



# **CONFLICT OF INTEREST AND CORRUPTION RISKS AT THE TBILISI MUNICIPALITY REGULATORY COUNCIL ON THE USE AND DEVELOPMENT OF TERRITORIES**

**(SO-CALLED “ZONING COUNCIL”)**

**TBILISI, 2017**



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Transparency International – Georgia studied the conflict of interest and corruption risks at the Tbilisi Municipality [Regulatory Council on the Use and Development of Territories](#) (so-called “Zoning Council”) operating under Tbilisi City Hall. The **main findings** are as follows:

- The study shows that Tbilisi City Hall / LEPL “Architecture Service” cannot efficiently ensure the prevention of the conflict of interest and corruption risks at the Tbilisi Municipality Regulatory Council on the Use and Development of Territories (so-called “Zoning Council”). During the study, a whole number of cases were identified in which decisions made by the Zoning Council were associated with great risks of the conflict of interest and corruption. Despite the fact that the Zoning Council’s rules of procedure provide for a mechanism of recusal, it is unclear whether the conflict of interest is being effectively prevented this way or whether the Council members use this mechanisms in general.
- There is a pressing problem of corruption risks stemming from the so-called “revolving doors” principle at LEPL “Tbilisi Municipality Architecture Service” - there are many cases when high-ranking officials of the Architecture Service, in parallel with working at this Service and being on the Zoning Council, are actively engaged in construction business (as architects) or, soon after leaving their posts, move to work at the companies operating in the sphere which they used to oversee.
  - Correspondingly, the high-ranking officials of the Architecture Service are directly or indirectly connected to the construction companies which also act as applicants to the Architecture Service/Zoning Council. Former heads of the Architecture Service, **Nino Ghogoberidze** and **Dimitri Mosulishvili** can serve as examples;
- In a similar way, in the case of invited members of the Zoning Council, there were many instances when invited experts were at the same time interested parties with regard to specific decisions (applicants to the Zoning Council, authors of specific projects), which creates high risks of the conflict of interest.
  - **Giorgi Sulaberidze**, who is actively engaged in business, was a project architect while being on the Council; in several cases, a project applicant was his business partner. While working at the Council, **Irakli Murghulia** also acted as an applicant. During this period, on 16 July 2015, Irakli Murghulia submitted a [request](#) to the Zoning Council, asking to change the functional zone of the territory on Zurgovana Street in Saburtalo District.
- During the period covered by the study, among those interested in specific decisions made by the Zoning Council, there are also persons who have - or had in the past - direct connections to the ruling political party. These persons are also the contributors to the ruling political team. Particularly interesting are the cases of the members of the parliamentary majority, **Ivliane Tsulaia**, **Grigol Liluashvili**, **Gocha Enukidze** and **Valeri Gelashvili**.

Based on these findings, **Transparency International - Georgia calls on Tbilisi City Hall to review the activities and staffing procedure of the Zoning Council and develop an efficient anticorruption mechanism which will ensure the prevention of the conflict of interest and corruption.**

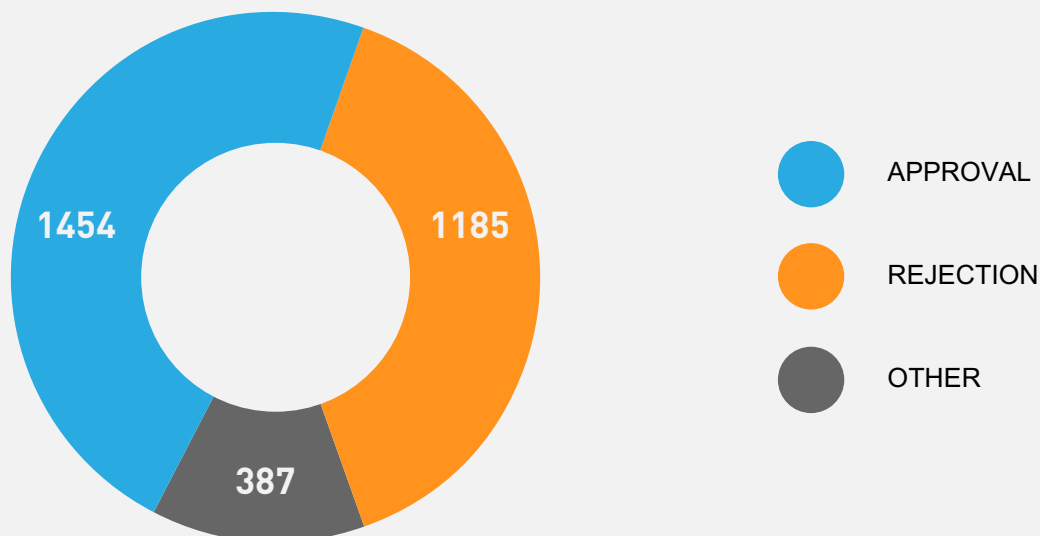
# INTRODUCTION

The Tbilisi Municipality [Regulatory Council on the Use and Development of Territories](#) (so-called “Zoning Council”) is an advisory body of the Tbilisi government which prepares relevant conclusions and recommendations for the Tbilisi government with regard to the issues of regulating the use and development of territories. The Council’s scope of authority includes, among others, provision of recommendations regarding special zoning agreements<sup>1</sup> and development of Tbilisi Municipality’s undeveloped territories.

This study covers the work of the Council from August 2014 until August 2017. Specifically, special attention is paid to the decisions regarding increasing the parameters of city development<sup>2</sup> and changes in functional zones<sup>3</sup>, since recommendations on these issues are prepared precisely by the [Regulatory Council on the Use and Development of Territories](#).

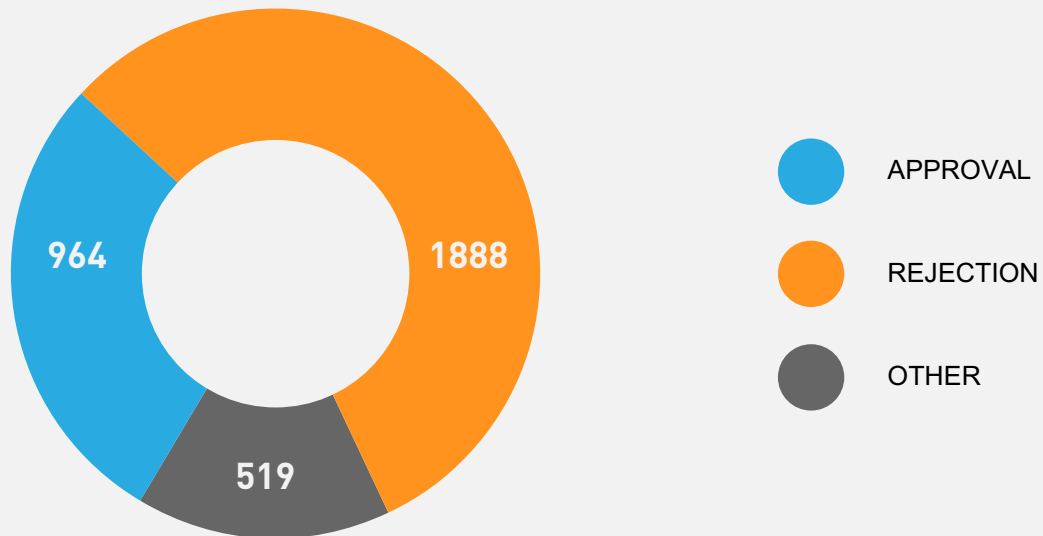
During the period covered by the study, LEPL “Tbilisi Municipality Architecture Service”, based on the recommendations made by the Zoning Council, issued 964 (28.6%) approvals of the change in functional zones and 1,454 (48%) approvals of increasing city development parameters, which indicates the scale and significance of the Council’s work.

## DECISIONS REGARDING THE INCREASE OF CITY DEVELOPMENT PARAMETERS 01.08.2014-30.06.2017



- 1 An agreement which must be made before making changes in real estate (facility) if this property (facility) is used in a way which, according to this law, requires a special (zoning) agreement.
- 2 For example, acquiring the right to build an apartment block complex as a result of the increase in the development intensity coefficient.
- 3 Receiving a construction permit on a land plot as a result of the change in the functional zone status of that territory. For example, acquiring the right to carry out construction works on the land after its status of a recreation zone is changed.

## DECISIONS REGARDING THE CHANGE OF FUNCTIONAL ZONES 01.08.2014-01.08.2017



Thus, it is natural that the risks of potential conflict of interest and corruption appear, which requires appropriate preventive measures.

In this case, the corruption risks related to the so-called “[revolving doors](#)” principle are noteworthy.

The term “revolving doors” means the movement of officials between the private and the public sectors. This phenomenon becomes a problem when it creates the conflict of interest and corruption, thus undermining the integrity of decision-making, policy formulation and procurement processes in the public sector. There are many corruption risks related to “revolving doors”, including the use of influence and connections, inside information, protecting the interests of former business after assuming the post, ensuring future employment while holding the post and so on. Therefore, it is important to reduce the risks related to this phenomenon.

In addition, since the Zoning Council members are essentially executing public authority when making recommendations regarding city development issues, serious risks of the conflict of interest appear as a result of their private activities in the absence of appropriate prevention mechanisms.

This study reviews the activities of the Zoning Council and its members precisely in relation to this kind of risks.

# COMPANIES LINKED TO MEMBERS OF THE REGULATORY COUNCIL ON THE USE AND DEVELOPMENT OF TERRITORIES

## Representatives of the City Hall (Architecture Service):

Council Member	Membership Period	Status	Company	Form of Participation
<b>Nino Ghoghoberidze</b>	05.09.2014-17.12.2014 17.12.2014 -29.04.2015 29.04.2015- 21.08.2015	Representative of LEPL "Architecture Service"; Head of LEPL "Tbilisi City Architecture Service"	LLC "Rezid"  LLC "A+D Studio"	Architect;  Owner of 100% of shares
<b>Otar Nemsadze</b>	05.09.2014 - 17.12.2014 17.12.2014- 29.04.2015 21.08.2015 - 05.11.2015 29.04.2015 - 16.11.2015	Representative of LEPL "Architecture Service"; Head of Urban Planning Department of LEPL "Tbilisi City Architecture Service"; Acting Head of LEPL "Tbilisi City Municipality Architecture Service"; Urban Planning staff member of LEPL "Tbilisi City Municipality Architecture Service"	LLC "Laboratory of Architecture N3"	Owner of 35% of shares
<b>Levan Dzagnidze</b>	05.09.2014 - 17.12.2014	Representative of LEPL "Architecture Service"	LLC "A3"	Director and owner of 33% of shares
<b>Dimitri Mosulishvili</b>	05.09.2014 - 17.12.2014 17.12.2014- 29.04.2015 05.11.2015 - 27.07.2016 27.07.2016 - 16.11.2016	Representative of a non-governmental organization; Invited expert; Head of LEPL "Tbilisi City Municipality Architecture Service"; Invited expert	LLC "Architects' Club";  LLC "Style";  "ADS";  LLC "Style Design";  LLC "AMG Style";  LLC "SA Georgia"	Owner of 100% of shares;  Owner of 100% of shares;  Consultant and architect;  Owner of 90% of shares;  Owner of 100% of shares;  His son owns 25% of shares.
<b>Zakaria Kurdiani</b>	05.09.2014 - 17.12.2014 17.12.2014- 29.04.2015 16.11.2015 -14.07.2016	Representative of a non-governmental organization; Invited expert; Urban Planning staff member of LEPL "Tbilisi City Municipality Architecture Service"	LLC "ABC";  LLC "Architecture and Design Group"	Owner of 90% of shares;  Owner of 100% of shares.

## **Nino Ghogheridze - former head of LEPL “Architecture Service”, former chairwoman of the Zoning Council**

From September 2014 until August 2015, Nino Ghogheridze was a member and, for some time, the chairwoman of the Zoning Council in the capacity of a representative of the Architecture Service operating under Tbilisi City Hall. According to the [2014](#) and [2015](#) declarations, she was an architect at LLC “Rezid”. In 2010-2014, she also owned 100 percent of shares of LLC “A+D Studio”, although Archil Revazishvili became the owner of 100 percent of the company shares in 2014.

While being a member of the Council and working at the Architecture Service, no architectural project that she had authored was submitted to this institution but, after leaving the Architecture Service, she returned to the private sector and, presumably, continued business relations with her former employers. From September 2015 until June 2017, the Architecture Service satisfied four requests submitted by her. In all cases, LLC “Rezid Holding GmbH” was the owner of the land at issue. This represents a potential risk related to the so-called “revolving doors” principle and points to the absence of appropriate oversight and prevention mechanisms.

## **Otar Nemsadze - former deputy head of LEPL “Architecture Service”**

From September 2014 until the end of November 2015, Otar Nemsadze was a representative of LEPL “Tbilisi Municipality Architecture Service” at the Council and, for a time, also held the post of its deputy chairman. According to the 2015 asset [declaration](#), he also was the head of the Urban Planning Department at LEPL “Architecture Service”. In parallel, since 2006 until present, Otar Nemsadze has been the owner of 35 percent of shares of LLC “Laboratory of Architecture N3”. Otar Nemsadze was a member of the Laboratory of Architecture Public Association and held the deputy chairman’s post.

It is noteworthy that, in 2016, the Council approved the application submitted by his business partner, Irakli Abashidze (director and owner of 30 percent of shares of LLC “Laboratory of Architecture N3”), regarding the increase of a city development parameter in order to build an apartment block. According to the application, Irakli Abashidze himself is the chief architect of the project. The Zoning Council approved Abashidze’s application regarding the change of a functional zone the same year.

## **Levan Dzagnidze - former deputy head of LEPL “Tbilisi City Hall Architecture Service”**

Levan Dzagnidze was appointed representative of LEPL “Tbilisi City Municipality Architecture Service” operating under the City Hall in 2014. According to his asset declarations, in 2014-2016, he also held the [posts](#) of the deputy [head](#) of the Architecture Service and the **head of the Permits Department**. Levan Dzagnidze was also working as an architect at LEPL “Educational and Scientific Infrastructure Development Agency”. At the same time, starting from 2013, he was the director and owner of 33 percent of shares of LLC “A3”. While holding the post of the deputy head of the Architecture Service, he filled out only two asset declarations in which he failed to indicate that, in addition to being a shareholder of LLC “A3”, he was also its director.

Levan Dzagnidze was a member of the Zoning Council from September until the end of December 2014. During this period, he was also the director of LLC “A3”. It is interesting that both during his being on the Council and after it, the Council satisfied **three requests** submitted by Levan Dzagnidze’s business partner Giorgi Mirianashvili (director and owner of 33 percent of shares of LLC “A3”) concerning the increase of city development parameters. Of those, the first approval was issued in 2014, when Levan Dzagnidze was on the Council. An apartment block is indicated in the application as a functional purpose at the address 22, Delisi III Street, while the chief architect was Aleksandre Sesiashvili, the owner of 34 percent of shares of A3 and thus a business partner of Mirianashvili and Dzagnidze.



In 2015, the Zoning Council issued **two more approvals** in response to the applications of the same content (increasing city development parameters) submitted by Mirianashvili. In one of these applications, A3 itself was involved.

After leaving the Architecture Service in 2016, Levan Dzagnidze, like Nino Ghoghoberidze, returned to the private sector and continued working at his own company, A3. The Architecture Service approved all eight projects that he submitted in 2016-2017. One other approval of the project submitted by Levan Dzagnidze was issued in May 2015, when he himself presumably held the post of the Permits Department head at the Architecture Service.

According to the information disseminated by the media on 14 August 2017, Levan Dzagnidze was [detained](#). The investigation charged him with an attempted misappropriation of a large sum of money.

### **Dimitri Mosulishvili - former head of LEPL “Architecture Service”**

Dimitri Mosulishvili was a member of the Zoning Council from September 2014 until October 2016 in the capacity of an invited expert, representative of a non-governmental organization and as the head of the Architecture Service. Dimitri Mosulishvili [resigned](#) as the head of the Architecture Service in July 2016. According to his own explanation, he was planning to dedicate more time to his professional activities as an architect and continue working in the private sector. However, he had not severed his connections with the private sector while holding his post.

According to the asset declaration, he is a founder of LLC “Style” and LLC “Architects’ Club”. He was a consultant and an architect at LLC “ADS”. He is a member of the board of N(N)LP “Association of Architects of Georgia”. Dimitri Mosulishvili owns 90 percent of shares of LLC “Style Design” and 100 percent of shares of LLC “AMG Style” and LLC “Style”. In addition, his son is a partner in LLC “SA Georgia”, a company operating in the same field. Dimitri Mosulishvili’s wife, Nino Maghlaperidze, too, has connections to the same field and companies (LLC “Style”, LLC “ADS”, LLC “Architects’ Club”) and has acted as an applicant to the Zoning Council and the Architecture Service.

While Dimitri Mosulishvili was a member of the Zoning Council in 2014, the total of 14 applications were submitted to the Architecture Service, **nine of which were approved**.

In 2015-2017 (except for the period when Dimitri Mosulishvili was the head of the Architecture Service), four applications concerning the implementation of projects where Mosulishvili was the architect were submitted to the Architecture Service; three were approved and only one was rejected.

In addition, in 2017, Giorgi Kurtsikidze, who is the director of Dimitri Mosulishvili’s company, LLC “Style Design”, submitted applications concerning the use of land plots as construction territories to the Zoning Council, which were approved. Kurtsikidze submitted these applications on behalf of his company, LLC “ADS”, founded in 2015. The Zoning Council approved the total of two applications submitted by Giorgi Kurtsikidze. One of them concerned the construction of an apartment block while the second - the reconstruction of a residential building. In January 2017, **two** applications concerning the change of a functional zone which he submitted were approved.

## **Zakaria Kurdiani - Urban Planning Department staff member of LEPL “Tbilisi City Municipality Architecture Service” in 16.11.2015-14.07.2016**

Zakaria Kurdiani was a member of the Zoning Council in the capacity of a representative of a non-governmental organization and invited expert from September 2014 until the end of April 2015 and of a representative of the Architecture Service from November 2015 until July 2016. Since 2003, he has been the owner of 100 percent of shares of LLC “Architecture and Design Group” although in November 2015 he resigned as the company director and gave up share management rights. He also owns 90 percent of shares of LLC “ABC”. He worked as a consultant to the director of the Educational and Scientific Infrastructure Development Agency and, according to the 2016 declaration, was [acting](#) first deputy head of the Architecture Service.

In parallel with being a member of the Council, Kurdiani was working in the private sector: in 2014-2017, seven applications concerning the projects he had authored were submitted to the Architecture Service, four of which were approved.

**In addition, Zakaria Kurdiani’s former business partner (in LLC “ADS” until December 2015) is Giorgi Kurtsikidze whose two applications submitted in 2017 were approved by the Council.**

## Council's Invited Experts

Council Member	Membership Period	Company	Form of Participation
<b>Irakli Murghulia</b>	05.09.2014 - 17.12.2014 17.12.2014- 29.04.2015 29.04.2015 - 27.07.2016	LLC "Urbanika"	Director and owner of 50% of shares
		Architectural Consulting Group	Owner of 25% of share
<b>Nikoloz Shavishvili</b>	05.09.2014 - 12.09.2014	LLC "KID Architecture"	Owner of 35% of shares
		LLC "Caucasian Immovables and Development Bakuriani"	Owner of 100% of shares
		LLC "Sveti Nutsbidze"	Owner of 30% of shares
		LLC "KID Geo"	Owner of 25% of shares
<b>Irakli Maskharashvili</b>	12.09.2014 - 17.12.2014 17.12.2014- 29.04.2015	LLC "LS Group"	Owner of 25% of shares
		LLC "Vere" (Dissolved)	Owner of 14,5% of shares
		LLC "Arsi"	Owner of 7,14% of shares
<b>Merab Gagnidze</b>	17.12.2014- 29.04.2015	LLC "International Center for Georgian Business Development and Coordination"	Founder and owner of 2% of shares
		LLC "Mega Arts"	Owner of 100% of shares
<b>Giorgi Sulaberidze</b>	29.04.2015 - 16.11.2016	"RK Melissa Geo"	Director
		Association for Supporting Architecture and Construction	Chairman, board member
		Georgian Institute of Building	Deputy chairman of the board
		LLC "Artstudio Project"	Owner of 50 % of shares
<b>Kakhaber Abuladze</b>	16.03.2016 - 30.03.2016	LLC "Sul Architecture"	Owner of 35% of shares
		LLC "Kent Tower"	Owner of 25% of shares
		LLC "Wasserwaage"	Owner of 50% of shares
		LLC "Alizi"	Owner of 50% of shares

## Giorgi Sulaberidze

Giorgi Sulaberidze was a member of the Zoning Council from 29 April 2015 until November 2016. Since 2005, he has been the chairman and a board member of the Association for Supporting Architecture and Construction. Since 2012, he has been the deputy chairman and a board member of the Georgian Institute of Building.

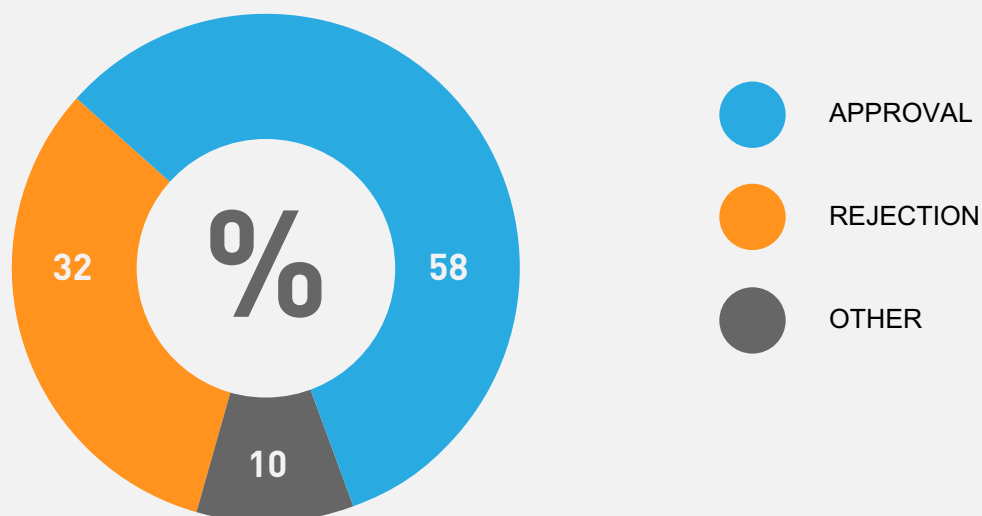
Giorgi Sulaberidze owns 50 percent of shares of LLC “Artstudio Project” which has been operational since 2005. He also owns 35 percent of shares of LLC “Sul Architecture”. Interestingly, a person connected to Giorgi Sulaberidze, Giorgi Chumburidze, received approvals of the total of 13 applications from the Zoning Council in 2014-2017. Giorgi Chumburidze is a member of the board of the Association of Supporting Architecture and Construction while Giorgi Sulaberidze is the chairman of this board.

Sulaberidze was actively engaged in the private sector while being on the Zoning Council. In 2014-2017, the total of 189 applications were submitted to the Architecture Service concerning the projects that he had authored, of which 97 were approved. While Giorgi Sulaberidze was a Council member, the total of 119 applications were submitted of which 61 were approved.

Giorgi Sulaberidze owns 50 percent of shares of Artstudio Project. The company submitted the total of 416 applications to the Architecture Service. In 236 cases, the Service responded positively. Among the applications approved by the council are those submitted by Beka Kikaleishvili, director of parliamentary majority member Gocha Enukidze’s companies (three applications in 2014-2015), in which Giorgi Sulaberidze is indicated as the chief architect, along with his company.

The cases in which Artstudio Project requested an increase in city development parameters are especially interesting. There were five cases of this kind. Giorgi Sulaberidze combined the ownership of the company with his status of the Zoning Council member. Correspondingly, there was a high risk of the conflict of interest in these cases. Giorgi Sulaberidze himself was the architect of the projects submitted to the Zoning Council by Artstudio Project. In 2015-2017, requests to change functional zones submitted by Giorgi Sulaberidze’s company Artstudio Project were **satisfied 12 times**.

### STATISTICAL DATA FOR APPLICATIONS SUBMITTED IN 2014-2017



LLC “Architecture”, in which Giorgi Sulaberidze owns 35 percent of shares, submitted the total of eight applications to the Architecture Service in 2015-2017, four of which were approved. Three of these approvals were issued during Giorgi Sulaberidze’s Council membership.

### ***Irakli Murghulia***

Irakli Murghulia was a member of the Zoning Council from September 2014 until 27 July 2016 as a representative of a non-governmental organization. He is the director and owner of 50 percent of shares of LLC “Urbanika”. Since 22 July 2016, Irakli Murghulia also owns 25 percent of shares of LLC “Architectural Consulting Group”.

While being on the Council, Irakli Murghulia actively continued working as an architect, including at his own company, Urbanika. During this period, of the applications submitted to the Architecture Service and concerning the projects where he himself was an architect, six were approved and five were never considered.

Irakli Murghulia is mentioned in the material prepared by [ifact](#) about business interests of Tbilisi mayoral candidate Kakhi Kaladze and parliamentary majority member Iviane Tsulaia, according to which Murghulia is an architect of one of the projects of Tsulaia’s Archi Group. During his work for the Council, he was among its members who supported the increase of city development parameters for the projects of Archi Group and those related to Kakhi Kaladze.

In parallel with his work for the Council, Irakli Murghulia also acted as an applicant. During this period, on 16 July 2015, Irakli Murghulia submitted one [application](#) to the Zoning Council, asking to change the functional zone of a territory on Zurgovana Street in Saburtalo District. In 2014-2017, Murghulia submitted the total of three applications and all three were approved.

### ***Merab Gagnidze***

Merab Gagnidze was a representative of the Union of Architects of Georgia at the Zoning Council from 17 December 2014 until 29 April 2015. Since 2010, he has owned LLC “Mega Arts” and since 2016, RK Melissa Geo cooperative has been registered in his name. While being on the Zoning Council, he continued his professional activities. During this period, one application was submitted to the Architecture Service - and later approved - regarding a project that he had authored. Of the two applications submitted later, one was never considered, and one was approved.

As for his company Mega Arts, two applications were submitted to the Architecture Service by it in 2014-2017 in which Merab Gagnidze was featured as an architect, however neither of them was considered.

### ***Kakhaber Abuladze***

Kakhaber Abuladze was an invited expert at the Zoning Council on 16-30 March 2016. He is the director and owner of 25 percent of shares of LLC “Kent Tower”. He owns 50 percent of shares of LLC “Wasserwaage” which exists since 2014 and of LLC “Alizi”. Before assuming the position of an invited expert, Kakhaber Abuladze submitted several applications in the capacity of an architect. **In 2014-2015, Kakhaber Abuladze submitted the total of eight applications requesting the increase of city development parameters.**

In addition to his own applications, the applications submitted by his business partners that were approved by the Council are also noteworthy. For example, such as the approval of the application submitted in 2015 by Raul Iakobidze who is the director of Kakhaber Abuladze's company - LLC "Wasserwaage". The land plot where, according to this application, a multifunctional complex (apartment block, hotel and commercial space) were to be built, belongs to LLC "Partner-2"; the owner of 50 percent of shares of this company is Manuchar Makhatadze, who is also a business partner of Kakhaber Abuladze in LLC "Wasserwaage". (According to the business registry information, in April 2017, the shares of LLC "Partner-2" were acquired by LLC "Delux Development").

### ***Nikoloz Shavishvili***

Nikoloz Shavishvili was a representative of a non-governmental organization at the Council. He owns 35 percent of shares of LLC "KID Architecture", 100 percent of shares of LLC "Caucasian Immovables and Development Bakuriani", 25 percent of shares of LLC "LS Group", 30 percent of shares of LLC "Sveti Nutsubidze" and 25 percent of shares of LLC "KID Geo".

It is noteworthy that, in 2015, the Council approved his business partner Teimuraz Kldiashvili's (owner of 15 percent of shares of LLC "KID Architecture") request to increase city development parameters in order to build an apartment block. According to this application, Kldiashvili himself is the chief architect of the project.

## **Political Connections of Applicants to the Zoning Council**

In 2014-2017, applications to increase city development parameters or change functional zone status were submitted to the Zoning Council by 11 contributors to the ruling party. **The donations amounted to the total of GEL 427,000.** Some of the contributors have or had direct connections with the Georgian Dream.

Georgian Dream Contributors	Amount of Donation	Number of approved requests	Connected Company
Valeri Gelashvili	90,000	1	LLC "Geo Lit Invest"
Zurab Bubuteishvili	60,000	1	
Ivliane Tsulaia	50,000	1	LLC "Archi Bagebi"
Tengiz Tsulaia	50,000	2	LLC "Archi Saburtalo"; LLC "GB Investments"
Irakli Kapanidze	50,000	4	LLC "Archi Hotels"
Beka Kikaleishvili	30,000	2	LLC "Ibercompany"; LLC "Archi Tower"
Grigol Liluashvili	20,000	1	LLC "Burji"
Davit Mikadze	20,000	2	LLC "Sheneba XXI Saukune"
Akaki Songulia	20,000	1	LLC "Alliance"
Zaza Ichkitidze	20,000	2	LLC "Monolith Group"
Tea Dolidze	17,000	1	

### ***Valeri Gelashvili, former Georgian Dream MP***

Valeri Gelashvili, the member of the parliamentary majority formed by the Georgian Dream coalition in the 2012-2016 Parliament, is a major contributor to the ruling party. During the period covered by the study, he donated GEL 90,000 to the Georgian Dream. It is noteworthy that, during the same period, a company linked to Valeri Gelashvili applied for a change in the zoning status of a land plot on Kurdiani Street in Chughureti District with the aim of building an apartment block there; the application was approved.

### ***Ivliane Tsulaia, Georgian Dream MP***

Parliament Member Ivliane Tsulaia who contributed GEL 50,000 to the Georgian Dream is also linked to the ruling political team. Archi Group is one of the largest developer companies which is implementing several large-scale projects in Tbilisi. On 17 November 2016, Ivliane Tsulaia applied to increase a city development parameter (K2 coefficient<sup>4</sup> from 2.5 to 5.0) on 3,564 sq. m of land in Vazisubani. According to the explanatory note submitted to the Zoning Council, as a result of increasing the parameter, Archi Group would be able to build two apartment blocks, developing the total of 17,820 sq. m. The Zoning Council approved Ivliane Tsulaia's application.

Ivliane Tsulaia's brother **Tengiz Tsulaia** and his business partner **Irakli Kapianidze** are also major contributors to the ruling political team and, at the same time, applicants to the Zoning Council, requesting an increase of city development parameters for their joint business. The Zoning Council approved Tengiz Tsulaia's applications regarding the increase of city development parameters twice and Irakli Kapianidze's - four times. The three contributed the total of **GEL 150,000** to the Georgian Dream.

### ***Beka Kikaleishvili, director and shares manager of Georgian Dream MP Gocha Enukidze's companies***

Beka Kikaleishvili contributed GEL 30,000 to the Georgian Dream. He received one approval of the functional zone change and one regarding the increase of a city development parameter.

The application to change the functional zone submitted by Beka Kikaleishvili concerned a 527-sq.-m plot owned by LLC "Ibercompany". Georgian Dream MP Gocha Enukidze owns 100 percent of the company shares but Beka Kikaleishvili himself is the shares manager and the company director. He also has connections to other companies owned by Gocha Enukidze.

Kikaleishvili's second application concerned a 4,999-sq.-m plot on the territory of the former Students' Town on Chavchavadze Avenue, owned by LLC "Archi Tower".

It is also interesting that the chief architect of the project is Giorgi Sulaberidze and his LLC "Artstudio Project", although he was not a member of the Zoning Council as invited expert at the time.

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4 K2 development intensity coefficient

### **Grigol Liluashvili, Georgian Dream MP**

Grigol Liluashvili, who is an incumbent member of parliament from the Georgian Dream, contributed GEL 20,000 to the ruling party in 2016. He (and LLC “Burji”) act as applicants to the Zoning Council, requesting to change the functional zone status for the landscape-recreational zone adjacent to the Business Center on Kojori Highway for the Panorama Tbilisi project. The Council issued an approval with regard to this request in December 2014 with 13 votes “for” and five “against” this decision. Liluashvili was the head of companies connected to former Prime Minister Bidzina Ivanishvili, including the company implementing the Panorama Tbilisi project. It is noteworthy that he was later [appointed](#) deputy mayor of Tbilisi.

Grigol Liluashvili’s past activities and connections with the construction business draw particular attention to the draft law that he initiated together with MP Beka Odisharia. Specifically, [according](#) to the amendments made to the law “On Local Fees”, the Tbilisi Municipality government was authorized to negotiate payment plans with the companies which, as of 1 June 2017, had an obligation to pay land development intensity coefficient (K2) fees. The fees would have to be paid in installments by 1 January 2020 at the latest.

### **Other Contributors**

Zaza Ichkitidze contributed GEL 20,000 to the Georgian Dream in September 2016. During the period covered by the study, he received two approvals from the Council concerning the increase of city development parameters for the land owned by the company where he himself was the director - in response to two applications submitted in December 2016.

Akaki Songulia’s donation to the Georgian Dream also amounted to GEL 20,000. In 2016, the Council approved his application, increasing a city development parameter for a 5,820-sq.-m plot owned by LLC “Alliance” on Chavchavadze Avenue, namely, the K2 development intensity coefficient was increased **from 3.5 to 9.0**.

Davit Mikadze contributed GEL 20,000 to the ruling party. He is the director and owner of 100 percent of shares of LLC “Sheneba XXI Saukune”. The Zoning Council approved his two applications regarding the change of the functional zone from recreational to industrial for two land plots in Zahesi which he owns.

Tea Dolidze made a donation in the amount of GEL 17,000 to the Georgian Dream in July 2014. In 2016, she received an approval to change functional zone for a land plot she owns.