

საქართველოს ახალგაზრდა იურისტთა ასოციაცია
GEORGIAN YOUNG LAWYERS' ASSOCIATION



GYLA Publishes Information about Finances Transferred from Funds Envisaged by the State Budgets 2008-2012 to Funds Established by Tbilisi Government

In 2012 Georgian Young Lawyers' Association presented its research The Rehabilitation Process Beyond the Façade, most of which focused on involvement of

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funds established by Tbilisi Government in the process of rehabilitation of historic parts of Tbilisi.

This time, GYLA would like to provide public with information about budgetary finances transferred from various funds envisaged by the state budgets of Georgia in 2008-2012 to the legal entity of public law Old City Rehabilitation and Development Fund, established by Tbilisi Government and the legal entity of public law Tbilisi Development Fund.

According to the information that GYLA was able to obtain, funds established by Tbilisi Government have been receiving finances from funds envisaged by the state budgets of Georgia in 2008-2012, including the Reserve Fund of the President of Georgia and the fund for projects to be implemented in the regions of Georgia. Further, GYLA was also able to obtain part of the presidential decrees 2009 which was classified as secret according to the president's administration but nevertheless, they failed to submit to GYLA or to court any documents that would certify that the decrees were indeed classified as secret.

Analysis of the legal acts has revealed that in 2008-2012 the Old City Rehabilitation and Development Fund and Tbilisi Development Fund received total of GEL 129,980,893 from two funds envisaged by the state budget, including GEL 47,102,000 allocated from the President's Reserve Fund directly towards the Old City Rehabilitation and Development Fund and GEL 82,878,89, considerably higher amount allocated to Tbilisi Development Fund from the fund of projects to be implemented in regions of Georgia.

In addition to finances transferred to funds established by Tbilisi Government, finances were also transferred to Tbilisi City Hall for the purpose of rehabilitation of historic parts of Tbilisi. In particular, Tbilisi City Hall received GEL 6,000,000 in 2010 only from the President's Reserve Fund. Further, for funding the works on Rike premises in Tbilisi, Tbilisi City Hall received GEL 14,700,000 from the fund for the projects to be implemented in the regions of Georgia. Notably, under a single resolution of the Government of Georgia, Tbilisi Development Fund received GEL 70 million in 2011.

It is particularly notable that despite the large sums transferred from funds envisaged by the state budget to the funds established by Tbilisi City Hall,

• **Funds established by Tbilisi City Hall did not abide by the law on public procurement,**

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which encouraged lack of transparency of spending these funds;

- Spending by circumventing the law on public procurement increases the risk of utilizing corruptive schemes in the process of spending these funds;
- Public is still unaware of how the funds established by Tbilisi Government selected contractors selected for performing the works;
- Further, Tbilisi City Hall has not yet made public its annual reports of works completed, submitted to Tbilisi City Hall, which further increases the possibility that funds received from budgetary resources have been spent in violation of applicable legal provisions.

GYLA calls on Tbilisi City Hall once more to make public the annual reports of works completed by the funds and make them accessible to all interested individuals.