



Annual Report, 2004

Transparency International Georgia

Building transparent institutions in Georgia

The end of the Shevardnadze era greatly changed the political landscape in Georgia. Prompted by disaffection with a regime perceived to be corrupt, undemocratic, and unresponsive, Georgian citizens demanded a change in government. The November 2003 revolution created an unprecedented sense of ownership in Georgia's future by the Georgian people.

This past year, the new government has initiated a number of intense political reforms. Transparency International Georgia believes that involving the Georgian people in the country's democratic development must be a top priority in order to ensure success and sustainability of these reforms. Informed citizens are fundamental to the establishment of an active, democratic state.

TRANSPARENCY INTERNATIONAL GEORGIA

Transparency International Georgia was established on 7 May 2000. It is committed to combating corruption in Georgia through the promotion of transparency and accountability. Transparency International Georgia's mission is to serve as the primary source of information on corruption reform in Georgia, assist the government and the broader public in facilitating reform in sectors where corruption exists, and to build and strengthen institutions.

To fulfil this mission Transparency International Georgia: establishes programmatic activities that target structural corruption in specific sectors; promotes access of local populations to information on corruption and on legislation intended to address corruption; encourages input on reform from local and international experts; assists the Government in drafting policy; and produces analysis and public policy recommendations on current activities and on future reform.

TRANSPARENCY INTERNATIONAL SECRETARIAT

TI Georgia is the national chapter of **Transparency International**, the only international non-governmental organization devoted to combating corruption, which brings together civil society, business, and governments in a powerful global coalition. TI, through its International Secretariat and more than 85 independent national chapters around the world, works to stem both the supply and demand of corruption at the national and international level. In the international arena, TI raises awareness about the damaging effects of corruption, advocates policy reform, works towards the implementation of multilateral conventions, and monitors compliance by governments, corporations, and banks. At the national level, chapters work to increase levels of accountability and transparency, monitoring the performance of key institutions and pressing for necessary reforms in a non-party political manner.

PRESS RELEASES

CORRUPTION PERCEPTION INDEX 2004

Transparency International “Corruption Perception Index” Publication

20 October 2004, Tbilisi — Transparency International published the results of Corruption Perception Index 2004 on October 20, which ranks countries in terms of the degree in which corruption is perceived to exist among public officials and politicians. This year Georgia received only two (out of total ten) points in this ranking; thus it is among 60 countries that suffer from grave corruption problems.

Over ten years after gaining independence, corruption continues to be the greatest hindrance to Georgia's development into a successful democracy. It is recognized, however, that the country is taking its very first steps against corruption. Dramatic improvement in this ranking is anticipated in the future as anti-corruption measures are incorporated into government policy. Transparency International will additionally release the results of one other survey - “the Global Corruption Barometer,” which annually assesses the general public's perceptions of corruption and its attitude towards the prospects of resolving this problem.

On October 22-23, at the “New Governments' Anti-Corruption Meeting” organized by the Kenyan government and Transparency International, in which Georgia's late Prime Minister, Mr. Zurab Zhvania, also participated, Georgia was mentioned as a country taking rapid and decisive steps to eradicate corruption, as compared with many other developing countries. Mr. Zhvania is remembered for his intellectual brilliance, which combined with his personal courage and political determination, was an inspiration to the audience of politicians and civil society leaders from every corner of the world.

The “Corruption Perception Index” is based on responses provided by different representative organizations, local as well as foreign experts, analysts, and businesspersons to TI questions on state and political corruption. The survey is conducted annually. In 2004, the survey was carried out in 146 countries. Those countries that receive a score of nine or higher are considered to have the lowest level of corruption. Countries that score low are in need of special efforts in the struggle against corruption.

GLOBAL CORRUPTION BAROMETER 2004

Georgia Shows Greatest Change in Public Perceptions of Corruption Worldwide, according to TI Global Corruption Barometer 2004

Georgia is very optimistic that corruption will decrease in the next three years

9 December 2004, Tbilisi — Georgia has made the biggest leap in public perceptions of corruption, according to a new public opinion survey published today by Transparency International (TI) to mark International Anti-Corruption Day. According to the 2004 TI Global Corruption Barometer, Georgia ranks as one of the three most optimistic countries in regards to eradicating corruption. In comparison, the 2003 Barometer showed that Georgia was one of the countries topping the list of pessimists, with 55.2% of the population surveyed expecting corruption to increase.

2004 Barometer in Georgia

According to the Barometer, Georgia rated the following as its most corrupt institutions, in order of most to least corrupt: 1) Police, 2) Tax Collection/Customs, 3) Legal system-Judiciary, 4) Medical Services, 5) Political parties, 6) Parliament-Legislature/Registry and Permit services, 7) Business-Private Sector, 8) Utilities, 9) Military, 10) Media/NGOs, and 11) Religious bodies.

In most of the surveyed countries, political parties were rated by the general public as the institution most affected by corruption. While Georgia's perception of corruption within political parties was not as negative as in many other countries, parties in Georgia still have a significant way to go before being perceived as non-corrupt. Thus, current discussions about making party finances in Georgia more transparent remain crucial.

Half of Georgians surveyed perceived administrative corruption to be a very big problem in Georgia, however, only 5%-10% of Georgians surveyed responded that they or anyone living in their household had paid a bribe in any form in the last 12 months.

The police were identified by Georgians as being the country's most corrupt institution. The Barometer survey was conducted in Georgia in late June of this year and thus does not reflect recent restructuring by the Georgian Government of the police. TI Georgia is pleased to note that Georgia has had considerable success in improving this sector in the previous months, further testifying to Georgia's commitment to reforming its most corrupt sectors, specifically in regards to police and taxation. At the same time, the current administration is moving more slowly on reforms in the Judiciary and in the health sector. The Parliament and the Executive Branch should move forward with reforms in these important areas.

What Remains to be Done?

While Georgians are optimistic about a reduction of overall levels of corruption, those surveyed stated widespread concern over economic problems Georgia currently faces. When asked about their concerns, 99.2% of those surveyed stated that poverty was a very or fairly big problem, 99.3% said that unemployment was a very or fairly big problem, and 96.4% said that inflation was a problem.

The Barometer is a public opinion survey, which assesses the general public's perceptions and experience of corruption. Because it is a poll of the general public, it provides an indicator of the relative success of efforts to curb corruption within institutions/sectors and across countries. Unlike TI's Corruption Perception Index released on October 20th, which focuses on the assessment of existing levels of corruption at the time when the research is conducted, the Barometer studies public opinion about future perspectives of combating corruption.

2004 ACTIVITIES: Projects

Anti-Corruption Essay Competition for School Children*

Period of performance: 01 August 2003 – 01 February 2004

Source of funding: Open Society Georgia Foundation

Project abstract:

This project gave high school students the opportunity to express their attitude towards corruption and lawfulness and to raise their awareness on the issue through discussions with guest speakers and by writing creative essays on the subject. To achieve this purpose TI Georgia organized interactive discussions with over 600 school children at 19 schools throughout Georgia with the participation of popular singers, actors, television personalities, and different NGO representatives. During the discussions the students and the guest speakers discussed the reasons and scale of corruption in different sectors, and suggested possible solutions to these problems. Following the discussions the school children participated in the essay contest that focused on three major topics: causes and results of corruption, corruption perception, and behaviour in a corrupt environment. The best essays were published in the daily newspaper 24 Hours and were posted on TI Georgia's website, while their authors were awarded with popular books and journals. This project helped to increase the level of perception of corruption and legitimacy among youth, to increase interest in these issues, and to contribute to the development of effective anti-corruption programmes in schools.

Voter Education for Georgia's Police Force

Period of performance: 15 February 2004 – 30 April 2004

Source of funding: OSCE Mission to Georgia

Project abstract:

The project's objective was to promote democratic principles among Georgia's police force and protect fairness of the March 28th parliamentary elections by executing a comprehensive voter education campaign for the target group on the eve of these elections. TI Georgia conducted 119 training-seminars with over 2800 policemen in 65 districts of Georgia (with the exception of Ajara and two breakaway regions of Georgia). During these training-seminars the policemen learned about voting rights and basic voting procedures, police duties in elections, sanctions for committed violations, and about the major features of the police reform draft developed by the Ministry of Interior Reform Agency. Following the training-seminars, the participating policemen filled out anonymous feedback forms; this information was then consolidated in a report that was submitted to the Ministry of Interior and the public organizations working on police problems.

This project pioneered constructive partnership between an NGO and the Georgian police. As an immediate result of the project's implementation, the levels of illegal interference of the police force in the election process decreased drastically in the March 28th elections. For the first time since 1999 elections, domestic, foreign, and international observer organizations cited no instances of police interference in elections in their assessments of the elections.

Voter Education for Ajara's Police Force

Period of performance: 01 June 2004 – 01 July 2004

Source of funding: OSCE Mission to Georgia

Project abstract:

The goal of the project was to educate Ajara's police about the election process and their role in this process, promoting democratic conduct during the June 20th Supreme Council elections in the region. TI Georgia conducted 21 trainings in all 6 districts of Ajara providing essential election information to over 650 policemen. The organization collected 513 feedback forms filled out by policemen following the trainings that provided specific ideas and concerns of policemen regarding their role in elections in the state in general. On election day the organization monitored 79 polling stations to assess police involvement in the voting and counting procedures.

In past years, the region of Ajara had been known for blatantly fraudulent elections delivering illegitimate votes to the local ruling party Democratic Revival of Ajara and its leader. The June 20th elections were the first elections after the change of national government in November 2003 and the change of administration in Ajara in May. Fair conduct during these elections was vital in terms of building confidence among Ajara's residents in the progress of their region and in the new government of the country.

Parliamentary Code of Ethics

Period of performance: 01 June 2004 – 01 November 2004 **Source of funding:** OSCE Mission to Georgia

Project abstract:

Transparency International Georgia assisted the Parliament of Georgia in developing a Code of Ethics for Parliamentarians. The organization compiled various resources – Codes of Ethics of different countries and other supporting documents – and provided them to Members of Parliament to assist them with the elaboration of the document. TI Georgia also served as a consultant for Parliament during the process of elaboration and hosted a roundtable with the participation of the parliamentary leadership and the faction representatives to complete the document. Upon the completion of the first draft, TI Georgia printed over 200 copies of the document and distributed them to all Members of Parliament to solicit their commentary and support.

The Code of Ethics was signed on 12 October 2004 and was signed by 138 Members of Parliament. TI Georgia, in close cooperation with Parliament, organized a large signing ceremony, which was attended by government officials, Georgian and international NGOs, foreign diplomats, and journalists.



Nino Burjanadze, Speaker of Parliament of Georgia, discussing the Code of Ethics with press after the signing ceremony

Promoting Public Input into the Legislative Process

Period of performance: 01 June 2004 – 01 December 2004 **Source of funding:** Swiss Development Agency

Project abstract:

The aim of this programme was to enable Georgian parliamentarians to make informed decisions about draft laws by eliciting expert advice and actively involving civil society in the legislative process. Additionally, this programme helped the public learn about and comment on new legislation. Transparency International Georgia set up a structure to seek out, consolidate, and disseminate advice on the potential impact of important legislation initiated in Parliament. TI Georgia's office in Parliament is in constant communication with lawmakers, civil society organizations, independent national and international experts, interest groups, and ordinary citizens both within and outside Tbilisi.

Input is solicited by using three approaches: a) locating Georgian and international experts and gathering their commentary regarding the legality of the initiated draft, its potential impact, relevant international experience with similar legislation, and recommendations for improvement; b) organizing parallel hearings on draft laws outside Tbilisi involving those segments and groups of society that will be most impacted by the law to solicit their input; and c) conducting meetings for the general public. Following these activities, a short report summarizing the various commentary solicited from citizens, experts, and interest groups is available to parliamentarians and the general public.

By empowering civil society organizations and ordinary citizens to become active participants in the legislative process, and by acting as a conduit for expert advice to Parliament, TI Georgia has had a significant impact on promoting transparency in the decision-making process and improving the quality of laws passed.

Increasing Public Access to Free Medical Services

Period of performance: 01 June 2004 – 01 March 2005

Source of funding: European Commission

Project abstract:

This project was designed to improve access to healthcare for citizens qualifying for free medical services. TI Georgia informed citizens of their rights to state-subsidised medical services and assisted them in acquiring these services. For this purpose Transparency International Georgia printed and distributed 90,000 brochures and 5,000 posters explaining the contents of the state medical assistance programmes, eligibility clauses, and applying procedures. The brochures and posters were distributed to 160 pharmacies and 40 hospitals in Tbilisi. As part of this project Transparency International Georgia also set up a hot line system enabling the citizens to receive more detailed information regarding the free medical assistance programmes, as well as to report on encountered obstacles.

Westminster Study Programme**

Period of performance: 19 February 2005 – 27 February 2005

Source of funding: British Council and Swiss Agency for Development and Cooperation

Project abstract: Transparency International Georgia's Parliamentary Programme Director visited London, UK in order to better understand the British Parliamentary system and establish relations in the British legislature. TI Georgia gained a better understanding of the British legislative system, acquired best practices and useful materials, and also established contacts for future cooperation. TI Georgia's Parliamentary Programme Director was introduced to many interesting and innovative practises applicable to Georgia in the UK related to: public outreach, constituency issues, and committee self-assessment.

* Funding was received in 2003, though the activity extended into 2004.

** Funding was received in 2004, though the activity took place in 2005.

2004 ACTIVITIES: Events

Italian prosecutor Dr. Gherardo Colombo Visits Georgia

On 16-17 September 2004, the distinguished Italian prosecutor Dr. Gherardo Colombo visited Georgia as a guest of Transparency International Georgia to advise the Government of Georgia on the anti-corruption efforts undertaken in Georgia and to help identify barriers to effective prosecution of this crime. Colombo, along with members of TI Georgia, met with the Minister of Justice, the Prosecutor General, the head of the Anti-Money Laundering Unit, the Deputy Security Minister, the head of the Chamber of Control, and representatives of Georgian non-governmental organizations. Over the course of his visit, TIG put together recommendations for areas of focus in the fight against corruption in Georgia: public perception and participation, independence of judges and prosecutors, civil service reform, financial transactions, and monitoring public officials.

“New Anti-Corruption Governments: The Challenge of Delivery” Conference

The conference, *New Anti-Corruption Governments: The Challenge of Delivery*, organised by Transparency International, TI Kenya, and the Kenyan government, was held in Nairobi, Kenya, on 12-13 October 2004. This conference was designed to foster constructive dialogue on the anti-corruption strategies open to new governments and to develop key recommendations to support their efforts. TI Georgia participated in the conference, in addition to then Prime Minister Zurab Zhvania.

Organisation for Economic Co-operation and Development Roundtable

On 9 December 2004, global Anti-Corruption Day, Transparency International Georgia organized a roundtable in Tbilisi to discuss Georgia's adherence to the OECD Anti-Corruption Network recommendations of 17 June 2004. Roundtable participants included: members of Georgian and international NGOs, journalists, the head of Anti-Corruption Department of National Security Council of Georgia, representatives of the General Procuracy and of the Ministry of Finance, Members of Parliament, and independent experts. The discussion focused on four major fields covered under the OECD ACN recommendations: a) anti-corruption reforms: transparency and progress evaluation, b)

legislative changes: criminalisation of corruption, c) civil service reform: merit-based hiring and promotion, code of ethics for civil servants, and d) liberalisation of business environment: tax regulations.

Memorandum of Understanding between Parliament of Georgia and TI Georgia

On 9 December 2004, the Foreign Affairs and Legal Issues Committees of the Parliament of Georgia and Transparency International Georgia signed a MOU declaring the common goals of fostering democratic development, fighting against corruption, and facilitating international cooperation in the control and sanctioning of corruption. The two entities agreed to collaborate in the preliminary work necessary for promoting the signature, ratification, and implementation of the UN Convention Against Corruption.



Kote Gabashvili, Chair of the Foreign Affairs Committee, signing the Memorandum of Understanding, along with Levan Bezhashvili, Chair of the Legal Issues Committee

FUTURE DIRECTIONS

Over the next year, TI Georgia will focus on the following areas of development:

- Sectoral expertise
- Public input facilitation
- Regional expansion

To achieve our goals, we are in the process of expanding our organization by introducing programmatic activities that focus on specific sectors, hiring full-time staff in charge of closely monitoring these sectors, and developing additional programmes within these sectors. In this way we intend to develop a breadth of sectoral expertise without compromising the quality of our analysis.

A regional network creates a partnership with Georgians outside of Tbilisi. TI Georgia will serve as an independent source of information that citizens can trust and a feedback mechanism for information to and from national government and international organizations. In this way, we can counter the tendency towards centralization of power within the Government and within Tbilisi. TI Georgia intends to ensure a mechanism for public voices to be heard, to increase the amount and quality of information regional populations receive, and to create a conduit for local opinions to filter into the government. The regional networks will serve as the basis of the public outreach campaigns and civic associations fundamental to TI Georgia's role within the country.

LIST OF DONORS SINCE REGISTRATION

ABA/CEELI
British Council
British Government
Canadian Government
European Commission
IRIS Georgia
OSGF
OSCE Mission to Georgia
OSCE Vienna
OSI Budapest
Swiss Agency for Development and Cooperation
TI Secretariat

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BOARD OF DIRECTORS

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Jaba Ebanoidze, Secretary

Nick Gvinadze, Member

Levan Ramishvili, Member

Davit Kikalishvili, Member

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2004 FINANCIAL DATA

LIST OF DONORS

All figures in Georgian Lari (GEL)
1 USD = 1.83 GEL; 1 EUR = 2.4 GEL

OSCE

<i>Parliamentary Code of Ethics</i>	23,435
<i>Anti-Corruption Action Plan Development</i>	3,128
<i>Voter Education for Georgia's Police Force</i>	72,364
<i>Voter Education for Ajara's Police Force</i>	12,980
Total	111,907

SDC

<i>Promoting Public Input into the Legislative Process</i>	92,381
Total	92,381

European Commission

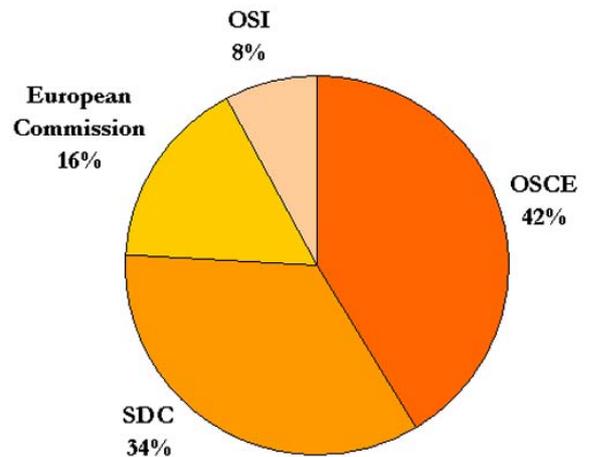
<i>Increasing Public Access to Free Medical Services (85, 5 % of total fund)</i>	44,439
Total	44,439

Open Society Institute

<i>Institutional Support</i>	13,438
<i>Increasing Public Access to Free Medical Services (14, 5 % of total fund)</i>	7,543
Total	20,981

Total Income **269,708**

INCOME



EXPENDITURES

