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EUROPEAN SOCIAL CHARTER

Ad hoc report on the cost-of-living crisis

submitted by

THE GOVERNMENT OF GEORGIA

Report registered by the Secretariat

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CYCLE 2024

ad hoc report on the cost-of-living crisis

Government of Georgia

2023

- 1) Please provide information as to whether and how the statutory minimum wage is regularly adjusted/indexed to the cost of living. Please indicate when this last happened, specifically whether it has been adjusted /indexed since the end of 2021.
- 2) Please provide information on any supplementary measures taken to preserve the purchasing power of the minimum wage since the end of 2021.
- 3) For States Parties with no statutory minimum wage, please describe any measures taken to preserve the purchasing power of the lowest wages since the end of 2021.
- 4) Please provide information as to whether the cost-of-living crisis has led to the extension of in work benefits.

The Law of Georgia “on Remuneration of Persons employed in Public Institutions” regulates issues of the remuneration of persons employed in public institutions and the determination of the number of persons employed on the basis of an agreement under public law and persons employed on the basis of an employment agreement, and establishes the conditions for the remuneration of persons working part time, during night hours, on days off and holidays and in working conditions containing health risks, and determines the procedure and conditions for paying remuneration for the fulfilment of temporarily assigned functions.

The law determines the basic salary for employees of public institutions as the basic amount of an official salary determined by the law on the State Budget of Georgia for the respective year, which is multiplied by the respective coefficient. The remuneration system is based on the principles of equality and transparency, which implies receiving, in compliance with pre-established rules, equal pay for the performance of equal work, with due consideration of the post/position responsibilities. For the purposes of calculating official salaries for posts/positions in public institutions determined by this Law, basic official salaries shall be determined in nominal terms by the law on the State Budget of Georgia for the respective year. A basic official salary shall be multiplied by the respective coefficient determined in accordance with the procedure established by this Law to produce an official salary for a particular post/position for a particular budget year. Reduction of the basic official salaries determined by the law on the State Budget of Georgia for the respective year against the basic official salaries determined by the law on the State Budget of Georgia for the previous year shall be inadmissible. The basic salary amounted 1000 GEL which is being increased every year by 10%.

The statutory minimum wage in Georgia was introduced in 1999 by the Ordinance of the President (N351) “On the amount of Minimum Wage”.¹ The Ordinance defines that the monthly minimum wage in Georgia is 20 GEL and indicates the level of socio-economic development of the country as a criterion for setting further revised minimum wage. No specific methodology exists. **The minimum wage is applicable nationwide, across all sectors of activity, and to all full-time workers, irrespective of age or occupation.**

No changes have been made to the legislation since then. a legally set minimum wage is not applicable in practice. However, the Government of Georgia started work on a reform of the minimum wage.

¹ <https://matsne.gov.ge/ka/document/view/112786?publication=1>

As to the sectorial minimum wage, as of January 1, 2023, the Ministry of IDPs from the Occupied Territories, Labour, Health and Social Affairs of Georgia introduced a sectorial minimum hourly wage for doctors and nurses²:

- a) for a doctor - not less than 7.0 GEL per hour;
- b) for a nurse - not less than 4.4 GEL per hour.

The coverage has been extended to other representatives of medical personnel and will come into force on January 1, 2024. In particular:

- a) Junior doctor - not less than 5.0 GEL per hour
- b) Assistant doctor - not less than 3.5 GEL per hour
- c) Midwife - not less than 4.4 GEL per hour
- d) Sanitaire - not less than 3 GEL per hour

The salary of doctors is 10% less than the average salaries in the healthcare and social sector and 44% more than the median one. In the case of nurses, it is 44% less than average and 5% less than the median salary.

Apart from the above-said, the Law of Georgia “on the Development of High Mountainous Regions” defines some social benefits for permanent residents of high mountainous settlements. Among other social benefits, the law provides those medical personnel employed at medical institutions, which are under State management and where the State is an equity partner, located in high mountainous settlements, whose work is paid from the state budget, shall receive a monthly bonus per rules determined by ordinance of the Government of Georgia:

- a) doctors shall receive a bonus in the amount of the state pension;
- b) for nurses - in the amount of the pension;

as to the remuneration of teachers, the Law determines that:

“the provision of a bonus being not less than 35% of the basic remuneration of a teacher in accordance with procedures established by the Ministry of Education and Science of Georgia to a teacher in a legal entity under public law -an institution of general education located in a high mountainous settlement and established by the Ministry of Education and Science of Georgia; the payment of a bonus being not less than 35% of the remuneration of teachers in accordance with procedures established by the Ministry of Education and Science of Georgia to a teacher in an institution of vocational education located in a high mountainous settlement and established by the Ministry of Education and Science of Georgia. In order to provide financial assistance to coaches employed in the sports sector and to promote the development of sports in high mountainous settlements, the government of Georgia shall develop and approve a relevant state program. The provision of a bonus of not less than 50% of the remuneration of a teacher in accordance with the procedures and conditions established by the Ministry of Education and Science of Georgia, or the head of the administrative body implementing this programme, to a teacher who is a participant of a relevant programme as defined by the Ministry of Education and Science of Georgia and/or the administrative body within under its authority, and who is employed within this programme at an institution of general education located in a high mountainous settlement.”³

²Ordinance N36 of the Government of Georgia “on Universal Healthcare Program”<https://matsne.gov.ge/ka/document/view/1852448?publication=81>

³ <https://matsne.gov.ge/en/document/view/2924386?publication=0>

As to the statistics, for average monthly nominal earnings (wages and salaries) and indices of real wages and salaries, please see Annex 1, and for a share of the Population Under Absolute Poverty Line – Annex 2.

5) Please provide information on changes to social security and social assistance systems since the end of 2021. This should include information on benefits and assistance levels and the allocation of benefits

The Governmental policy is focused on creating a sustainable social protection system, that will help the population realize their social rights and reduce social risks caused by poverty. The social protection system in Georgia includes different support and assistance programs for various vulnerable groups of people, including the elderly, people with disabilities (including children), households under the poverty line, orphans and other vulnerable groups. Cash assistance is given in the form of State Pension (retired persons), State compensation (special groups who have special merit in front of the state), Social Package (persons with disabilities (including children) orphans, etc). In parallel with monetary assistance, the population is provided with necessary services. Such as the social services for older people, vulnerable children, including children lacking parental care, persons with disabilities/children, victims of domestic violence and abuse, etc.

As a result, the state is permanently developing new measures or updating/improving existing programs in order to achieve the goals established in social policy.

Older peoples' rights:

State pension

In order to ensure the social rights and prevention/reduction poverty among older people, state provides all old age persons with social pension and carries out other variety of social programs/services.

The pension system in Georgia consists of three pillars: (1) universal old age pension system - non-contributory pension scheme (state pension), which plays the role of social assistance for old age population; (2) funded pension scheme - contributory pension scheme, where employees, employers and state have their contributions; and (3) private pension schemes.

The only condition for eligibility to receive the state pension is age, (for women - 60 and for men – 65). From 2021, was set up pension indexation rule, according this rule the pensions of all pensioners will be gradually increased not less than the inflation rate. For pensioners aged 70 and over, 80% of the actual economic growth will be added to the inflation rate, i.e. the annual pension increase will surpass the inflation rate. Also, persons permanently living in the mountainous regions and having state pension get supplementary benefit which is 20% of the amount of the state pension. Along with the increase of the state pension, the pension package is automatically recalculated for pensioners.

In 2021 78,511 beneficiaries received pension supplement; in 2022 - 79,983 beneficiaries and in 2023 the pension supplement received - 81,619 beneficiaries. Currently the state pension for pensioners aged 70 and over is 365 GEL. For pensioners aged under 70 is 295 Gel. According to the amendments made to the Law of Georgia "On State Pension" in 2022: a citizen of a foreign country residing in Georgia for 10 years who applies to the social service agency for a pension/social package, is no longer required to submit a document to prove that he/she is not receiving a pension or social assistance from the country of origin/or former citizenship.

In parallel to work in the private sector pensioners are entitled to receive state pension.

year	Number of pensioners	Transferred money (annual)
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2019	762,621	1,824,003,739 GEL
2020	783,705	2,128,720,302 GEL
2021 (December)	793,751	2,450,123,336 GEL
2022 (December)	808,326	2,698,663,886 GEL
2023 (November)	835,413	3 021 733 459 GEL (up to December)

Funded pension:

In 2018, on the basis of the Law of Georgia on Funded Pensions (hereinafter the “Law”), Georgia laid ground for the pension reform by establishing the defined contribution mandatory funded pension scheme (the “Pension Scheme”). Under the Law, the Pension Scheme is administered and managed by the independent legal entity of public law – the Pension Agency (hereinafter - the “Agency”). The Agency manages and invests the pension assets within the Pension Scheme, in accordance with the best interests of the participants of the Pension Scheme, in full compliance with the requirements and limitations envisaged by the Law and the Investment Policy Document elaborated by the Investment Board of the Agency. The reform has ambitious and far-reaching objective to ensure unhindered, secure, precise, and cost-effective administration of the Pension Scheme. Within the frames of the reform, the activities are carried out in compliance with the Constitution of Georgia, International Treaties, Law of Georgia on Funded Pensions, Statute of the Pension Agency, and various legislative acts. Pension Agency of Georgia undertakes its activities in accordance with the European standards and shares strategies, values and commitments stipulated by the EU Directives. The Pension Scheme represents the Pillar 2 of the pension system and participation is mandatory with some voluntary components. Every participant of the Pension Scheme contributes 2% of gross income and the employer and the state is obliged to make matching contributions, except for the exceptions envisaged by the Law in terms of the pension contributions of the state. The reform is aimed at achieving the following strategic aims: a) Decent life at the pension age; b) Poverty reduction; c) Creation of large-scale investment capital base; d) Development of the local capital market; e) Powerful stimulus to accelerate the economic growth; f) Creation of new workplaces; and g) Increased income. Pension assets are being invested in a variety of asset classes for the purposes of maximizing real return over the investment horizon. Investment activities are carried out by the Investment Office of the Agency with the supervision by the Investment Board. As per the Law, Investment Board is fully independent and undertakes investment activities independently from the Supervisory Board. The risks related to the Pension Scheme are managed and controlled in accordance with the risk management framework, which is built considering the three lines of defense (including operational and investment risk control and management mechanisms), that covers the process of supervision and management of investment as well as administrative procedures. Furthermore, Specialized Depository serves as an additional external control layer.

State compensation :

State compensation will be given to the persons, who have a special merit before the state. These are mainly the pensioners of military structures, former employees of the Ministry of Justice, former

members and staff of the Parliament, former workers of civil aviation, judges of courts, persons possessing high rank of the diplomacy etc.

In parallel, with the increase of the state pension the state compensation is automatically recalculated and the beneficiaries receive the increased amount of their state compensation.

Social assistance for persons employed in underground mining works.

In 2023, the Government of Georgia approved Resolution No. 542 "On measures to provide social assistance to persons employed in underground mining works" according to which: persons employed in underground mining works, are entitled to receive the social assistance upon reaching 60 in men, and 55 in women by the time of applying for social assistance, they must have an experience of underground mining work for the last 10 years and continue to work in underground mining works or terminate their employment relationship after enactment of this resolution. The amount of assistance is commensurate to the amount established for pensioners under the age of 70 by the law "on State pension" . At the current stage (2023 September) the assistance has been given to 218 beneficiaries.

Social Package

Social Package is provided to people/children with disabilities, survivors/orphans, persons, who are considered to be the victims of repression, persons who fought for territorial integrity, freedom and independence and those who were sent to other territories for military actions and the other specific categories. Residents of mountainous regions are entitled to receive in addition 20% of the social package.

PWDs rights:

Taking care of improving the social condition of persons with disabilities and creating equal opportunities for them is one of the priority directions for the Government of Georgia. In recent years, many positive steps have been taken in this direction:

It should be emphasized that in 2020, the Parliament of Georgia adopted the Law of Georgia "On the Rights of Persons with Disabilities", which became the basis and legal framework for the implementation of many programs. It was also important to ratify the Optional Protocol to the Convention on the Rights of Persons with Disabilities (2021).

Persons with disabilities are provided with monetary/non-monetary social security benefits.

Currently the social package for a person with profound (severe) disabilities / child with disabilities is 340 GEL. The social package for people with significant disabilities is defined as 175 GEL, while for children with disabilities who have established moderate disability status (only to persons with disabilities from their childhood/birth) after the age of 18 receive 135 GEL.

According to the amendment to the Law of Georgia "On Social Assistance", from 2022, social package will increase annually:

The indexation of the social package was determined in the same way as a state pension. According to the amendment to the Law of Georgia "On Social Assistance", from 2022, the social package will increase annually according to the following principle:

The increased amount of the social package for persons with profound disabilities/children with disabilities will be the sum of 80 percent of the arithmetic average of the real growth rates of the gross domestic product (GDP) in the last 6 quarters and the average rate of inflation in the last 12 months, not less than 25 GEL annually.

The social package for all other categories of persons with disabilities will be increased by the average rate of inflation of the last 12 months, but not less than 20 GEL.

A citizen of Georgia permanently residing in a mountainous settlement, who has been granted the status of a permanent resident of high mountainous settlement in accordance with the rules established by the legislation of Georgia, receives an additional 20% of the social package. Along with the increase amount of disabilities payments social package is automatically recalculated. From 2022, all PWDs are entitled to receive a social package in parallel with taking public office.

Amounts of social package by the years:

Years:	2019	2020	2021	2022	2023
Persons with profound (severe) disabilities	200 GEL	220-250 GEL	250 GEL	275 GEL	340 GEL
child with disabilities	200 GEL	220-250 GEL	250 GEL	275 GEL	340 GEL
Person with significant disabilities	120 GEL	140 GEL	140 GEL	140 GEL	175 GEL
Persons with disabilities from childhood/birth	100 GEL	100 GEL	100 GEL	100 GEL	135 GEL

Number of people receiving the social package by years:

Year	Persons with profound (severe) disabilities	child with disabilities	Person with significant disabilities	Persons with disabilities from childhood/birth
2019 (December)	28,261	11,141	74,462	12,138
2020 (December)	29,924	11,653	73,373	11,688
2021 (December)	29,935	11,763	73,279	11,654
2022 (December)	29,253	13,633	72,476	10,505
2023 (September)	29,958	14,886	72,633	10,198

In 2021 the MoIDPLHSA has established a “Coordination Council for Enforcement of the Law of Georgia on the Rights of Persons with Disabilities”. The Council includes representatives of the state

entities working in the field of the rights of persons with disabilities, local self-government structures, PDOs, NGOs, donors, international and private organizations and the community of persons with disabilities. There are six committees within the Council. The functions of the Council are to develop and support the implementation of an action plan for the introduction of a biopsychosocial model in the disability status assessment system, to study and coordinate ongoing initiatives in the country related to deinstitutionalization, to identify the needs for equal social support services on the basis of cooperation with persons with disabilities and other stakeholders, define quality monitoring scheme for social and alternative care services, support the development of a social services integration mechanism at the municipal level, provide emergency services in crisis and emergency services, support healthcare and employment services;

Along with this, the process of deinstitutionalization of boarding home of adult persons with disabilities is an ongoing process. With the active partnership of the Disability council members, the important documents were developed. Among them are the following:

At the beginning of 2023, MoIDPLHSA has approved the strategy and action plan on „Independent living of persons with disabilities and deinstitutionalization” which mainly focuses on the prevention of institutionalization through creation of respective mechanisms, preventive, supportive and alternative care services.

In addition to the above, with the support of partner organizations, significant reform is underway to establish disability status. In particular, the methodology and medical model of determining the status of a person with disabilities, which exists in the country today, will be replaced by a biopsychosocial model, which will help to correctly identify the needs of persons with disabilities and implement evidence-based policies. In March, 2023 the action plan (2023 – 2025) on introduction of biopsychosocial model of assessment of disability was approved by the Minister of MoIDPLHSA. It sets activities for shifting from medical model to social model of assessment of disability. The action plan approval was preceded with designing and piloting biopsychosocial assessment methodology that gives the opportunity to build evidence-based policy in the field.

The "Technical Regulation - "National Accessibility Standards" was approved by the Resolution N732 of the Government of Georgia on December 4, 2020 and came into force in March 2021. Also, with the support of donor organizations and the involvement of the Parliament of Georgia, work is underway to develop a national accessibility plan.

In 2022, were planned and from 2023 in Social Rehabilitation and Child Care state programme were integrated two new social sub-programs - „home care” and „Personal Assistant”. Services are intended for the older people and persons with disabilities. The mentioned programs will be launched in pilot mode in the near future.

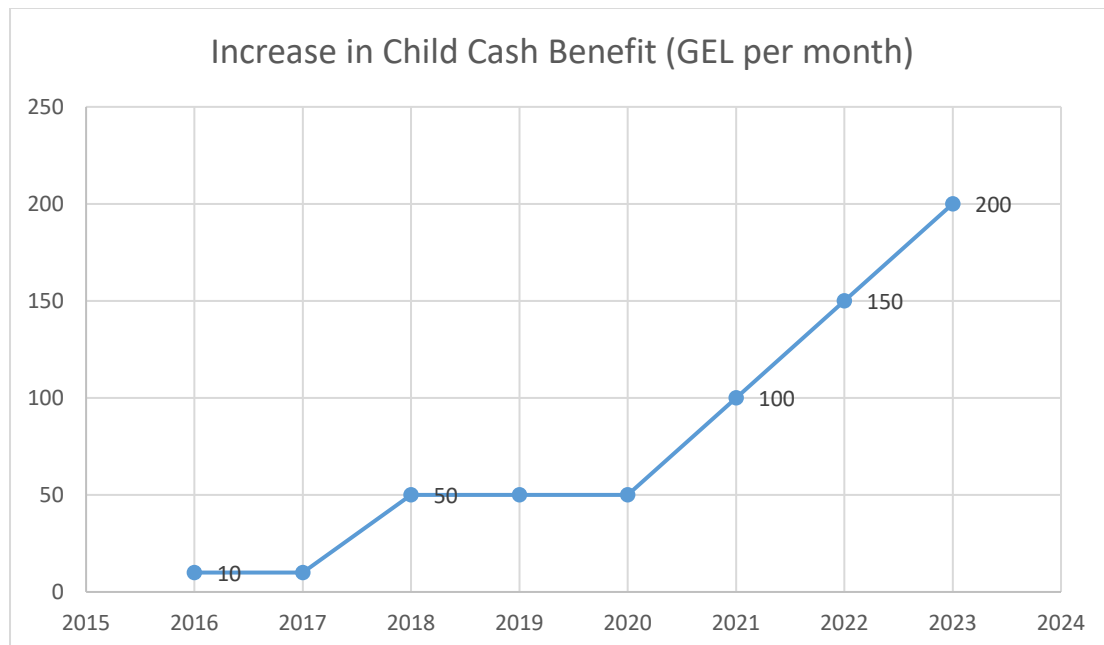
"Home care" programme provides improvement of quality life of beneficiaries, the maximal promotion of their independence, the prevention of institutionalization and (re)hospitalization, the reduction of probability of entering into state care institutions, and the support/**strengthen their family.**

„Personal Assistant” programme promotes the independent life of persons with disabilities and their integration into society, through personal assistance. A personal assistant supports the beneficiaries with nutrition, personal care, dressing, household activities, shopping, mobility and communication, health care, rehabilitation, planning work and rest days, and other activities.

Children rights:

"Code of the Rights of the Child" sets a high standard in terms of child welfare and protection. The priority of the state is a child welfare and to raise them in a family environment, where their rights and the best interests of the child are protected. At the initiative of the Government of Georgia, in 2021 a child benefit has doubled and poverty line has increased up to 120 001, which means that more children

will become recipients of child benefits. In 2022 child benefit became 150 Gel and in 2023 amount of benefit raised again up to 200 Gel.



The State Program for Social Rehabilitation and Child Care includes a number of important advances. In particular, in 2022 the Medium and Highly Adapted Pediatric Wheelchairs and Pediatric Hearing Aids have been introduced in the Assistive Aids Sub-Program, which will significantly help improve the condition of children with disabilities, their functioning and integrate them into society. From 2023 a 200 GEL food voucher for children with phenylketonuria and celiac disease was added to the sub-program of assistance to families with children in crisis situation. The geographical accessibility to different social services and the funding of voucher have been increased.

From 2023, the social package for orphans with both parents has increased from 100 GEL to 150 GEL.

It is important to highlight the issues that concern children living and working on the streets and child labour in general. For several years now, there has been an active support program for children working or living on the streets, which aims to prevent the abandonment of homeless children or family separation, their psychosocial rehabilitation and integration, as well as the provision of safe housing (shelter). Based on the fact that the effective response to the child's abuse is one of the priority directions for the State agency, from August 23, 2021, the Agency launched a 24-hour emergency response mechanism for emergency cases, which is operated by the relevant authorized persons at any time of the day, 24 hours a day, on weekends and holidays. The purpose of the mentioned mechanism is to provide 24-hour protection of homeless children from social risks and repeated violence of children who are victims of violence.

According to the 2023 data 200 children are enrolled in day care centers and shelters, of which 18 are Roma minority's minors.

Georgia undertook large-scale labour law reform in 2020. Within the reform, the independent labour inspection mechanism was established and authorized to supervise all provisions of the labour legislation. The labour law reform package of 2020 consisted of a law on "the Labour Inspection Service" and substantial amendments to the Labour Code. The reform aimed at improvement of the labour regulatory framework and increasing compliance with the Georgia-EU Association Agreement's requirements and relevant international labour standards of the International Labour Organization

(ILO). A full-fledged Labour Inspection Service with sufficient financial and administrative resources is in place as of January 1, 2021.

Forced labour, including, child labour is being monitored by the Labour Inspection. Labour inspectors are authorized to inspect labour conditions (unannounced) with the aim to identify and respond the violation/possible cases of forced labour/labour exploitation. In 2020, the Ministry of Internally Displaced Persons from Occupied Territories, Labour, Health and Social Affairs of Georgia in consultation with the social partners adopted a list of works (jobs, services), which considering the nature and circumstances of the work, can cause harm to the health and safety of the minor.

Young people out of state care services were left without state support and it was difficult for them to start living independently. In order to improve their future life, in 2021 two sub-programs were developed: young people are provided with stable, secure housing and have the opportunity to receive professional / higher education. They are able to develop their career in order to increase employment opportunities in the labor market. Another sub-programme is food provision programme for them.

In 2022, a new "long-term pediatric care medical-social center service sub-program" was added to the social rehabilitation and child care sub-programme, which promotes the social development of the child defined by the "Child's Rights Code". The aim of this sub-programme is to meet the complex needs of children who require specialized, long-term, complex medical care and social support.

The target group of the sub-program are children from Tbilisi infants House (under control of the Ministry of internally Displaced Persons from the occupied Territories, Labour, Health and Social Affairs of Georgia), who have severe and profound disabilities or health problems, are deprived of care, and require long-term qualified medical/nursing care in addition to a caregiver.

Activities of the sub-program are: provision of 24-hour services in a long-term care facility; provision of proper nutrition; providing age, gender and season appropriate clothes and personal hygiene supplies. Taking into account child's psychological, developmental, educational, social, and other requirements; Involvement of a multidisciplinary team in care planning, decision-making, and implementation process; Rehabilitation, physical therapy, play therapy, and other therapies; Facilitation of the child's relationship with their biological family, etc.;

It is important to mention, that the process of deinstitutionalization of large boarding homes for children, including children with disabilities at the end phase in the country. . By the end of 2022 the beneficiaries from infant's orphanage were transferred to alternative care (foster care, small family group homes). Biological families were strengthened and their social functioning enhanced.

Family benefits.

In terms of reducing poverty, the targeted social assistance program is important, which is the main tool that Georgia uses to provide financial support to poor households. After the old-age pension, it is the largest social security program in terms of both expenditure and population coverage.

The methodology for assessing the socio-economic status of socially vulnerable families, which is used by Georgia, is the so-called well-being assessment methodology in the world practice, an indirect method of evaluating families, a statistical model, a formula through which, using various variables, it is possible to rank families according to their welfare. The lower welfare index determines the lower level of household welfare. The formula includes the so-called "Index of Needs", which calculates the needs of different categories of consumers and individuals in relation to the "minimum of subsistence" of a healthy male aged 30-39. Population groups included in the "needs index" differ from each other in terms of gender, age, special status (person with disability, single pensioner, single mother, bedridden, etc.).

At present, the assistance is given according to the scoring system and the amount of money for each family member ranges from 30 GEL to 60 GEL in compliance with the social score. Furthermore, a child under the age of 16 receives an additional child benefit, the amount of which is 200 GEL as mentioned above.

year	Percentage of subsistence allowance recipients in relation to the total population
2020	14,1%
2021	14,3%
2022	17,6%
2023 (October)	16,8%

Currently MoIDPLHSA is carrying out a reform to improve the targeted social assistance system within the framework of the "Human Capital Program of Georgia" signed in 2022 between the "International Bank for Reconstruction and Development" and the Georgia. The reform covers updating the methodology and administration scheme for assessing the socio-economic status of households, in order to increase the program's "targeting". The goal is also to reduce the period between submitting the application and receiving the subsistence allowance in order to timely response to a family's need. Also, one of the essential aspects of the targeted social assistance system - "needs index" - is being completely revised so that the system responds to the existing challenges and better identifies the needs. .

Employment is an important determinant of poverty. In order to activate the socially vulnerable population in the labor market "Public Work" program for the socially vulnerable workable population has started in March 2022. The program aims to promote the activation of targeted social assistance beneficiaries and support them in integration into the labour market. The program envisages several options for beneficiaries. One of the options is the formalization of informal employment, in which case, they preserve social benefits for the next 4 years.

Year	Number of beneficiaries receiving subsistence allowance	Transferred money (annual)	Number of child benefit recipients	The number of persons involved in the state program for the promotion of public employment, who will be guaranteed to maintain the status of socially vulnerable for 4 years
2019	427,373 (December)	319,779,961	137,505	

2020	524,598 (December)	339,277,444	170,514	
2020	524,598 (December)	339,277,444	170,514	
2021	643,168 (December)	440,692,625	216,004	
2022	670 551 (December)	620 858016	231,830	135,208
2023	627 691 (October)	681 186 743 (October)	230,442 (November)	202,162 (October)

According to the Resolution No. 186 of the Government of Georgia of May 22, 2023, the pilot program "Together for strengthening families" was approved. The purpose of the mentioned program is to economically and socially strengthen socially vulnerable families with three or more children with a rating score of up to 120,001. The pilot regions of the program are: Kakheti, Imereti, Samtskhe-Javakheti, Autonomous Republic of Adjara and Samegrelo.

The program includes such activities as: visits by a family strengthening consultant to applicant families, assessment of their capacities and skills; Research of economic possibilities of households; development of a development action plan by a family strengthening consultant; Individual counseling of household members on the development of personal and labor skills, promotion of involvement in social services available at the local and central level; Connecting households in various directions with relevant service providers for further training, as well as supporting their involvement in collective events, etc.

The Tax Code of Georgia establishes social benefits for employees, in particular: the taxable income received during a calendar year up to 3000 GEL for a person who is a single mother is not taxed. A person who has adopted a child (within 1 year of adoption); A person who has a foster child; Taxable income received from a budget organization in the form of a salary for a calendar year in a highland settlement by a person with three or more children permanently (who has three or more children under the age of 18) in a highland settlement is also not taxed.

Income of a person with one or two children permanently residing in a highland settlement (who has one or two children under the age of 18), the income tax payable on taxable income up to GEL 3,000 received as a salary during a calendar year is reduced by 50 percent. The income received by a person with disabilities from childhood, as well as persons with severe and profound disabilities during the calendar year up to 6000 GEL is not taxed.

Other social assistance:

In order to promote the improvement of the demographic situation, a targeted state program is implemented, which involves the provision of monthly cash assistance for the third and subsequent children in regions where natural growth is not observed. Also, monetary assistance is provided for every newborn, one of whose parents has the status of a permanent resident in the high mountainous settlement.

To families with multiple parental status (four or more children under 18), with rating score below 300 000, will receive monthly allowance for electricity.

Subsidies for electricity and drinking water are considered for families with rating score up to 150,001 registered in the Data Base of Socially Vulnerable Families".

Social rehabilitation and child care program

In parallel with the monetary programs, the state every year implements a social rehabilitation and child care program.

Social Rehabilitation program includes:

- ✓ Day Care Services (support beneficiaries with the status of disability and provide different services, including transportation; individual rehabilitation program; development of functional and vocational skills; organizing sports and cultural activities; non-formal education; psychosocial and medical support as needed;
- ✓ Assistive Devices (provides people with disabilities with assistive devices according to their needs and criteria).
- ✓ Support to the people with hearing impairment (support social reintegration of the target group, including services of sign language interpreter).
- ✓ Community-based Services (offers 24h care in community centers for persons with disabilities and individuals of retirement age; provide care services that include first aid, activities aiming at self-reliance and integration with the local community).
- ✓ Rehabilitation of the war veterans (medical consultations, physiotherapy and laboratory-instrumental examinations, balneological therapy).
- ✓ Home Care (promotion independence life, prevention of institutionalization and (re)hospitalization, reduction of probability of entering into state care institutions, and the support/strengthen beneficiaries family).
- ✓ Personal assistant – (supports the beneficiaries with nutrition, personal care, dressing, household activities, shopping, mobility and communication, health care, rehabilitation, planning work and rest days, and other activities).

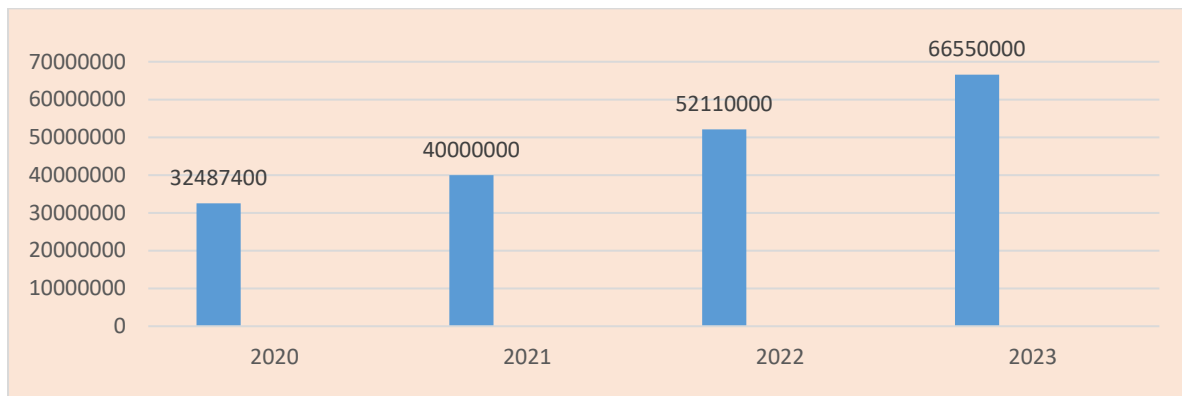
Child Care program includes:

- ✓ Allowance for families with children in a crisis situation (food voucher for families in poverty and / or crisis, to prevent child abandonment):
- ✓ Early Childhood Development (to stimulate the development of children with disabilities, developmental delays by providing early intervention services, promoting inclusion and social integration in preschool or secondary education);
- ✓ Child rehabilitation/habilitation (support social and physical development of children with disabilities);
- ✓ Day Care Centers for children (prevent the abandonment of child, support parents to develop their parental skills, social inclusion and behavioral corrections).
- ✓ Mother and Child Shelters (to prevent the abandonment of infants. 24h shelter, provides safe environment, nutrition, clothing and personal hygiene items, promotes vocational and non-formal education; organizes medical services; psychological support and other interventions as needed for

mothers and their children).

- ✓ Foster Care (ensures family environment for children who are separated from their biological families).
- ✓ Small Family Type (community based) Homes (supports children, who are separated from their biological families to live in family environment).
- ✓ Shelters for Children Living and Working on Streets (to prevent child abandonment, to strengthen families, to ensure 24h care and safe environment for children and support their resocialization and rehabilitation).
- ✓ Home Care for Children with Severe Disabilities (home care for children by the multi-disciplinary group of specialists).
- ✓ Specialized Small Family Type Home for Children with Severe Disabilities (supports children with disabilities, who are separated from their biological families).
- ✓ Reintegration Program (supports reintegration of children, who are separated from their biological families back into family).
- ✓ Support Program for Young People (18-21y.o.) leaving in State Care System (housing and allowance for food, transport etc. to support in education, vocation education and employment).
- ✓ long-term pediatric care medical-social center service sub-program" (to meet the complex needs of children who require specialized, long-term, complex medical care and social support.

„ **Social rehabilitation and child care**” program's budget increases annually.



The geographic availability of services gradually increases.

Almost all municipalities in Georgia provide social and medical assistance services for vulnerable groups. The relevant persons can benefit from the social programs, financed from the local municipal budget annually, which might be either one-time or monthly.

Almost in all municipalities, there exists the following social and medical assistance programs:

In terms of one-time financial assistance, the following programs have to be highlighted:

- One-time financial assistance for families with multiple children;
- Assistance program for the families of fallen soldiers during the war for the territorial integrity of Georgia. The content of this program varies in the municipalities; hence, it might be one-time or annual;

- One-time financial aid program for internally displaced families from the occupied territories of Georgia, which might be a one-time, annual, and holiday program;
- One-time financial aid program for families affected by accidents and natural disasters in particularly difficult living conditions;
- Assistance program for victims of domestic violence;
- Student higher education co-financing program;
- One-time support subprogram for maternity and families with newborns;
- Electricity bill co-financing program for socially vulnerable persons;
- Financial program for persons on kidney dialysis.

In addition to one-time financial support, the following social programs have to be highlighted:

- Free meals for vulnerable people;
- A program for the provision of rented apartments for those with the status of a homeless person/family;
- Programs for the elderly.

In 2020, the Parliament of Georgia adopted the Law of Georgia “On the Rights of Persons with Disabilities”. The law sets various obligations for the municipalities to develop and implement programs supporting independent life, and social inclusion programs with the involvement, of persons with disabilities, and to take into account their individual needs. To meet the requirements set by the abovementioned law, the municipalities implement various measures focused on the protection of the rights of persons with disabilities (PWD). To strengthen systemic guarantees for the protection of the rights of PWD and increase their participation in all spheres of public life, in 2023 all municipalities approved an action plan aiming at providing equality, creating a discrimination-free environment, raising awareness, accessibility, and equality. In almost all municipalities, a municipal council working on issues of the PWD was created. The members of the said council are also PWD, including female PWD, which ensures the active involvement of the PWD in the decision-making process. The council meets at least biannually or as needed.

In addition to the abovementioned, some social programs and sub-programs are being implemented in the municipalities, which provide financial assistance to persons with disabilities, medical/rehabilitation services, provision of medicines, and various programs in the field of health care.

A home care program and a personal assistant service have been successfully introduced as pilot programs in some municipalities (from 2025, the personal assistant service will be implemented in all municipalities). In the majority of municipalities, rehabilitation/habitation programs are implemented for children with special needs, and the beneficiaries involved in these programs enjoy free transportation services. In 9 municipalities, rehabilitation centers, day care centers/service centers for children with special needs have been provided. Resort vouchers have been provided in more than three municipalities. In addition to the above-mentioned activities, some municipalities implement such social programs as:

- Delivery of wheelchairs to persons with disabilities;
- Delivery of sound temperature measuring and sound pressure gauges/devices;
- Arrangement of ramps in multi-apartment residential buildings;
- Free food program;
- Adaptation of the streets and bus stops, allocation of the handicapped parking spaces;
- Promotion of the employment of persons with disabilities.

This year, in general, the municipal action plans envelope many topics: social and health care programs, adaptation of administrative buildings, adaptation of streets and squares, installation of smart traffic lights, adaptation of municipal transport for PWD, adaptation of bus stops in municipalities for PWD, cultural, educational, sports events conducting with the involvement of the PWD encouraging the participation of disabled people in mass sports events, adapting recreation spaces, training to raise the qualifications of City Hall employees to raise awareness, etc.

6) Please provide information as to whether social security benefits and assistance are indexed to the cost of living, as well as information in particular on how income-replacing benefits such as pensions are indexed. Please indicate when benefits and assistance were last adjusted/indexed.

One of the important measures within the ongoing pension reform in the country is the introduction of indexation rule of the state pension/social package.

From 2021, was set up pension indexation rule, according this rule the pensions for all pensioners will be gradually increased not less than the inflation rate. For pensioners aged 70 and over, 80% of the actual economic growth will be added to the inflation rate, i.e. the annual pension increase will surpass the inflation rate. Also, persons permanently living in the mountainous regions and having state pension/social package, get supplementary benefit which is 20% of the amount of the state pension.

The indexation of the social package (payments for PWD) was determined in the same way as a state pension. According to the amendment to the Law of Georgia "On Social Assistance", from 2022, the social package will increase annually according to the following principle:

The increased amount of the social package for persons with profound disabilities/children with disabilities will be the sum of 80 percent of the arithmetic average of the real growth rates of the gross domestic product (GDP) in the last 6 quarters and the average rate of inflation in the last 12 months, not less than 25 GEL annually.

The social package for all other categories of persons with disabilities will be increased by the average rate of inflation of the last 12 months, but not less than 20 GEL.

In addition to the above mention investment activities of the pension savings are regulated by the Law on Funded Pensions of Georgia (the "Law") and thoroughly supervised by the National Bank of Georgia. Pension savings are invested by the qualified and independent Investment Board (appointed by the Parliament of Georgia) in the best interest of the pension scheme participants. The investment objective of the all-Investment Portfolio is to maximize the real return on assets over the investment horizon with a 95% confidence level. As per the Law, the assets of the Portfolio can be invested in money market instruments, government and corporate bonds, bank deposits, equities, and other assets, denominated in Georgian Lari (GEL) and in foreign currency, respectively. Net asset value (NAV) of the pension savings is calculated on a daily basis based on the NBG's normative act on Assets Valuation Framework. As present, total NAV is at GEL 4.2 billion (US\$ 1.6 billion), whereas the investment return since the inception of the fund (Jan. '19) is 56% and inflation throughout the same period is 38%.

7) Please provide information as to whether any special measures have been adopted since late 2021 to ensure persons can meet their energy and food costs, such as price subsidies for energy, fuel, and basic food items.

Subsidies for energy:

"On partial subsidization of the cost of some utility services consumed by the socially vulnerable population" within the framework of the Resolution N 52 of February 3, 2022 of the Government of Georgia, families registered in the "Unified Data Base of Socially Vulnerable Families", whose socio-economic rating score is equal to or less than 70 000, the difference between the 2020 consumer tariff and the current 2015 electricity consumer tariff and an additional amount of 3.5 tetri per 1 kWh will be subsidized monthly as assistance.

And for those families registered in the database, whose socio-economic rating score is greater than 70,000 or less than or equal to 150,000, monthly electricity consumption of no more than 200 kWh is subsidized. Also, families registered in the database with rating score is less or equal to 70,001, living

in Tbilisi, Rustavi or Mtskheta, are given a subsidy for drinking water, depending on the amount of drinking water consumed or the subscription fee, but not more than 100 GEL per year.

In addition to the above-mentioned, the reimbursement of 50 percent of the monthly fee for electricity consumed by the subscriber in the mountainous settlement, but not more than the fee for 100 kWh of electricity consumed.

In addition to the above, a person permanently living in a mountainous settlement enjoys various social benefits, including the provision of communal services. In particular: a subscriber living in a mountainous settlement is subject to reimbursement of 50 percent of the monthly electricity bill, but not more than 100 kWh of electricity bill. According to the same law, in the winter period (October-April) for the people living permanently in the mountainous settlement, in order to promote the provision of heating, the implementation of appropriate measures is envisaged.

Also, for families with multiple parental status (four or more children under 18), with rating score below 300 000, will receive monthly allowance for electricity.

Provision of food products:

"Sub-program of assistance to families in crisis situations" is a family/child support measure, and its purpose is to prevent child abandonment or separation from the family, to meet the primary needs of families with children in poverty and/or crisis, and to promote the child's raising in a family environment.

The sub-program has three components: provision of food products for the target group, which is an assisting measure, in order to meet the primary needs identified by the social worker and serves to reduce the crisis in the family;

Another component is provision of artificial food products for children based on the "protection and promotion of children's natural nutrition, consumption of artificial food" defined by the Georgian law; and third component a 200 GEL food voucher for children with phenylketonuria and celiac disease which was added to the sub-program of assistance to families with children in crisis situation from 2023.

In order to improve future life of young people out of state care services, in 2021 two sub-programs were developed: young people are provided with stable, secure housing and have the opportunity to receive professional / higher education. They are able to develop their career in order to become competitive in the labor market. Another sub-program is food provision program. The food voucher includes the financing of food products in the amount of 100 GEL per month and is provided for the duration the necessary period depending on the identified needs.

8) Please provide up-to-date information on at-risk-of-poverty rates for the population as a whole, as well as for children, families identified as being at risk of poverty, persons with disabilities and older persons. Please show the trend over the last 5 years, as well as forecasts for upcoming years.

Share of Population Under Absolute Poverty Line

(%)

Share of Population Under Absolute Poverty Line (%)								
Year	Urban	Rural	Age Group			Sex		Georgia
			0 - 17	18 - 64	65 +	Female	Male	
2018	18.0	23.1	25.5	19.5	14.4	20.2	20.0	20.1
2019	16.4	23.7	24.4	19.2	13.8	19.4	19.6	19.5
2020	17.1	27.5	26.4	21.2	15.4	20.9	21.7	21.3
2021	15.0	21.3	22.7	17.3	11.9	17.1	17.9	17.5
2022	12.3	20.6	20.4	15.3	10.5	15.3	15.8	15.6

Proportion of Population Below International Poverty Line (%)					
	2017	2018	2019	2020	2021
Absolute poverty rate at \$2.15 a day (2017 PPP)	6.2	5.6	4.8	5.8	5.5
Absolute poverty rate at \$3.65 a day (2017 PPP)	20.1	19.6	18.5	21.4	19.1
Absolute poverty rate at \$6.85 a day (2017 PPP)	53.9	53.9	54.2	58.3	55.4
International Poverty Line (GEL)					
	2017	2018	2019	2020	2021
Absolute poverty line at \$2.15 a day (2017 PPP)	60.5	62.1	65.1	68.4	75.0
Absolute poverty line at \$3.65 a day (2017 PPP)	102.7	105.3	110.5	116.2	127.3
Absolute poverty line at \$6.85 a day (2017 PPP)	192.7	197.7	207.3	218.1	238.9

Source: World Bank.

Relative Poverty Indicators (%)					
	2018	2019	2020	2021	2022
Share of population under 60 percent of the median consumption					
Urban	17.2	16.2	14.9	15.0	15.6
Rural	25.4	25.5	26.8	24.7	26.6
Georgia	20.5	20.1	19.7	18.9	19.9
Share of population under 40 percent of the median consumption					
Urban	6.6	6.0	4.9	5.2	5.0
Rural	9.1	9.4	10.0	10.8	11.6
Georgia	7.6	7.4	7.0	7.4	7.6

GINI COEFFICIENTS						
	By total incomes ¹	By total cash inflows ²	By total inflows ³	By total consumption expenditures ⁴	By total cash expenditures ⁵	By total expenditures ⁶
2018	0.39	0.42	0.40	0.37	0.44	0.42
2019	0.39	0.42	0.40	0.37	0.44	0.43
2020	0.37	0.39	0.37	0.36	0.42	0.41
2021	0.37	0.39	0.38	0.34	0.42	0.40
2022	0.36	0.38	0.37	0.34	0.40	0.39
Note: Time period 2006-2016 is recalculated according to 2014 general population census; The Sampling Frame from 2017 is the 2014 Population Census Database.						
¹ Includes transfers, cash and non-cash incomes.						
² Includes transfers, cash incomes and other cash inflows.						
³ Includes cash inflows and non-cash incomes.						
⁴ Includes cash and non-cash consumption expenditures.						
⁵ Includes cash consumption and cash non-consumption expenditures.						
⁶ Includes cash and non-cash expenditures.						

Share of General Government Budget Expenditure on Social Protection in Gross Domestic Product
(percent)

	2015	2016	2017	2018	2019	2020	2021	2022
Share of general government budget expenditure on social protection in Gross Domestic Product, percent	7.3	7.4	6.8	6.5	6.8	9.5	7.8	6.8

Source: Ministry of Finance of Georgia.

Household Expenditure on Health Products and Services
(mln. GEL)

	2015	2016	2017	2018	2019	2020	2021	2022
Expenditure on health products and services	1,443.8	1,590.9	1,575.5	1,512.2	1,608.3	1,497.7	1,575.6	2,110.8

Information on the percentage of children living in households that do not have the financial means to provide the household and children with different items or facilities can be seen in Annex 3.

9) Please provide information on what measures are being taken to ensure a coordinated approach to combat poverty as required by Article 30 of the Charter, and to diminish reliance on last-resort relief, such as food banks and soup kitchens.

Social Protection Policy Development in Georgia:

Child Benefit	<p>The Law on Social Assistance (2006); Governmental decree N145 on Social Assistance (2006); Ministerial Decree N225 on Defining and Provision of Targeted Social Assistance; Governmental decree N126, on measures to reduce the level of poverty in the country and improve the social protection of the population” Ministerial Decree N141 „on approval of the rule for assessing the socio-economic condition of socially vulnerable families”. Governmental Decree N262 on the Targeted State Programme for the Improvement of Demographic Situation (2014)</p>
Working age benefits:	<p>Sickness benefits benefit: Organic Law of Georgia “Georgian Labour Code” (2010); Ministerial Decree of MOIDPLHSA No. 87/n on the Procedure for the Calculation and Provision of Assistance due to Temporary Incapacity at Work (2009) Organic Law of Georgia “on Occupational Safety” (2019)</p> <hr/> <p>Employment Injury Benefits (for a limited number of recipients) Organic Law of Georgia “on Occupational Safety” (2019); Government Decree N45 on the Procedure for Definition and Provision of Assistance for Compensation for Health Injuries Caused During the Performance of Labour Duties (2013)</p> <hr/> <p>Disability Benefits : The Law on the Social Support Provision for Servants and Families of Military, Law Enforcement Entities and Special Defence Services (1996); Governmental Decree N279 on the definition of the Social Package (2012)</p> <hr/> <p>Maternity benefit (for the formally employed only) The Labour Code of Georgia (2010); The Law on Public Service (2015);</p> <p>Governmental Decree N33 on the Determining the Amount and Provision of Measures for Leave Compensation for Pregnancy, Childbirth and Childcare (2023);</p> <p>Ministerial Decree N01-133/n on the Regulations for Reimbursement for Leave for Pregnancy, Childbirth and Childcare (2020);</p>
Old age	<p>State Pension (universal old-age pension) The Law on State Pension (2005); The Law on State Compensations and State Stipends (2005)</p> <hr/> <p>Contributory Pension (mandatory individual account for persons 40 and above in 2018) The Pension Savings Law (2018) Law on Private Contributory Pensions (2023)</p>
Disability	<p>Social Package for Disability (universal disability social assistance scheme)</p>

	The Law of Social Assistance (2006); Governmental Decree N279 on the Definition of Social Package (2012)
Survivor	Social Package for Survivors (survivors' benefit) The Law on Social Assistance (2006); the Law on State Compensations and State Stipends (2005); Governmental Decree N279 on the Definition of Social Package (2012)
Health Care	Universal Health Care Programme (UHCP) The Law of Georgia on Health Care (1997); Governmental Decree N36 on Universal Healthcare Insurance
Targeted Social Assistance (TSA)	The Law on Social Assistance (2006); Governmental Decree N145 on Social Assistance (2006); Decree N225/n of the Ministry of Labour, Health and Social Affairs of Georgia on the Provision of Targeted Social Assistance; Governmental decree N126, „On measures to reduce the level of poverty in the country and improve the social protection of the population” Ministerial Decree N141 „on approval the rule for assessing the socio-economic condition of socially vulnerable families”.
Other social benefits	Governmental Decree N542 on the Provision of Social Assistance Measures for People Employed in Mining Works; The Law on „ Internally displaced persons from the occupied territories of Georgia”. The Law on „ International protection “ 2016. Governmental Decree N145 on Social Assistance (2006);

Anti-poverty programs are described in previous chapter N 5. Also, local governments are also involved in development of the poverty reduction/preventive programs to ensure well-being of citizens.

It should be highlight that the decentralization process is actively underway in the country. Article 17 of the Local Self-Government Code defines the procedure and conditions for delegation of powers; In particular: a central government body may delegate to a municipality those powers that could be more efficiently exercised at the local level, also, a municipality shall be entitled to exercise the delegated powers within the scope prescribed by the legislation of Georgia, as adjusted to local conditions.

It is planned to delegate a certain direction of social work to the municipal level. In order to develop a coordination mechanism for working with municipalities , the work is underway on the draft resolution of the Government of Georgia - "On approval of the coordination rule".

The Committee for Promoting the Integration of Equal Opportunity Services for Disabled Persons at the Municipal Level is one of six committees established under the umbrella of the Unified Coordination Council for the Implementation of the Law of Georgia on the Rights of Persons with Disabilities. Implementation personal assistant services at the municipal level is planned in the near future in compliance with the law on the rights of Persons with disabilities, according to which the municipalitie have obligation to develop personal assistant service from January, 2025

From 2021, the development of new social services began in six municipalities of Georgia. These services are known as independent living centers. Under the state social rehabilitation and child care program, the services are being provided mostly by NGOs among which are PDOs i.e. they are funded from the state budget. For instance Coalition for Independent Living is providing service for assistive devices and technologies (wheelchairs) and is manufacturing these items at place in Georgia by employing PwDs. Many other service providers of Daycare center are persons with disabilities parent's organizations, etc. The funding of these programs increases annually. In 2023 it reached almost 67ml GEL. All interested and qualified organization have opportunity to become service provider under the

mentioned program. This year the **Ministry of internally Displaced Persons from the occupied Territories, Labour, Health and Social Affairs of Georgia** has adopted **Order N47/N of July 11, 2023 on the approval of the minimum service standards of the Center for Independent Living of Persons with Disabilities which will support development of such services at the municipal level.**

According to the Law of Georgia “On the Rights of Persons with Disabilities”, the Ministry of Regional Development and Infrastructure of Georgia, within its competence, promotes the implementation of the principles defined by the mentioned law in its relations with municipal bodies, meaning that the Ministry supports (both in content and technical direction) the activities of the municipalities related to the protection of the rights of PWD. Besides, the Ministry provides for the training of employees and supports municipalities in the relevant focus, disseminates information related to the rights of PWD, and works towards the goal of raising awareness.

It should be noted, that municipal councils working on the rights of PWD have become significantly active in terms of identifying problems and introducing innovative ways to solve them. There are excellent examples of best practices that are increasing every year.

10. Please provide information on steps taken to consult with, and ensure the participation of, the persons most affected by the cost-of-living crisis and/or organizations representing their interests in the process of designing of measures in response to the crisis.

In order to ensure the involvement of persons with disabilities in the process of developing/improving policy documents, the special Disability Country Coordination Council with its six committees was set up and is operational. The council is composed of various governmental, non-governmental and PWD representative organizations and other interested parties in order to ensure inclusive and participatory policy making.

Apart from that, social dialogue is a well-addressed issue within the Labor Code. Among other issues, the regulations cover the principles and functions of the Tripartite Social Partnership Commission. Minimum wage expressly indicated as the issue being mandatorily subject to the social consultation through the TSPC. According to the Ordinance of the Government “On Approval of the Statute of the Tripartite Social Partnership Commission” tripartite dialogue on labor, economic and social issues, including minimum wage, are among the explicit functions of the TSPC.