



## Budget amendments in the pre-election period

According to established practice, the pre-election period in Georgia traditionally lasts two months, though the duration of the pre-election period of the 2016 parliamentary elections was determined as four months. This has given rise to both positive and negative aspects. For example, in a number of cases, budget amendments were made and new programs/increases of funding for existing programs were implemented after the official start of the campaign, which the Election Code prohibits from the 60<sup>th</sup> day before election day.

The current year has also seen cases where budget amendments were made several days before the start of the 60-day period, which emphasized the formal character of the prohibition.

### **Kakheti - Gurjaani**

On June 6, 2016, two days before the election campaign was officially announced, the Gurjaani Town Council made amendments regarding the approval of social assistance programs and their budgets. As a result of the amendments, 20 university applicants

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living in the Gurjaani Municipality who get the best scores in the unified national examinations will receive GEL 500 from the Municipal Administration of Gurjaani. The local government will also help orphaned and socially vulnerable students pay their tuitions, with each student receiving a guarantee letter for GEL 500. The amendments also provide for co-funding of university tuitions that will be available for the socially vulnerable and orphaned students whose families are registered in the unified database of the State Program for Overcoming Poverty. In addition, by the Municipal Administration's decision, children with the Down Syndrome who are under the age of 18 and live in the territory of the municipality will receive a monthly allowance from GEL 60 to GEL 150. In total, the local government of Gurjaani will allocate GEL 1,249,000 for social projects.

It is clear that allocation of these funds aims to win the hearts of voters before the elections, though, formally, it is not a violation of law.

## **Tbilisi**

The last amendments to the 2016 Budget of the Tbilisi Municipality were made on June 24, after the start of the election campaign. Considering all the amendments, the budget revenues of the Tbilisi Municipality reached GEL 808,226,000 in total, which is 10% less than the revenues of last year. In comparison with the amendments made in April, the revenues have increased by GEL 18,042,500.

The amendments of June 24 mainly concerned the construction and restoration of transport infrastructure, construction and operation of infrastructure facilities and reinforcement of dangerous buildings, healthcare, social protection, and education. In particular, by the latest amendments, GEL 118,662,900 was allocated for construction and restoration of transport infrastructure. According to the initial wording of the budget, the funds allocated for the programs and subprograms of the said priority amounted to GEL 103,300,000. As a result of analyzing the budget, we found that the April amendments had increased the said amount by GEL 1,012,176, while the latest amendments had increased it by GEL 7,115,300. It should be noted that several subprograms were added to the said priority: reconstruction and construction of subway stations (010203) and development of cable transport (010208), for which GEL 7,000,000 was allocated. As for construction and operation of infrastructure facilities and reinforcement of dangerous buildings, GEL 181,457,100 had been allocated for this purpose by the amendments of April 2016, and the June 24

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amendments increased this amount by GEL 2,585,000. The funding for the program “Measures for the liquidation of consequences of the heavy rains on June 13-14, 2015” (0211) increased by GEL 1,050,000, and the funding for a program that contributes to the city’s development increased by GEL 300,000. According to the latest amendments, GEL 685,000 was added for municipal improvements.

In comparison with the April amendments, the June amendments increased the funding for healthcare and social protection by 5.2%. The funding for the social protection program (06 02) increased by GEL 10,602,200. This program implies provision of services matching the social needs of various groups of the population, in particular, provision of monetary or other assistance for socially vulnerable families with multiple children and for persons with disabilities.

The June 24 amendments increased the funding for educational programs by GEL 2,714,500, with 88.4% of this amount being added to the management and development of the pre-school education system.

As a result of our analysis, we have established that the government of the capital city has not changed its priorities, and in 2016, as in the budgets of the past years, they are represented in the following order:

1. construction and restoration of transport infrastructure;
2. construction and operation of infrastructure facilities and reinforcement of dangerous buildings;
3. maintenance and improvement of the environmental situation;
4. promotion of the development of the economy;
5. development of home owners’ associations;
6. healthcare and social protection;
7. education;
8. culture, sports, and youth;
9. public order and security;

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10. representative and executive bodies of the city of Tbilisi.

Based on these data, we can conclude that the increases in the funding of these programs in the pre-election period raise doubts that the local authorities are trying to distribute a considerable part of the 2016 budget funds to programs whose implementation is going to increase the satisfaction of the population and, ultimately, raise the number of their supporters in the elections.