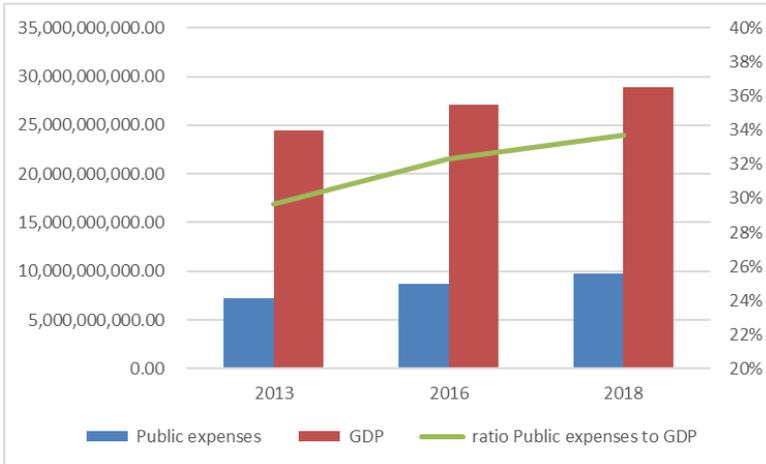
While Geostat has produced monographs on elderly people, gender and youth that partially address disability, no specific analysis has been carried out to comprehensively disaggregate census indicators by disability. Such analysis is necessary to have a better picture of the situation of PWDs.

There is an active disability movement in the country. There seems to be different groups such as older DPOs (1990s generation organizations) and newer DPOs (2010 generation organizations), service providers DPOs or watchdog DPOs. As in most countries, there are some tensions between newer organizations that are solely watchdog and older one that may also be service providers.

With regards to existing services and programs including those funded by the Government, consultation with DPOs during the July 2018 workshop showed that:

- They do not consider that there are adequately funded CRPD compliant schemes.
- There are many scattered elements partially funded that are geared towards CRPD implementation but suffer from design flaws, legacy of medical and charity approach and lack of coordination, diminishing overall effectiveness and efficiency.
- DPOs implement many small-scale initiatives with donor funding that could contribute to CRPD implementation if they were scaled up.
- Apart from a lack of accessibility across the board, there is a strong lack of support of specific services, including rehabilitation and quality assistive devices.

1.3 Overview of Georgia budget (citizen guide 2018)



In the last five years, the budget expenditures have grown in relation to GDP and consistently represent 30-31%

Figure 1 Public expenditures and GDP evolution 2013-2018

It is to be noted that taxes are the main source of revenue representing 92%, while grants represent 4%. The main tax revenue comes from Value Added Tax, followed by income tax and then corporate profit taxes. While the economy is growing, Georgia has a budget deficit of around 3% and the debt to GDP ratio has been increasing. There is, therefore, an existing but limited fiscal space for the GoG to create new or to increase expenses significantly.

The Ministry for Internally Displaced Persons from the Occupied Territories, Labor, Health and Social Affairs (MoLHSA) is the main public spender (28.3%) followed by the Ministry of Regional Development and Infrastructure (MRDI) (14.6%) and then by the Ministry of Education, Science, Culture and Sport (MoE) (9.5%). It is to be noted that the share of the MRDI has increased in the last 3 years by nearly 5%, the MoE by 1% while the share of MoLHSA has decreased slightly by 1.7%. The main expenses overall of the GoG are the social benefits, which represent 28% of the 2018 budget expenses down from 30.6% in 2016.

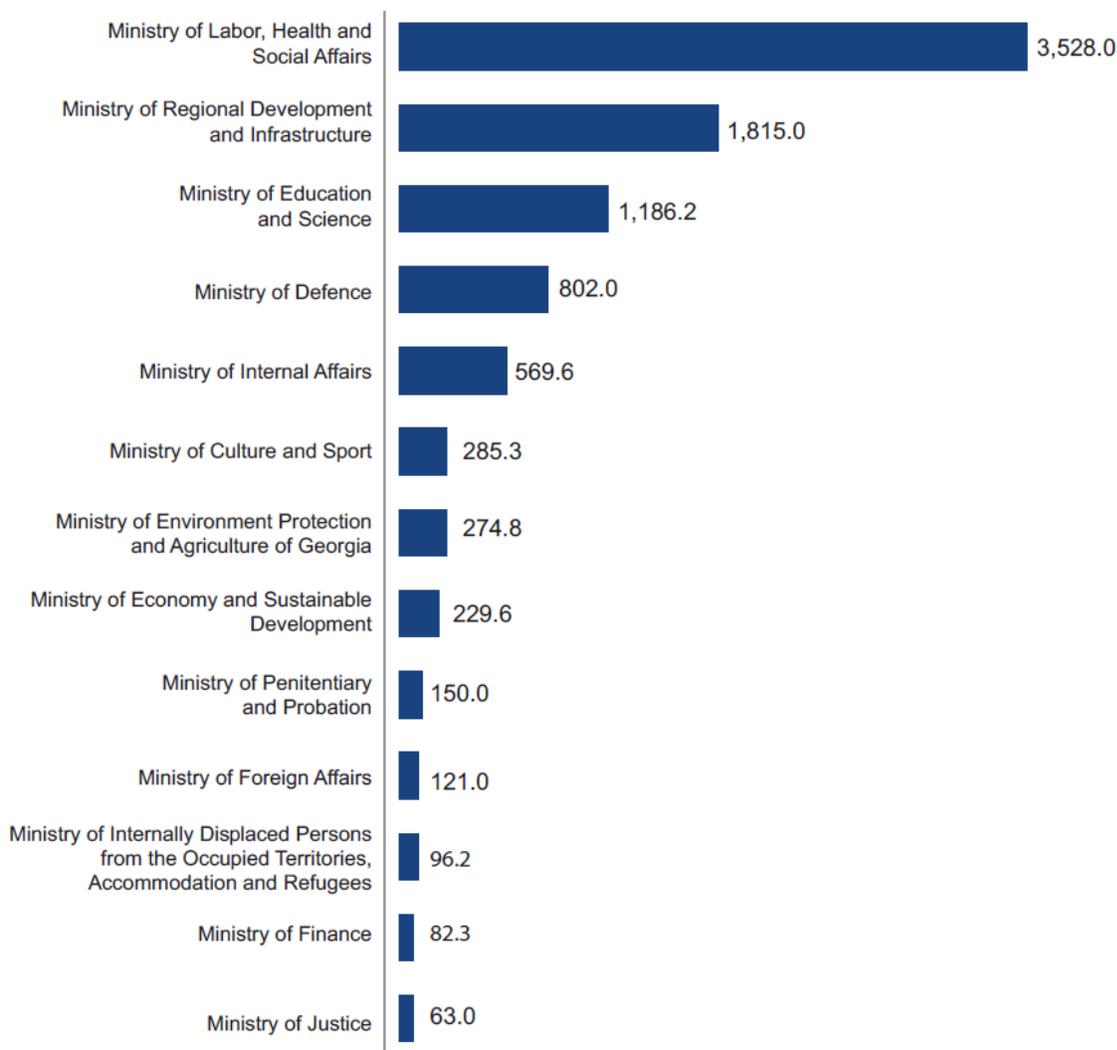


Figure 2 Distribution of GoG budget expenses by ministries, Mln GEL citizen's guide to budget 2018

The GoG spends around 3.8% of GDP on education (4% in Europe and Central Asia)¹, and 3.08% of GDP on health (3.17% in Europe and Central Asia)² - level of spending that are slightly below regional average, with lower outcomes on key health indicators³.

1.3 Background on PFM system and involvement of CSOs

There is a broad acknowledgement of a strong progress made by Georgia in reforming its PFM system - Georgia is currently ranked #5 on Budget Transparency in the Open Budget index. Although the country's overall progress is impressive, nevertheless, it is ranked 17th on participation and 18th on budget oversight. This is partly because of a

¹ Excludes high income countries <https://data.worldbank.org/indicator/se.xpd.totl.gd.zs?end=2016&start=1970> (2015)

² Excludes high income countries <https://data.worldbank.org/indicator/SH.XPD.GHED.GD.ZS> (2016)

³ World Health Organization, (2017) Georgia Profile of Health and Well-being

lack of progress on transition towards results-based budgeting and on introducing effective mechanisms for CSO participation. Both factors impact DPOs' ability to influence the PFM system throughout the budget cycle.

1.3.1 Unfinished transition towards results-based budgeting

Georgia's impressive progress in reforming its PFM system has not yet translated into a genuinely results-based budgeting at the central level. Results-based budgeting is instrumental to effective budgeting for PWDs and their families as well as to achieving results in any other area.

While a number of central government spenders have improved their program budgets (Georgia's equivalent of results-based budgeting) no local government, except Tbilisi government, has managed to put anything remotely resembling results-based budgeting in place since 2013 when Georgia switched to program budgeting. As a consequence, local budget advocacy for PWDs is going to be more of a challenge than budget advocacy at the central level.

Capacity to put results-based budgeting in place needs to be built over time. The switchover has to be experimented on a small scale first. One of the major limitations to putting results-based budgeting in place is that a sound medium-term and long-term planning and evidence-based decision-making, which are pre-requisites of results-based budgeting, are largely absent at either the central or local level.

Another major limitation is that the GoG's program budget template does not include such detail as:

- inputs - the budget template does have output/outcome targets, which, more often than not, are not quantified or quantifiable, but no inputs;
- unit of measurement, unit price, data source, frequency of measurement;
- the degree to which a measurement pertains to inputs vs outputs (the latter must be achieved in 12 months); and
- inputs over a four-year period vs outcome (which are to be achieved in 4 years), responsible institutions or their divisions, breakdown of activities and detailed costings.

Many of the indicators specified are not related to clearly measurable objectives of programmes and do not actually relate to the outputs. They have failed to show whether services contribute towards meeting planned outcomes. These indicators are, therefore, of little value to anyone.

1.3.2 Limited opportunities for CSOs participation

In the disability movement as in the broader CSOs movement there are tensions between DPOs who receive public funds to deliver services and those who do not and are focused on watchdog role. Those tensions highlight the two main role that CSOs can have with regards to the PFM system: providers and/or watchdog.

- CSOs as service providers

In most European countries and beyond, specific support services for PWDs are mostly delivered by CSOs with strong regulations and funding by public authorities. One of the key reasons is that public authorities are usually not equipped to deliver services that have to be highly individualized and responsive to a wide diversity of needs, which is the case in the disability sector. In many low and middle-income countries, support services are often non-existent due to the lack of intermediary service providers, CSOs that would foster required social innovation and national coverage in coordination with national and local public services and community- based groups.

Georgia has a limited number of DPOs and CSOs that aim at delivering services. They are facing the same opportunities and challenges as others CSOs, highlighted in a recent study commissioned by EPF in 2018 with regards to public funding to CSOs in Georgia. Many of those issues have been confirmed by our recent exchange with stakeholders. The most relevant can be summarized as follows:

- Public funding for CSOs is geared towards service delivery either in the frame of a national policy at central level or based on CSO projects at the local level.
- The legal framework at the central level is weak and mostly governed by the laws on grants and public procurement and do not provide a room for a clear strategy.
- There is a lack of regulatory framework for local authorities to give grants to local CSOs efficiently, leading local authorities to use mostly tender regulations.
- The level of financing provided for services is often inadequate and has impact on quality and effectiveness of service delivered to users.
- While the call for proposals or tender processes are fairly transparent there are some issues with regards to composition and functioning of selection committees.
- The current systemic weaknesses may lead to creation of de facto monopoly or oligopoly for CSOs that have a positive history of collaboration with GoG ministries. Those CSOs may be also be in a position to exert greater influence on policy direction via mutual cooptation with authorities

- CSOs involvement in the budget process

The government has made a widely recognized effort at providing greater budget transparency. One example is the publication of the [Citizen's Budget Guide](#) every year. The document explains in fairly simple terms how the Government plans to use tax and other revenues as well as the PFM and budget cycle. This a very good practice, which should be extended to reporting on budget execution to foster greater accountability and transparency.

However, at the national level, the CSO involvement in the budgeting process is not straightforward and is restricted by default to a small group of well-informed professional CSOs and there is not much engagement from interest-based groups such as PWDs.

As mentioned earlier, there are many issues at the local government level with a mutually reinforced vicious circle of poor institutional capacity and lack of fiscal decentralization. This significantly limits the independence and capacity of local governments to fulfil their many responsibilities and bolster needed social innovation. While there are variations across the country, those issues extend of course to participation of CSOs, which may not have the adequate background to engage meaningfully.

On the aspect of inclusive budgeting, it is important to note that while there has been great progress in transparency, efforts to promote gender responsive budgeting that started in early 2010 have not yet borne fruit. As in most countries, there is no classifier in the budget that would allow disaggregation of budget data for specific groups (women, children) and there is a separate classifier for PWDs.

Building on assessment carried out in 2016 for EPF among others, there are several elements, which we would consider critical for DPO engagement:

- There is a need to support both the demand and supply side in making the budget process more inclusive and accountable;
- As mentioned earlier, the unsteady progress towards results-based budgeting creates a lack of clarity as to outcomes that public spending is supposed to achieve, preventing informed dialogue and debates with and among CSOs;
- There are different levels of civil society involvement along the scale of "informing – receiving feedback – consulting – engaging" and it is important to tailor support to CSOs accordingly;
- While a lot of focus has been put on use of information and communication technologies (ICT), it is important to keep in mind accessibility issues as well as data literacy, which is generally low among marginalized groups. More

- efforts should be put towards pedagogic approach that would truly allow engagement;
- There is a need to allow enough time for the consultation process during annual discussions of the draft annual budget with non-governmental stakeholders.

The present process aims at identifying key recommendations that could enhance DPOs' engagement.

2. Making the most of public resources for inclusion of PWDs

This section aims at setting the conceptual basis and provide element of benchmarking for the data analysis of Georgia's use of public resources for PWDs. It includes a section on normative element with regards to CRPD compliant budgeting, understanding cost of exclusion of PWDs as well as element of comparison on public spending for PWDs.

2.1 Disability inclusive or CRPD compliant budgeting?⁴

The UN Convention on the Rights of PWDs (CRPD) – which explicitly sets out state's obligations to ensure the realization of all the civil, political, cultural, social and economic rights of all PWDs – was adopted in 2006 and has now been ratified by 177 countries worldwide. Policy commitments without sufficient, adequate and effective resource allocation, as well as appropriate financing schemes, inevitably result in poor implementation and outcomes as has been the case in the disability policies of most countries for several decades now. It is for this very reason that the CRPD provides an unprecedentedly comprehensive normative framework on the obligations of its State Parties – a framework that can be used to assess and plan public resource allocation.

According to the 2011 World Report on Disability (World Health Organization and World Bank), national implementation of the CRPD requires policy reforms, social innovation, pilot programs and scaling up of successful local practices for most countries and in most policy areas. This in turn requires, in all countries, better and often greater mobilization and use of public resources for inclusion.

In recent years, interest has been growing on the role of public budget in supporting the inclusion of PWDs. The terms inclusive budgeting, disability budgeting, disability responsive budgeting, have been used interchangeably. But do they mean the same?

Inclusive budgeting is probably the broadest concept. It implies that government revenue generation and expenditures will contribute to inclusive development, involving

⁴ Based on CIP July 2018 Discussion paper and related posts

and benefitting all people in their diversity. This includes PWDs among others and pays attention to the impact of revenue generation and expenditures on the most marginalized. It ensures that all marginalized groups are meaningfully consulted in budget processes. For all its strengths, one weakness is that this approach can miss the specific requirements of different groups, particularly the most marginalized within each constituency, for instance services that would be needed for persons with blindness.

Disability budgeting and disability responsive budgeting are an echo of gender responsive and child responsive budgeting, with a focus on PWDs. The issue is that such approaches are not specific enough and can create confusion. For instance, governments, in good faith, might consider as disability responsive budgeting, the act to increase expenditures on items such as primary prevention of impairment (e.g. immunization, demining or mine risk awareness). While worthwhile, these actions do not promote inclusion of PWDs per se. Also, under the heading of "disability responsiveness", governments might consider expenditures that are directly at odds with the CRPD, such as spending on segregated education or psychiatric hospitals that may practice forced treatment and coercion.

CRPD compliant budgeting is more specific and clearly sets expectations for budget analysis and advocacy. Implementation of the binding provisions of the CRPD require that national legal and policy frameworks of a CRPD state party are made compliant with the objectives principles and provisions of the Convention; but equally important is that public budgets and public spending mechanisms effectively contribute to the realization of the human rights of PWDs.

While the CRPD Committee has not yet developed a specific guidance on the subject, one could elaborate few basic elements in line with CRPD Article 3 (general principles) and Article 4 (general obligations) as well as CRPD committee jurisprudence:

- Compliance with the CRPD implies that both in the planning process and the execution of public budget, provisions of the CRPD are strictly adhered to.
- The overall public finance management system contributes efficiently and effectively to the realization of all human rights of all PWDs as specified in the CRPD, using all available instruments (transfers, public procurement, grants, contracts, tax expenditures, etc.).
- All policies or programs, including guidelines or administrative regulations allowing for and related to public expenditures, should be consistent with the CRPD and should not allow for discrimination against PWDs.
- Public resources do not finance programs and services that are in contradiction with the CRPD principles and provision:
 - If such non-compliant expenditures exist, plans are defined and implemented for the reform and reallocation of resources from non-CRPD

compliant towards CRPD compliant policies, services and programs. This may be realized incrementally but a deadline should be set.

- This applies also to services that are publicly funded and/or regulated but delivered by private entities.
- All spending considers the protection and promotion of human rights of PWDs, and, at the very least, are done in ways that prevent creation or perpetuation of barriers:
 - Strong emphasis on accessibility and non-discrimination requirements, including in public procurement regulations, among other specific measures.
 - Too often, investments in infrastructure, services and programmes are likely to inadvertently create more barriers for PWDs, which ultimately produce unnecessary costs to overcome them further down the line, impairing effectiveness of domestic and international resources.
- Public resources should be used to:
 - Sustain and ensure universal access to effective national policies, programs and services compliant with the CRPD.
 - Scale up effective local programs, services and initiatives compliant with the CRPD.
 - Allow for development of new policies addressing gaps in required services for inclusion.
- Specific attention should be paid so that spending supports the inclusion of most marginalized groups among PWDs.
- Maximum available resources, including domestic and international, are mobilized across sectors and at the central and local government level. In many countries, the largest spenders of public resources for disability inclusion are, in descending order: the ministry of social affairs, the health and education ministries, and sometimes the ministry of labor. Most ministries do not have a specific allocation that would contribute to making their services and programs inclusive of PWDs.
- Money follows responsibilities and fiscal decentralization: in many countries, responsibilities for service delivery have increasingly been transferred to local governments, but with no commensurate transfer of resources from the central level, which increases competing priorities at the local level.
- Revenue generation, including taxation, takes into consideration the extra costs faced by PWDs.

- The principle of non-retrogression is fully applied and prevents disproportionate and arbitrary cuts in resources allocated for inclusion of PWDs. Austerity measures that have weakened standards of support across Europe since the 2008 financial crisis are an illustration of such negative policies.
- Budgeting processes and reports are transparent, with agreed upon indicators for monitoring the progress of CRPD compliant budgeting, including not only budgetary allocation but actual expenditures as well.
- PWDs, including children with disabilities, through their representative organizations should be closely consulted in planning and execution of budget at national and local level (Article 4.3).

As mentioned, countries irrespective of their level of income or economic development have to use maximum available resources to meet CRPD commitments, but the way this should be done varies according to context.

For some countries, mostly members of the Organization for Economic Cooperation and Development (OECD) or some former socialist countries, which already have substantial spending on disability (albeit not always sufficient to meet their obligations in full, and subject in recent years to damaging austerity policies), **it implies reallocation of some expenditures towards CRPD-compliant programmes and policies**, such as deinstitutionalization and development of community-based services, with the unavoidable cost of transition.

Most low and middle-income countries (LMICs) have been spending very little for inclusion of PWDs, therefore, **implementing the CRPD implies overall significant increase of budget allocation** in different sectors, education, social protection, especially with regards to development of support services.

Parallel to increasing budget allocation for inclusion of PWDs, CRPD compliant budgeting is also very much about ensuring that there are effective regulations ensuring non-discrimination and accessibility across mainstream sector investments to **make the most of existing expenditures** for inclusion. Ensuring that new infrastructure is accessible is estimated to only increase construction costs by 1-3%. Also, a social clause in public procurement may be used to promote the employment of PWDs, where appropriate, in line with CRPD Article 5.4 (on specific measures to accelerate achieving substantive equality), for instance, by earmarking a certain share of contracts for cooperatives of PWDs and favoring companies which hire PWDs above the existing legal quota.

2.2 Economic cost of exclusion of PWDs

While there may be many in-country debates with regards to public spending for PWDs, little attention is brought to the economic cost of exclusion of PWDs.

2.2.1 Cost of disability for individual and their families

A critical driver of poverty for PWDs are the disability extra costs incurred by the individual and household. These can be:

- direct costs related to greater required consumption of ordinary services such as health care, taxi due to inaccessibility of public transport, utilities or disability specific services such as assistive devices, personal assistance, sign language interpreters, etc.
- indirect costs, including loss of earning capacity due to barriers they face in education and employment as well as opportunity cost for other family members that may be taking the role of caregivers for PWDs, or may not access education because the family do not have the resources.

In very few countries DPOs have actually looked at the real extra cost faced by PWDs and their families, which limit their abilities to estimate the level of support in cash and in kind that would be truly meaningful.

Recent research, mostly using the standard of living (SoL) methods, shows that household with member(s) with disabilities would need around 30-40% higher income to achieve the same standard of living that a similar household without members with disabilities.

However, such approach does not consider all the expenditures that would be required for PWDs to participate on equal basis with others should they be in capacity to pay for required services and goods that would have been available to them (which is rarely the case). A study in South Africa⁵ showed that in that case there are very strong variations of disability related expenses between groups which would range from 2,809 Rand (236 USD) for partially sighted persons to 14,703 Rand (1250 USD) for deaf and blind persons.

⁵ Hanass-Hancock and Deghaye, "Elements of the Financial and Economic Costs of Disability in South Africa: A Pilot Study," 2015

Type and degree of disability	Costs (R)		
	Out-of-pocket costs	Opportunity costs ¹	Total costs
Sight and hearing			
Partially sighted	247–2,809	-1,050*	-803*–1,759
Blind	545–4,344	1,290	1,835–5,634
Hard of hearing	Potentially high	273	Cannot be calculated
Deaf	155–14,030	2,345	2,752–16,375
Deaf-blind	407–14,703	Small sample size	Cannot be calculated
Physical disability²			
Needing little assistance	~130 upward	1,169	~1,300 upwards
Needing assistance sometimes, e.g. paraplegic	~700–3,500, possibly higher	1,975	~2,700 upwards
Needing care and assistance most of the time, e.g. quadriplegic	~2,300–7,000, possibly higher	Not available	Cannot be calculated
Intellectual disability			
Moderate	221–3,852	1,403	1,624–5,255
Severe	Could not collect data	868	Cannot be calculated

Figure 3 disability related cost by disability groups In Rand (1 USD = 11.8 Rand)(H.Hancock 2015) ⁶

Having a good sense of the scale of extra expenditures required for equal participation is essential to assess adequacy of support provided and funded by the state such as the social package and other measures.

2.2.2 Indirect cost of exclusion of PWDs for the economy

The indirect costs of disability consist primarily of foregone income resulting from the presence of a disability. In Georgia, as in the rest of the world, PWDs are more likely to be either unemployed or out of the workforce, both because of barriers in labor market, but also because of the barriers they face in receiving education or vocational training. In addition, when PWDs do work, they often receive lower wages.⁷

One of the ways to assess the cost of exclusion of PWDs from labor market as the loss in GDP caused by disability related exclusion is to measure the gap between what they actually earn and what they would be expected to earn if they were not disabled, summed over all the PWDs. Following such approach, a study by the ILO estimated that the loss to GDP in the LMICs range between 1 and 7 percent of GDP.⁸ These estimates are shown in Table below:

⁶ Ibid

⁷ WHO/World Bank, World Disability Report (2011)

⁸ Backup, S. "The price of exclusion: the economic consequences of excluding PWDs from the world of work." ILO, (2009)

	Percent GDP⁹
China	1.2 to 4.2
Thailand	0.7 to 4.6
Vietnam	2.99
Ethiopia	5.01
Malawi	1.3 to 3.1
Namibia	2.6 to 4.4
South Africa	7.0
Tanzania	3.8
Zambia	2.3 to 4.6
Zimbabwe	0.6 to 3.8

These estimates, however, probably underestimate the impact of disability related exclusion on GDP loss as they only account for the loss from PWDs not producing as much in the labor market as people without disabilities. It does not account for the fact that family members of PWDs might also be working less or not at all in order to care for family members with a disability. Moreover, even if family members are employed, the type and extent of work they can do might be limited. Having to care for a family member for only a few hours a day can still preclude paid work, depending on the flexibility of scheduling. In one qualitative study of how families cope with the additional costs of disability, some family members reported taking lower quality jobs that either because of proximity to home or flexibility in hours allowed them to maintain their caretaking responsibilities.¹⁰

2.2.3 Seeking benchmark on public expenditures for inclusion of PWDs

No international development agency has ever done a specific work on CRPD related budgeting, so there is no official benchmarking of expenditures. As social protection disability benefits often represent the biggest share of disability related expenses, it is used to compare as proxy indicators for disability related expenditures between countries. It often includes support in cash and in kind such as support services and rehabilitation for instance.

At the OECD level, direct public spending on “incapacity” represented on average 2.1% of the GDP (combining disability and sickness) and 1.2 % of GDP on disability alone benefits with strong variation (less than 0.5% in Turkey and more than 4.5% in Denmark)

⁹ Where range is reported, there were two separate estimates in the country coming from different data sources.

¹⁰ Palmer, M, D Mont, N Groce, S Mitra, “A Qualitative Study into the Costs of Disability and Social Protection in Vietnam” Working Paper (2015)

in 2010¹¹. In 2012, EU, social protection benefits related to disability represented in average 2,1% of gross domestic product (GDP)¹². In 2012 OECD and EU alike, most of the spending is cash assistance with 1.7% of GDP on average compared to in-kind 0.4% of GDP average for OECD (disability and sickness) and respectively 1,5% of GDP and 0,6% of GDP for EU (disability alone).

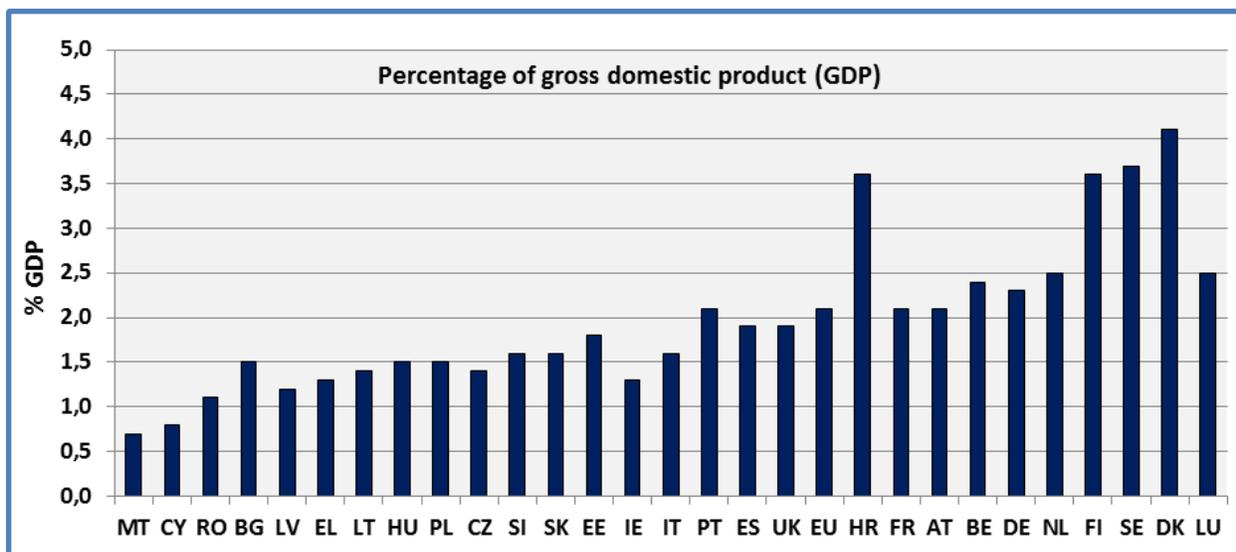


Figure 4 Public spending on disability benefits in EU, 2015

Different research and studies carried out in middle income countries have shown that the disability related spending is usually less than 0.3% of GDP. Recent report¹³ shows public expenditures on social assistance disability benefit for working age adults in 2015 (excluding children with disabilities and elderly) with only Uzbekistan, Namibia, Kyrgyz Republic, South Africa, Namibia and Georgia spending more than 0.3% of GDP.

¹¹ OECD (2010), *Sickness, Disability and Work: Breaking the Barriers*.

¹² ANED, (2017) *Adequate standard of living and social protection (Article 28 of UN CRPD) Statistical Indicators*,

¹³ Development pathways, (2019) *Leaving No-one Behind: Building Inclusive Social Protection Systems for Persons with Disabilities*

3. Analyzing Georgia budget and PFM system from a disability perspective

The analysis of Georgia's budget and PFM system tackled two different components:

- type and size of expenditures on PWDs against:
 - CRPD standards
 - Actual needs
 - Maximum available resources
- barriers and impediments to effective CRPD compliant budgeting
 - Access to information related to the GoG accounting and budgeting methods
 - Decentralization

3.1 Data collection and analysis

3.1.1 Methodology

The first step in the analysis was to consult with Georgian DPOs and allies during a workshop in July 2018. During the workshop there were preliminary exchanges on different topics:

- Getting benchmark from international comparisons
- Basic elements of budgeting
- Learning about budget process in Georgia
- Agreeing on meaning of CRPD compliance

This common background allowed for a joint exercise that would set the parameters of the data collection on spending for PWDs on the central level. DPOs have been working in small groups to identify what are the current PWD-related budget lines across sectors. This was done taking into consideration:

- The level of funding (non-existent – incomplete – adequate) or whether it was done by NGOs with donors' funds.
- The CRPD compliance (against the CRPD, "Neutral" with risk of discrimination, in the right direction, CRPD compliant).

This contributed to establishing a list of items for each ministry for which DPOs have identified existence of public spending.

Based on those parameters, data collection has been carried out through:

- Request for information, follow up consultations as well as the ensuing correspondence with the Ministry of Internally Displaced Persons from the

Occupied Territories, Labor, Health and Social Affairs, Ministry of Education, Science, Culture and Sports, Ministry of Justice, Ministry of Internal Affairs, Ministry of Regional Development and Infrastructure, Ministry of Economy and Sustainable Development, Ministry of Finance, Ministry of Environmental Protection and Agriculture, Central Election Administration

- Analysis of the 2019 State Budget
- Brief review of budgets of selected local governments (Tbilisi, Bolnisi, Kutaisi, Zugdidi)

The present report highlights the main findings from the budget analysis. All information and detailed data have been compiled in 3 different matrices (MoLHSA, MoE, and other ministries) and shared with DPOs in order to give them a baseline to build on for budget monitoring.

3.2 Challenges in data collection and analysis

Georgia's budget is classified on functional, economic, line-item, administrative and programmatic lines. The line-item classification is a hangover from an earlier incremental, input-based budgeting system. The functional classification is the only tool of aggregating sectoral/thematic expenditures such as PWD-related expenditures. It is complementary to the economic classification, serving to distinguish transactions by policy purpose, or expense by output. Its main purpose is to clarify how spending by the government contributes to social, economic and other objectives.

However, the quality of information is dubious, with many inconsistencies in the aggregation. The relations between budgeting, accounting for funds spent, and reporting by the State Audit Office (SAO) and in the national public finance statistics are not clean-cut, disabling the link between policy and actual spending, and ultimately undermining both budget accuracy and accountability.

Furthermore, there is little to no combined disaggregation of data by gender and disability, which prevents assessment of public funding benefiting women with disabilities. The consultations as well as the ensuing correspondence with the eight ministries and Central Election Administration made it clear that most of the PWD-related expenditures are hardly included in the budget and when they are, the level of detail is sparse at best.

Moreover, the ministries incur disability-related expenditures that are not only missing from the budgets but no one apart from their accounting departments keeps track of. These are the expenditures that even accountants themselves have hard time retrieving. For instance, the MoLHSA never provided the data about some of the universal healthcare programme co-payments for PWDs: 31 rare diseases and 44 diseases subject to replacement therapy and tens of both in-patient and out-patient services related to these diseases.

Therefore, examination of the state Budget alone gives a very vague idea of PWD-related expenditures. Thence, it is for now very difficult to tell how the Budget helps promote, protect and ensure the full and equal enjoyment of human rights and fundamental freedoms by PWDs.

Considering the current status quo, for a budget advocacy to promote effective inclusion and participation of PWDs in public life, DPOs have to tease out the detail from the Budget, treasury budget execution data, and, first and foremost, request the right information from central/local government bodies. This would be the only way to get the details of how much goes to PWDs both directly (the so-called programme expenditures) and indirectly (the so-called administrative expenditures) and to identify funding gaps.

3.3 Results

From the data received, and reflecting both trends in other countries, the main spenders are, unsurprisingly, the MoLHSA followed by the Ministry of Education, Science, Culture and Sport and very little to none in other ministries. Other than MoLHSA and MoE, ministries do not show any systemic trends in PWD-related spending. Their spending on PWDs is ad-hoc and piecemeal, which is related to the fact that they do not run any dedicated budget programs/subprograms. The Ministry of Economy and Sustainable Development reported no expenses for PWDs, while the Ministry of Regional Development and Infrastructure, reported only a single training on adapting premises for PWDs for the Municipal Development Fund.

Overall, over the last 5 years PWD-related spending has been on the rise in both absolute value and as percentage of GDP reaching 0.58% of GDP in 2013, 0.71% in 2016 and 0.73% in 2018. Based on the data by the major spenders (MoLHSA and MoE), our estimate of the State Budget expenditures on PWDs is at least 213 million GEL in 2018. This would reach at least 237 million GEL with all mental health related spending. However, mental health spending cannot be considered disability related as there are significant CRPD compliance issues for a substantial portion of it.

3.3.1 Ministry of IDPs from the Occupied Territories, Labor, Health and Social Affairs

The main expenditures of MoLHSA for which data were available are the social protection benefits (93% of the identified expenses) and the social rehabilitation and childcare program (7% of the identified expenditures), a total of 203,640,609 GEL.

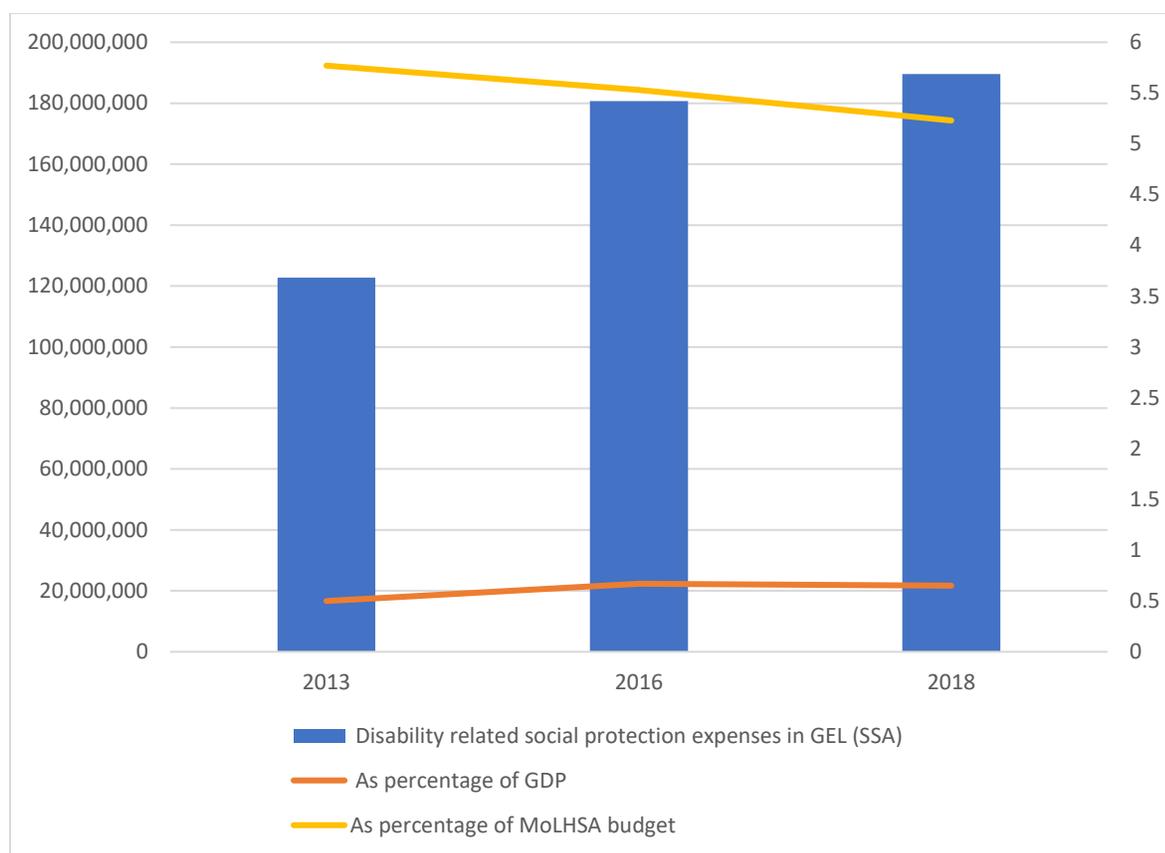
The expenditures for the social package represent the bulk of social protection benefits, distributed in 2018 as follows:

Type of benefit	Children with disabilities 0-18	Persons with severe disabilities	Persons with significant disabilities	Persons with moderate disabilities	TOTAL
Amount in GEL	22,630,870	60,137,395	93,004,105	13,769,239	189,541,609
% of total	12%	32%	49%	7%	100%

In the last 5 years this budget line has significantly increased in absolute value (from 120 Million GEL to 189 Million GEL) and as share of GDP (0.5% to 0.64%) but has been decreasing as share of the total budget of the MoLHSA while the number of beneficiaries increased slightly from 122,940 in 2016 to 125,196 in 2018. A per capita spending has increased from 1,177 GEL/year/person to 1,514 GEL/year/person.

Year	Budget allocation	Number of PWDs	As Percentage of GDP	As Percentage of the Total of Ministry's Spending
2013	132,954,277	122,940	0.54	6.25
2016	180,658,471	125,248	0.67	5.53
2018	189,541,609	125,196	0.66	5.23

Recent reports and our exchange with DPOs have highlighted the fact that the social package does not cover adequately most disability-related expenses of individuals and families, let alone ensure decent living. However, from an opportunity cost perspective, it is also important to note that an increase of 20 GEL of the social assistance package for 75,000 PWDs would cost 18 Million GEL per year, which is 1.3 times more than the total budget dedicated to disability related rehabilitation and childcare and 3 times more than the 2018 Budget for inclusive education.



Based on data provided, the main budget items for the social rehabilitation and child care program are in descending order: assistive devices, child rehabilitation and day care centres.

State Program for Social Rehabilitation and Childcare	Budget, GEL	%
The subprogram for assistive devices:	4,100,000	29.1%
Child rehabilitation/ habilitation	2,950,000	20.9%
Day Centre subprogram	2,921,000	20.7%
Early Child Development subprogram	1,700,000	12.1%
The subprogram for foster families	1,308,000	9.3%
The subprogram for community-based organizations	610,000	4.3%
The subprogram for small foster homes	264,000	1.9%
The subprogram for home care for children with severe mental handicaps	198,000	1.4%
The subprogram for facilitating communication by the deaf (interpreters)	48,000	0.3%
Total	14,099,000	100.0%

Do public spending benefit equally all PWDs?

If social package spending tends to support the different groups of PWDs all over the country, situation differs with regards to services. Indeed, when looking at different services funded by the MoLHSA and the number of beneficiaries, some services and

groups appear to have been prioritized and there may be question about equity consideration in budget allocation process. This does not imply that some spending should be reduced but that in considering increase in coming years more efforts should be done to ensure that all groups benefits of budgetary efforts.

For instance, the budget allocation for sign language interpreters represents 0.3% of the overall program spending. This supports only 10 sign language interpreters to provide communication support all over the country and has remained the same over the last 5 years. While the recent project "Enhanced service for all" aimed at improving access to service including by training 20 workers of Tbilisi Public service hall in sign language to serve people with hearing disabilities¹⁴, it is difficult to see how maintaining expenses for sign language interpretation at such a low level will ensure access to all public service and socio-economic participation of deaf people at national level. In contrast, the number of children with disabilities using day centres and the related budget increased by 80% between 2012 and 2016.

Year	2012		2014		2016	
	Users	Expenses	Users	Expenses	Users	Expenses
Orthopedic prosthetics	987	1,178,859	816	1,134,852	776	1,712,272
Cochlear implants	151	1,583,851	131	789,781	107	1,457,755
Wheelchairs	1,100	297,600	517	500,250	717	559,624
Hearing aids	1,713	739,810	1,335	291,698	1,900	471,950
Crutches, walking sticks, walking frames	na	na	160	5,445	99	1,862
Total	5,963	3,800,120	4,973	2,722,026	5,615	4,203,463

Also, there has been a significant investment in cochlear implants related intervention over the years. In 2016, the budget for cochlear implants is 30 times higher than for sign language, while representing 3% of the beneficiaries of assistive devices but 34% of this budget and 10% of the total disability related rehabilitation and child care program expenses. There has also been feedback from DPOs regarding serious issues due the lack of adequate rehabilitation post cochlear implant surgery, severely undermining the effectiveness of the initial intervention.

Such findings do not call for reduction of spending on cochlear implants but rather considering serious increase of funds to support development of a national sign language interpretation system that would be useful and co-funded by other ministries and local authorities as well as improving rehabilitation to optimize outcome of cochlear implants intervention.

¹⁴ <http://www.ge.undp.org/content/georgia/en/home/presscenter/pressreleases/2018/creating-an-inclusive-and-equal-society.html>

Beyond the issue of different groups of PWDs, review of existing reports and exchanges with stakeholders during the data collection and workshops shows that PWDs living away from the few main urban centres, especially the capital, do not have equal access to services. The limitation of central government service delivery infrastructure and current weakness of local authorities in regions to enhance national programs and develop missing services due to technical and financial capacity limitation create significant inequalities among PWDs across Georgia. Reforms towards greater fiscal decentralization such as redistribution of share of Value Added Tax revenue to local authorities, could contribute to improve the situation if they are accompanied by disability inclusion related capacity development.

Does all disability related spending truly contribute to inclusion of PWDs?

There is no doubt that spending on assistive devices and social package contributes to inclusion of PWDs and support for foster families contributes to deinstitutionalization. However, an objective and in-depth analysis of adequacy and effectiveness of current spending is needed to assess to what extent it truly contributes to inclusion of PWDs in line with CRPD standards.

One of the main points of the debate is public spending on mental health, which is an issue in many countries. Georgia spends around 24 million GEL a year on mental health. While there has been a significant increase of resources allocated in community support in recent years, such as outpatient and crisis intervention services, more than half of current mental health spending may not comply with obligation of states under the CRPD to provide quality care and support in the community based on free and informed consent or to prevent institutionalization. In addition, community services such as prevention and crisis intervention do not seem to be resourced enough to be operational, especially outside of the main cities. CRPD compliant budgeting would imply significant reallocation of funds over the next years from institution/psychiatric hospital-based services towards effective community support services such as the 3 psychiatric rehabilitation day centres and peer support groups among others.

As for children with disabilities, recent report¹⁵ and feedback from several DPO participants identified issues with many day care centres, which are too understaffed and under-resourced to be able to truly support both rehabilitation and inclusion of children with disabilities. The public funding allocated for each child is thought inadequate and there seems to be a lack of clarity and standards on the exact role and purpose of the day care centres for children, including a planned and regulated function of stepping-stones and support for inclusive education of children with disabilities.

¹⁵ "Supporting the Development of Quality Day-care Centres for Children with Disabilities in Georgia", Julia Hayes (2017) Mac Georgia and Inclusion creativa

Overall, there is a need for ministries, DPOs and services providers to have a frank and informed conversation on policy choices that have to be made to increase progressively and in a balanced manner:

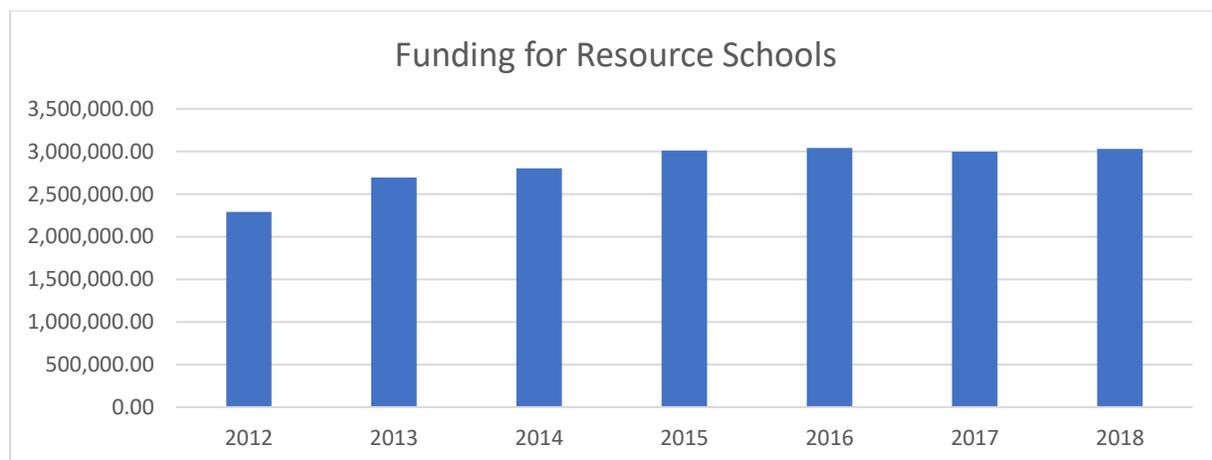
- Equity between disability groups, including in terms of geographical distribution of services,
- Quality and effectiveness of services with outcomes measured in terms of inclusion and participation in the community in line with the CRPD.

3.3.2 Ministry of Education, Science, Culture and Sport

The Ministry of Education, Science, Culture and Sport provided detailed breakdown of:

- ❑ 1,455 schools that have children with special educational needs by region, district, school year, number of children with special educational needs and number of specialized teachers,
- ❑ 23 higher education institutions by region, district, number of students with special educational needs.

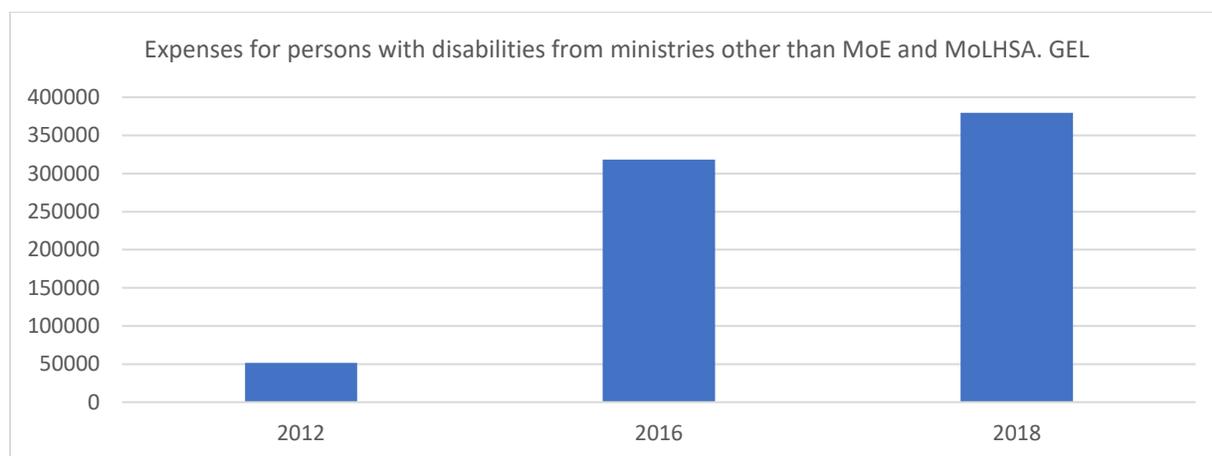
Based on data received, the Ministry spent 6,771,800 GEL on supporting inclusive education for children with special educational needs in 2016 including 3,040,335 million on resource schools (dedicated schools for children with disabilities), which in total was 1% of the total budget of the Ministry.



It is important to note that, from 2012 to 2018, the funding for resource schools was stagnating while the total budget for supporting children with special educational needs in mainstream schools was increasing, which shows a shift towards inclusive education in terms of resources allocation.

3.3.3 Other ministries

The Ministry of Justice, the Ministry of the Internal Affairs and the Ministry of Environment Protection and Agriculture as well as the Electoral Administration have all incurred PWD-related expenditures even though they are not running any dedicated PWD-related budget programs/subprograms. However, while findings showed that, in part thank to donors' funds, there has been a significant increase over the last 5 years, the level of allocation is not substantial enough to ensure that the programs and services of those ministries will be accessible and inclusive for PWDs.



While there has been some progress in recent years, there is still a significant lack of disability awareness of divisions/branches/agencies within the GoG ministries and municipalities that do not have primary responsibilities for services for PWDs. In addition, the legal and regulatory frameworks do not yet clarify the obligations across ministries and PFM system that would ensure accessibility and non-discrimination for PWDs (for instance in public procurement).

3.4 Donors approach

In 2017 Net Official Development Assistance from all donors was USD 446 million (3.1% of GNI)¹⁶. With limited fiscal space and a vast majority of public funds for disability financing social benefits, donors funding can have a strong impact on social innovation, piloting new services and financing DPOs advocacy.

In recent years, all major donors have made investment in disability:

¹⁶ World Bank (2019) <https://data.worldbank.org/indicator/DT.ODA.ODAT.GN.ZS>

- USAID that provides approximately \$40 million annually to Georgia in aid has been supporting several programs:
 - Promoting Integration, Tolerance and Awareness (PITA) Program supports awareness raising and promotion of inclusion of PWDs;
 - Protection of Children with Disabilities, implemented by UNICEF, supports development of community-based services as part of deinstitutionalization process for children with disabilities (\$1 million over five years in grants);
 - #SeeEveryColour, implemented by UNICEF and co-financed by the EU, is a two-year campaign addressing stigma against children with disabilities;
 - Strengthening Physical Rehabilitation in Georgia (SPRING), implemented by Emory University in partnership with Tbilisi State Medical University and Coalition for Independent Living, aims at strengthening the capacity of existing and emerging physical rehabilitation professionals. It should also finalize functional assessment tools to support the social model of disability and strengthen disability referral systems. It is a four-year \$4.5 million grant.
- European Union is the largest donor in Georgia with more than 100 projects totaling around Euro 453 million for the period of 2017-2020 under the Single Support Framework. The Frameworks commits to pay specific attention to PWDs in good governance and employment programs, albeit within a broader category of vulnerable groups. The EU have been financing multiple projects on disability such as:
 - Educate, Employ, Advocate and Legislate for Equal Opportunities for PWDs project, with budget of 377,981 Euros;
 - Accessible parliament with support of UNPD;
 - Disability is mainstreamed in different programs such as the European Union- Council of Europe joint project *Strengthening the Application of the European Convention on Human Rights in Georgia*
 - Part of the EU financial assistance goes through the government budget support, which can potentially bolster the GoG support for PWDs.
- World Bank in its Country Partnership framework for 2019-2022 also pays specific attention to PWDs among other vulnerable groups in employment programs but also specifically mentions that “new infrastructure will be designed with a commitment to universal access to ensure that PWDs can make use of it”.

The major development partners of Georgia pay increasing attention to the rights of PWDs. Both the EU and WB agreements with the GoG explicitly mention inclusion of PWDs, which provides a reference for more advocacy to ensure that major donors mainstream rights of PWDs in their programs and investment.

4. Key issues and recommendations

4.1 Summary of key issues undermining optimum use of maximum available resources for inclusion of PWDs

After reviewing applicable materials including related reports, the data collection and exchange with DPOs and authorities, several issues have been identified within the PFM system as well as with the disability policy framework, which prevent or impair the national stakeholders' ability to mobilize and use available public resources for inclusion of PWDs effectively, efficiently and equitably.

4.1.1 Generic PFM issues that may impact PWDs

Most of the issues identified are not specific to disability but do have an impact on PWDs and their representative organizations as well as other groups. These issues include:

- Budgeting mechanisms:
 - There is a lack of consistent accounting for and aggregation of expenditures for PWDs (which would apply to other marginalized groups or gender equality) with discrepancies between budget documents.
 - As the GoG's results-based budgeting has not as yet been completed, there is a limited ability to assess accurately to which outcomes public budget is supposed to contribute. This may prevent monitoring and proper dialogue on the effectiveness of spending to support inclusion of PWDs.
 - There is also a lack of budgeting responsibilities of divisions/branches/agencies within the GoG ministries and municipal departments, which are held responsible for services for PWDs.
 - There may be limitation in the way the ministries and local authorities mobilize effectively international development assistance funds.
 - Weakness of PFM related consultation mechanisms with civil society, which is restricted to a small number of informed and vetted actors.
- Local authorities:
 - Across the country, local authorities may not have the skills and resources to enhance impact of national program and mobilize resources to create new required services. This generates significant inequalities in terms of geographical distribution of services. With current capacity, many local authorities may not be in position to make the most of the increased

revenues resulting from an arrangement whereby a share of VAT revenues goes to the local governments starting 2019.

- Financing for CSOs
 - The lack of comprehensive and effective regulatory framework for central and local level grants and contracting of CSOs may impair capacities of both CSOs/DPOs and public authorities to expand provision of both the range of needed support services as well as the national coverage.

In order to tackle these systemic problems, DPOs would most likely need to ally with other civil society groups. However, they can support pioneering ad-hoc changes in their respective sector that can eventually contribute to broader changes.

4.1.2 Disability policy specific issues

There are few PFM issues that are solely disability related per se, but there are several disability policy issues that do undermine capacity of the PFM system to ensure that Georgia makes the most of available resources for inclusion of PWDs.

- Public spending across the board does not contribute to inclusion because of:
 - the lack of legally enforceable regulations across ministries and public financial management mechanisms and processes clarifying obligation to ensure accessibility and non-discrimination for PWDs, including public procurement. This implies that every year public funds are spent for services that are not accessible to PWDs (e.g. an inaccessible new website).
 - the lack of disability awareness of divisions/branches/agencies within the GoG ministries and municipalities that do not have primary responsibilities for services for PWDs.
- Issues that stand in the way of equitable and effective spending:
 - Lack of systematic and transparent consultation during the budget process with a greater diversity of DPOs, which may give disproportionate influence to the few actors that have relatively larger public funding for services. As budgeting often evolves incrementally, there is a tendency to increase allocation for existing budget items, which sometimes will be at the expense of supporting new services that may benefit different groups.
 - Lack of coordinated and whole of government strategy (at both the central and local level) for inclusion of PWDs and related monitoring that would allow for concerted prioritization and mutual leveraging of public spending (across ministries and at both the central and local level). Such

strategy (both at the central and local level) should be based on evaluation of CRPD compliance, effectiveness, efficiency and equity of current spending as well as on the upcoming comprehensive disability legislation.

- The current disability assessment methodology and information management system does not provide relevant information on the support needs and barriers faced by persons with disabilities.

4.1.3 Issues specific to DPOs

As in many CIS countries, the progressive development of services led by DPOs and affiliated NGOs created a nexus of collaboration with government, which is a pattern across many CIS countries. This nexus tends to be perceived by watchdog DPOs as an oligopoly lacking transparency and accountability.

These tensions tend to prevent collective consensus on key priorities for the implementation of the CRPD that would be both effective and equitable, which is challenging to achieve due to a vast diversity of issues related to PWDs across age and impairment groups.

One of the key patterns in incremental budgeting is increasing funding for a service that evolves over time, namely:

- The government allocates funds for one DPO to create and run a service for which this DPO advocated. If viable, in the next 10-15 years, there will be most likely progressive increase of budget allocation for this service.
- The DPOs being very busy in delivering the service and seeking to improve progressively quality and coverage thereof and having growing staff responsibilities tend to focus on securing those resources and may act as a policy space gate keeper.
- Often there are two challenges:
 - ✓ the first one is that when a DPO becomes a publicly funded service provider, it also become a de facto duty bearer accountable both to the government and the community of beneficiaries. Boundaries often get blurred, as the DPO often remains a key advocate.
 - ✓ the second one is that often it happens inadvertently at the expenses of groups, which did not have access to policy making process and for who very little services are developed.
- one of the upsides of having DPOs delivering service is also a certain guaranty of focus and sustained engagement while other civil society providers might not have the same focus.

In Georgia as in many CIS countries, there is an urgent need for coordinated work by the diversity of DPOs representing all disability groups throughout various geographic location.

4.2 Recommendations

As mentioned above, issues identified are of different nature requiring action at a number of levels to significantly improve the situation. Please note that some recommendations are repeated as they are targeted at different outcomes.

For the government:

Overall the recommendations below should be framed simultaneously within efforts to implement the CRPD as well as the reform of public administration in line with the public administration roadmap.

- 1 **National Coordination:** In line with Articles 4 (general obligations), 31 (data) and 33 (national monitoring and implementation) of the UNCRPD, and in order to avoid duplication or contradictory policies that would undermine effectiveness of spending and enhance complementarity and synergies of policies and public spending, the GoG has to ensure formal and effective coordination between its ministries. There is a consultation body formally located under the prime minister office, however feedbacks from DPOs highlighted that it was not currently effective. While it might be located at the right level, its functioning may need to reconsider. There is need to strengthen coordination through:
 - 1.1 (Re)Appointment of disability focal points to all ministries, public agencies and local authorities
 - 1.2 developing an effective and formal national coordination mechanism.
 - 1.3 Ensuring availability and accessibility of quality data across sectors and levels of government
 - Ensuring adequate disaggregation by disability, sex, age and location of all relevant census, survey and administrative data
 - Ensuring adequate coding of disability related budget expenditures and expenses across budget documents
 - 1.4 Ensuring that commitments under the UNCRPD are included in regulatory frameworks and budgets across all sectors and level of governments.
- 2 **Ensure effective and meaningful participation of the diverse groups of PWDs** in the policy making, budgeting and the wider PFM including through:

2.1 making quality data across sectors and level of government publicly available

- Ensuring adequate disaggregation by disability, sex, age and location of all relevant census, survey and administrative data
- Ensuring adequate coding of disability related budget expenditures and expenses across budget documents
- Ensuring publication of the yearly budget guide in accessible format
- Providing DPOs with summary data of previous and planned public spending and outputs/outcomes on disability inclusion, for instance based on the matrices that have been produced for this report.

2.2 Holding collective meetings prior critical steps of the budgeting process with DPOs and ministries to establish budget priority for the coming year and follow through.

2.3 Conducting meetings between ministries and DPOs at critical junctures of the budget process, starting with consultation in March regarding the Basic Data and Direction (BDD) as well as including DPOs in any sectoral working groups together with other CSOs.

2.4 Involve DPOs in CSO PFM related consultative mechanisms.

2.5 Involve DPOs in public procurement committees with regards to infrastructure (built environment, transport and ICT) and services for which accessibility is critical as well as with regards to disability related services among others.

It is to be noted that mechanisms should be in place to ensure that DPOs involved in the consultation represent the diversity of disability groups as well as to address possible conflict of interests for DPOs that are both advocate and publicly funded service providers.

3 Ensure that public spending foster accessibility and inclusion: In relation with the recent guidelines aiming at promoting accessibility and inclusion across public services for all (2018)¹⁷ and in consultation with all relevant DPOs clarify respective obligations of all ministries, public agencies and local authorities in relation to the CRPD, as well as draft legislation to ensure that public spending fosters accessibility and inclusion by:

3.1 Developing comprehensive accessibility standards and related enforcement mechanisms across ministries, public agencies and local authorities

3.2 Defining obligations and related enforcement mechanisms of ministries, public agencies and local authorities to provide reasonable accommodation to PWDs

¹⁷<http://www.ge.undp.org/content/georgia/en/home/presscenter/pressreleases/2019/disability-sensitive-public-service-delivery-becomes-a-new-stand.html>

3.3 Ensuring systematic and progressive increase of resource allocation (consider possible earmarking) to all ministries, other public agencies and services and local authorities to cover:

- Disability, equality and CRPD related training for staff
- Putting accessibility requirements for all new investments
- Gradual implementation of accessibility requirements for all existing services and facilities
- Providing reasonable accommodation to and further specific support for users with disabilities

3.4 Including accessibility and non-discrimination requirement in public procurement regulations

3.5 Ideally, within the public administration create a cross ministry technical monitoring mechanism made of public officials and DPOs in their diversity, which would:

- Develop training/retraining material and guidelines for public agencies and services
- Organize trainings of public agencies and services and local authorities
- Conduct accessibility and non-discrimination access audits at all levels across all sectors
- Monitor respect for accessibility and non-discrimination requirement in public procurements
- Evaluate and report annual progress at the national level

3.6 Pulling funds across ministries to invest in:

- Development mechanisms to ensure national coverage of interpretation services and training of adequate numbers of sign language interpreters as well as interpreter-guides for deaf and blind persons.
- Development of common technical and operational capacities and related mechanisms to produce public documents in accessible formats for diverse PWDs, including documents in "easily read" format among others for all ministries, public agencies and local authorities.

4 Results-based budgeting for inclusion of PWDs: Building on current efforts, international and local best practices, piloting results-based budgeting for inclusion of PWDs by:

4.1 Ensuring availability and accessibility of quality data across sectors and levels of government

- Ensuring adequate disaggregation by disability, sex, age and location of all relevant census, survey and administrative data
- Ensuring adequate coding of disability-related budget expenditures in all relevant budget documents.

4.2 Ensure that relevant divisions/branches/services within the GoG ministries and relevant municipal departments have a real responsibility for budgeting (independent user/password access to e-budget) on a pilot basis so that they can:

- identify with DPOs outcomes and outputs and related verifiable, understandable, and time-bound indicators for all programs and sub-programs respectively
- Estimate and negotiate budget for implementation of agreed outputs and outcomes
- Systematically collect, analyze, and report data that tracks disability-related resources used, work produced, and whether specific outputs and outcomes were achieved
- Present performance information alongside budget amounts, which will improve budget decision-making by orienting funding choices towards results

5. Ensuring optimum use of public resources at the local level for inclusion of

PWDs: In addition to measures specified in Recommendation #1 and 2 and in the frame of gradual operational and fiscal decentralization including VAT redistribution), development of adequate regulatory framework and capacity development of local authorities to:

5.1 Integrate the different commitments by various government strategies, action plans and international treaties into municipal program budgets

5.2 Develop local disability inclusion action plan, in consultation with PWDs, including children and their families, and their representative organizations to identify priorities in terms of

- Progressive accessibility of existing built environment, transports and ICTs services
- Complementing and enhancing impact of existing centrally/locally funded programs, schemes and services
- Development of new services on a pilot basis or based on existing good practices in other regions and municipalities

5.3 Contract out disability support services in a sustainable, transparent and effective way to CSOs

5.4 Use results-based budgeting as detailed in Recommendation # 4

Note: In order to tackle the municipal/regional inequalities, it could be relevant to explore the feasibility of a financing mechanism to ensure that local authorities with less resources are able to invest in accessibility and development of support services needed for inclusion of PWDs.

6. Reform of the disability assessment methodology: DPOs have insisted that the current approach of disability assessment

- New approach has to move away from focus on impairment and diagnosis to really assess the support needs and barriers faced by people with disabilities
- The assessment should generate data about the support that people really require not solely on eligibility to existing benefit and services.
- Data from individual disability assessment should be aggregated to get a sense of need for different services across the country. This would help both local government and MoHLSA to plan required resources for development of support services.

7. Make the most of international development assistance: Build the ministries' and local authorities' capacity to engage in successful budget advocacy and lobbying, i.e. making sure that they have the skills to appropriately justify their requests for additional funding for needed social innovation and service development for inclusion of PWDs.

For Organizations of PWDs

Georgia has gradually increased its fiscal effort and now spends around 0.7% of its GDP on disability-related expenditures. Most of the expenditures are dedicated to payment of social benefit with less than 15% spent on services: social services, rehabilitation and education. With economic growth, the GoG's revenues are increasing and thence its capacity to provide more support for inclusion. However, to ensure that this materializes, there is a need for a coordinated and sustained advocacy by DPOs. As in most countries, DPOs face a number of challenges to engage effectively in budget advocacy:

- Lack of consensus and coordinated advocacy about key demands related to CRPD implementation. Most of the demands by the DPOs are compartmentalized and do not include the issues common to all PWDs.
- Need for further understanding of national policy implementation, decentralization and PFM system for development of key demands and effective participation in the budgeting process.

- Understanding the larger economic (progressive taxation, increase in social spending) or general public policy and public finance issues (lack of efficiency in use of funds, corruption, etc.) that also impacts PWDs.

To ensure a meaningful and effective engagement with central and local government with respect to recommendations 1-6, DPOs would have to develop a collective/coordinated initiative, which could help implement these recommendations.

8. Initiate a budget advocacy collective/coordinated platform working for more and better mobilization and use of public resources for inclusion of all PWDs across the country:

- As suggested by participants in the January 2019 workshop, different DPOs could organize different organizations each time to build collective ownership and shared leadership.
- Ensure involvement of all disability groups as well as DPOs from regions.
- There is a need to take stock and acknowledge the strength and weaknesses of the current state of play in a constructive manner and identify the best way to move forward collectively.
- A key element to do so is to conduct a gap analysis that will focus on the overall system and public spending and gaps in support services and accessibility across the country rather than the issues within the DPO communities which cannot be solved without greater consensus on the key priorities to achieve a more inclusive Georgia for all PWDs by 2030.
- Such a collective platform should also engage with other CSOs that are active in the field of PFM and budget advocacy as many of the recommendations formulated for the government will require advocacy of a broader CSO movement to achieve lasting and systemic changes.
- More in-depth training should be sought by DPOs to better understand the intricacies of the budget process and benefit from the experience of the other CSOs.

9. Gap analysis: Based on data collected on evolution and current state of public spending for this report (matrix), DPOs should collectively conduct a gap analysis that would assess against the CRPD and Sustainable Development Goals (SDGs):

- The extent to which some groups are positively or negatively affected by current budget allocations.
- Whether public spending contributes to inclusion of PWDs.
- Whether public spending contributes to segregation and violation of rights of PWDs.

- Possible ways to advocate for reallocation of funds for non-compliant programs towards existing or new CRPD-compliant ones.
- Gaps in terms of CRPD provisions that are not incorporated in the legal framework or/and budget programs (i.e. are not publicly funded).
- Assess the level and type of extra expenses faced by PWDs and their families.
- Identify what are the most cost effective and sustainable way to ensure coverage of those extra costs via cash transfer, in kind support, services or vouchers.
- The gap between the quality and quantity of services that are currently funded and the actual needs of PWDs at the national level.
- Gap in the PFM system (consultation process, regulatory framework for scaled up, effective and accountable contracting of CSOs as service providers by local authorities, fiscal decentralization, etc.).

10. Priority plan for 5 years advocacy for the implementation of the new legislation on PWDs, which will become a common base for budget advocacy: based on the report and the gap analysis, develop a theory of change and seek consensus on prioritization of implementation of new disability rights law among others by:

- considering the opportunity cost of increasing monthly amount of social package instead of investing in services
- considering the technical feasibility, level of impact on numbers of PWDs, on most marginalized groups, possible multiplier effects as well as potential financial cost and time required for implementation of the different legal provisions
- defining priorities in terms of disability-specific services paying due attention to most marginalized groups and municipal/regional inequalities between:
 - i. Strengthening quality and scaling up coverage of an existing program/service
 - ii. Cutting an existing spending and reallocating the funds to another existing or new program
 - iii. Creating new program or services for inclusion of PWDs .

11. Budget monitoring and analysis: based on the matrix provided in the frame of this report:

- Assess annually the evolution of budget allocation across ministries, including programs of ministries that do not have specific disability related functions but should become more inclusive
- Assess the level of utilization of funds of programs and sub programs across sectors and identify potential bottlenecks
- Compare budget allocation and budget utilization with outputs and outcomes at the local level

- Disseminate information to local DPOs to create a national/local flow of information.

12. Ensuring that public spending contribute to accessibility and inclusiveness of public services (consider together with Recommendation # 3):

- Take part in CSO consultative mechanisms in PFM
- Advocate for comprehensive accessibility standards and related enforcement mechanisms across ministries, public agencies and local authorities
- Push for accessibility and non-discrimination requirement in public procurement both for central and local authorities
- Conduct accessibility audit and produce an annual report
- Advocate for the creation of a monitoring mechanism (alternatively a DPO led structure with loose connection to authorities) made of public officials and DPOs which would:
 - Develop training/retraining material and guidance for public agencies and services
 - Conduct training of public agencies and services and local authorities
 - Conduct accessibility and non-discrimination access audits at all levels across all sectors
 - Monitor respect for accessibility and non-discrimination requirement in public procurements
 - Evaluate and report yearly progress made at national level.

13. Yearly budget advocacy: based on the gap analysis and priority advocacy plan for implementation of the new law and the budget monitoring (consider together with Recommendation # 4):

- Elaborate and adopt by consensus each February a collective platform for budget advocacy articulating key demands and priorities (increase, decrease, reallocation and creation of new budget items – programs, sub programs and activities) with related sets of outcomes and outputs
- Identify key persons that will engage with different sectors and department across the GoG ministries with collective coordination mechanism
- Engage specifically with relevant departments as well as in eventual sectoral consultation in March to review past year achievements and spending and contribute to medium-term action plans/BDD
- Follow up with department until July to contribute to actual prioritization
- Follow up to ensure that agreed key demands are kept in the draft budget submitted to the Parliament in October
- Seek information from audited accounts on actual utilization of funds in the previous year

- Engage with MPs that would ensure that DPOs' key demands are given consideration
- Once the budget is released publicly, elaborate a collective response giving DPOs take on the progress made as well as remaining gaps
- Such process should be repeated every year.

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