



**Transparency International Georgia, International Society for Fair Elections and Democracy and Georgian Young Lawyers' Association
Response to the Pre-Election report of the Georgian Inter-Agency Task Force on Free and Fair Elections dated May 25**

June 14, 2010, Tbilisi, Georgia

This document provides the comment of TI Georgia, ISFED and GYLA regarding the report published on May 25 by the Inter-Agency Task Force on Free and Fair Elections (hereinafter referred to as IATF), which refers to the violations revealed as the result of the monitoring of election campaign by the above mentioned organizations and also to their response to these violations. Namely, the IATF reviewed the following reports:

- 2nd report of TI Georgia "Use of Administrative Resources for Election Campaign", May 11, 2010;
- "Election Updates" by ISFED;
- GYLA's first interim report on the pre-election environment monitoring results, April 23, 2010 and the second interim report on the pre-election environment monitoring results, April 23 - May 22, 2010.

We, the NGOs welcome such a response of the government, which has been made for the third time during the elections of local authorities¹ of May 30, 2010. Compared to the previous elections this is a significant improvement, as far as the government has never provided written and so much detailed response to the reports by observing organizations before.

¹ IATF Response on the report of TI-Georgia on the use of administrative resources for election campaign, May, 2010: <http://www.civil.ge/files/files/IATF-Response-to-TI-Statment.pdf> and Response of Gigi Ugulava, Mayor of Tbilisi to the same report of TI-Georgia: <http://www.civil.ge/eng/article.php?id=22181>



In this document we are also providing our detailed response to each of the comments of the IATF and offer our opinion to the public concerning the adequacy of the response. The issues in our reply are provided in the same sequence as it was in the IATF report.

Summary of the activities carried out in connection to the elections violations by the IATF.

Numerous statements that were made by the officials during the election campaign, by which they warned the public officers not to violate the law and not to disturb the conduct of free and fair elections, clearly represents a step made forward. It should be especially pointed out that in this regard the government representatives were not limited only to making general statements and in their reports they were laying emphasis on the particular types of violations that had been underlined in the reports and evaluations of observing organizations. Among these activities the following ones should be noted: a video-address of Nika Gilauri, the Prime Minister to public officers not to use administrative resources; besides, the public statement of Eka Zghuladze, Deputy Minister of Internal Affairs to the families of inmates, advising them not to believe any promises regarding the amnesty of their family members in exchange to collecting the signatures for supporting the governing party, etc.

Unfortunately, there are less positive picture regarding the timely investigation of and adequate response to the identified violations. As of today only one violator has been adequately punished: the acting school principal in Khulo was dismissed because of engagement in active election campaign in the school. Investigations have not been over yet regarding the cases of threatening of one of the representatives of the opposition by Bukhuti Chkhaidze, officer of the Ministry of Internal Affairs in Lanchkhuti district², and a reported pressure³ on opposition candidates in Mestia. In regards to Mestia case, there are several witness statements and covert video record as well. Although 1 month has passed since initiating the case on this fact, according to our information none of the opposition candidates or any witness were interrogated.

We are addressing the government once more to investigate these violations on time, carry out measures against the violating people in proportion to the violations and,

² Pressure on the representative of the opposition party was applied in Lanchkhuti on April 7.

³ “Special Operation” of threatening the candidates of opposition parties took place in Mestia on May 3.

most significantly, provide detailed information to the public concerning these measures. This way, on one hand, the government will observe the principles of equality for all in front of the law and on the other hand, will support the prevention of similar violations in the future. Preventive public statements and address of public officers to observe the law represents one of the efficient means for improving the elections environment, though for achieving the real results, it is necessary to ensure precedence of respective punishment of people who commit violations.

President's statement regarding the administrative resources

TI Statement:

TI Georgia provides a comment of the President Saakashvili in its second interim report, which he has made during his official visit to the US on April 15, 2010 in response to the question asked about the local elections: "we intend to use all kinds of resources [in order] to improve the people's lives regardless of whether or not they are going to say that we are misusing [administrative resources]. Yes, we are misusing them but we are still going to do this and I believe that it is legal"⁴.

IATF Response:

IATF thinks that the words of the President Saakashvili were taken out of context by the TI Georgia. The Task Force clarifies that in the President's interview to the Atlantic Council and in the following Q&A – from which the above cited quotation is taken – the President Saakashvili clearly states that what Government of Georgia intends to do is to deliver on its political promises and continue to bring prosperity and development to Georgia and its people. The IATF provides a six-paragraph quote from the president's speech.

Comment of TI Georgia:

Providing a full (unchanged) one-paragraph citation used in the report cannot be considered to be "taken out of context", as far as its content is not changed even after reading the whole speech. The President has clearly stated that the government was going to use administrative resources and they would do it even in the case if such action were considered to be incorrect. The President also clarified that the law did not forbid usage of administrative resource, which, basically, is correct, though usage of administrative resources for election campaign is in conflict with the international

⁴ <http://www.civil.ge/eng/article.php?id=22202>



obligations⁵ undertaken by Georgia. It does not matter how insignificant the President thinks this problem is, misuse of administrative resource during elections in Georgia is always emphasized and negatively assessed by ODIHR⁶.

Announcement of Election Date

TI Statement:

The report of TI Georgia states that it is a problematic issue to have the election date announced by the President of Georgia only 60 days in advance before the official elections, even though he had made the first public statement on holding the elections on 30 May as early as during the presentation of his report to Parliament on 20 July 2009.

IATF Response:

The working group considers that the President's statement made in the Parliament in summer 2009 was quite sufficient and thinks that announcing the election date 10 months before the elections is quite sufficient and, correspondingly, the political parties are not put into unequal conditions. Besides, the group considers that the amendments made to the Elections Code in March 12, 2010 concerning the fixed date of local elections provided even more clarification concerning the elections day.

TI Georgia comment:

TI Georgia has identified several problems concerning the date announcement in its report:

- a) The legislative amendment adopted by the Parliament on March 12 concerning the conduct of local elections on May 30 cannot be considered to be the determination of elections date, because, in accordance with the Constitution, it is the President who fixes the election date. Setting this date by the Parliament through the organic law was not constitutional; consequently, it would not have any legal force.
- b) Fixing the election date, which is a prerogative of the President only, first of all, is significant because the election date is related to the commencement of official

⁵ OSCE Copenhagen Document on Elections and Democracy. (1990): the state should provide: political parties and organizations with the necessary legal guarantees to enable them to compete with each other on a basis of equal treatment before the law and by the authorities (Article 7.6).

⁶ See the Monitoring Reports of ODIHR for the local elections of 2006, extraordinary presidential elections in 2008 and extraordinary parliamentary elections in 2008.

election campaign: the restrictions instituted in regards to the election campaign enter into force only from this day. Correspondingly, the election subjects that start their election campaign before this date, are not limited by the law to use administrative resources or to provide various free or low-cost services to voters (or distributing gifts to them);

- c) Knowing the exact election date supports provision of equal conditions to the political parties: they are provided with more time to plan their election campaign in an accurate and timely manner. Setting the election date in advance helps the observing NGOs to allocate more time to preparation works and to carry out better monitoring. As it is mentioned in the report of TI Georgia, it was on July 20 of the previous year when the President made the first announcement about conducting the local elections on May 30, 2010; however, considering the experience on fixing the local election date in 2006, it was difficult to rely completely on this statement. High-rank officials were making mutually exclusive statements concerning the probable date of elections in 2006. Head of the President's Administration of that time Giorgi Arveladze announced on August 7 that the elections were not planned to take place for the next few months. Within 19 days (on August 26) from this statement the President fixed the election date for October 5 of the same year.

It was due of these factors that the local and international observing NGOs were emphasizing the fact in their reports and recommendations that the issue of fixing the election date was not a technical issue and that it is desirable to have the election date specified in the law, or as a minimum, to have it announced at least six months in advance.

BUDGET RESOURCES & SOCIAL PROGRAMS

GYLA Statement:

According to the first draft budget for 2010, which Tbilisi Sakrebulo (City Council) approved on December 28, 2009, the revenues of the capital city was determined at 687,500.0 thousand GEL, and the expenditures – at 512,680.5 thousand GEL. At that point the expenses to be incurred in 2010 exceeded the expenses of 2009 by 26 million. There were amendments made to the budget on February 22, 2010, the budget was amended and expenditures increased to 570.8 thousand GEL, ultimately the expenditures determined for 2010 exceeding the expenditures of the previous year by about 84 million GEL.



IATF Response:

The expenses of the Tbilisi government are 726.9 million GEL (not 512.7 million GEL as GYLA report says). 521 million GEL includes all transfers from the central government. However, to balance this increase, the amount of the special transfers in 2010 is decreased in comparison with 2009 by 72.1 million GEL (from 268.7 million GEL to 196.6 million GEL).

GYLA Comment:

Amount of the special transfer (196.6 million GEL), which was indicated in the GYLA report, represents the data of the first draft of the budget for 2010 approved by the Parliament. This budget was approved on December 4, and the amount of special transfer to be allocated for Tbilisi was set at 196.6 million GEL at that very point.

First amendments to the Tbilisi budget were made on February 22, 2010. According to the official web-page of Tbilisi Sakrebulo, the budget was increased by 15 million GEL. Out of this the budget of the capital city received 5 million GEL from the President's reserve fund in the form of a special transfer⁷. Thus the amount of the special transfer allocated for Tbilisi in 2010 was increased right in the beginning of the year.

The amount of special transfer (268.7 million GEL) for 2009, given in the IATF report, is based on the result of several amendments made to the budget during the year and not on the first draft of the budget. Initially, the amount of the special transfer allocated for Tbilisi in 2009 was 160,754.2 GEL, which means that the amount of the special transfer allocated for Tbilisi in the beginning of 2010 exceeded the initial amount of the transfer allocated in 2009 by about 36 million.

Correspondingly, comparison of the special transfers the way it is provided in the IATF report, is not fair and justified.

As for the expenditures envisaged in the Tbilisi budget, according to the GYLA report, their total amount was 512.7 million GEL. However, the IATF report says that the Tbilisi expenditures were 726.9 million GEL.

726.9 million GEL represents the total amount of payments determined in the Tbilisi budget for 2010. Payments represent the total funds to be disbursed from the budget and, correspondingly, it includes not only expenditures, non-financial and financial assets, also the liabilities as well. Amount of payments is determined in the Tbilisi budget in the amount of 726.9 million GEL, and the amount of expenditures totals 512.7 million GEL (budget indicators before amendments).

⁷ http://www.sakrebulo.ge/index.php?lang_id=GEO&sec_id=6&info_id=814



GYLA report focuses only on the expenditures, as far as the funds for covering the expenses for salaries, goods and services, subsidies, social security are included in the expenditures.

TI – Georgia statement:

According to TI Georgia report, in March alone, the budgets of 41 of the total 65 municipalities were amended, some of them on multiple occasions (a total of 44 amendments). The report also pointed out that some part of the amendments were made due to allocation of 66 million GEL to local self-governments from the Regional Development Fund under on the Order #40 of the Government adopted on January 13, 2010; however, their significant part was initiated directly by the municipalities.

IATF Response:

The IATF considers that many amendments to the budgets of local administrations were made because of the standard practice, which aims at making the amendments that are necessary for new projects, and provides the example of making 117 amendments in the 1st quarter of 2009; and relates most part of amendments made in 2010 to the allocation of 55 million⁸ GEL from the state budget to 56 municipalities under the Order #40 of the Government of Georgia of January 13, 2010. IATF has the same argument towards the amendments made in 2009 (55 municipalities were given 65.3 million GEL under the Decree #34 of the Government of Georgia of January 20, 2009).

TI Georgia comment:

IATF clarifies that the practice of making frequent amendments to the budgets of local self-governments in the beginning of the year does not differ from the budgetary practice of previous years. In general, making frequent amendments to the budget right in the beginning of the budgetary year does not provide positive description of how the budget was planned. obviously, there is a question: if the list of the projects to be implemented on the local level and the amount of funding needed for them is known right at the end of the previous year, and if all these things are reflected in the draft state budget, then why do the local self-governments fail to reflect them in their draft budgets? How correct is it to make amendments to the newly approved budget and this way to amend the expenditures policy of local self-governments?

⁸ According to this Order, the amount actually allocated for the municipality, in fact is 66 million GEL (and not 55 million GEL).



Based on the draft state budget for 2010, the total volume of Rural Support Program – 40,000 million⁹ was also known, however, the program amounts per specific local self-government units were only specified only on January 13, 2010¹⁰. Had the Government of Georgia issued the Resolution concerning this program immediately after adopting the budget, then the majority of local self-governments would not have to make budgetary amendments in January-February 2010. According to the line 19 of the State Budget, the government was obliged to act exactly like this.

The IATF may clarify that certain time was needed to make the governmental resolution (and respective calculations) after adopting the budget, but the volume of Rural Support Program was known on November 13, 2009 and it would not really take two months to prepare the Order (from November 13, 2009 until January 13, 2010). In the best case, the detailed calculations should have been a part of the state budget itself.

We should also point out herein that TI Georgia did not provide negative evaluation for doubling the amounts within the frameworks of Rural Support Program for regions. By making reference to this in the report, it provided only an objective arguments for some part of certain amendments of 2010 and added that other than reflecting the amount allocated for the projects to be implemented in the regions, there were many other amendments to the local budgets.

In accordance with the Orders of the Government of Georgia, the amendments were made to the budgets of self-government units in January-March of 2009 and 2010. In the first quarter of 2009, there were 123 amendments made to the budgets, and 126 amendments were made to the budgets of 2010 during the same period.

Table 1: Amendments made during January-March of 2009 and 2010 per regions

Region	January - March 2009	January - March 2010
Imereti	30	27
Kakheti	8	15
Samegrelo-Zemo Svaneti	16	15
Guria	6	5
Shida Kartli	17	11
Kvemo Kartli	17	18

⁹ The budgetary classification code 50 09 and the budget line 19, draft state budget, 13.11.2009.

¹⁰ Order #41 of the Government of Georgia on allocating the funds form the state budget of Georgia for local self-government units within the frameworks of the Rural Support Program. 13.01.2010.



Mtskheta-Mtianeti	7	10
Samtskhe-Javakheti	13	10
Racha-Lechkhumi and Kvemo Svaneti	6	8
Ajara	3	7
Total:	123	126

Source: Ministry of Justice of Georgia.

TI Georgia Statement:

The report of TI Georgia for 2010 (compared to 2007-2009), the emphasis is laid on the increase in the employee numbers in municipalities. More particularly, out of the surveyed 43 self-government budgets, in 13 of them the number of staff positions and also the salary fund was increased. Only the number of staff positions was increased in 3 of them, and as for the other 9, the number of staff positions were not increased, though the salary fund rose. In 2010 the expenses of territorial bodies of administrations of Gamgeobas (village representatives) were increased in most part of municipalities.

IATF Response:

The response of the IATF provides the increase of number of employees of all the territorial units in 2010 (compared to 2009). This figure is 536 that is about 7% increase from the previous year, which IATF considers to be insignificant. Besides, IATF thinks that the increase was due to the decentralization policy and also because of doubling the funding for Rural Support Program for 2010. IATF clarifies that additional people were needed for implementing new projects. The group concludes therein that organization of elections, regardless whether it is local or national one, should not disturb the government to carry out decentralization and to deepen the democratic process.

TI Georgia comment:

The report of TI Georgia provided examples of several municipalities where the number of staff positions increased significantly, though the IATF provided the comment only on the total growth indicator (7%). Number of staff positions increased by 22.6% in Tbilisi only, in Gori – by 51.3%, in Zugdidi – 34%, in Lagodekhi – 81.9%. The salary fund was significantly increased in Rustavi – 23.3%, in Zugdidi – 30.5%, in Tbilisi – 19%, and by 14.3% in Ambrolauri.



These numbers reflect the number of staff and their salaries only. Majority of local self-government budgets does not show the number of hired staff and their salaries.

As for the comment of IATF related to strengthened decentralization, the Rural Support Program developed by the central government, also the projects for municipal infrastructure development and other similar activities cannot be considered to be the best ways for supporting the decentralization. Decentralization should support the independence of local self-governments; they should be able to solve the issues of local significance independently and to fund them from their own revenues. However, this issue is linked to the taxation system and goes beyond the elections topic, so we will not elaborate on that now.

Besides, as we have mentioned above, the staff numbers and salaries were significantly increased only in some part of municipalities. If the increase of staff numbers, and consequently, that of the salaries is related to doubling the Rural Support Program (which is carried out in all the municipalities), then such increase should be the case in all the municipalities. The same question is raised in regards to the argument related to decentralization: why is decentralization strengthened in some municipalities only?

GYLA statement:

Tbilisi government planned many social programs for 2010. The purpose of most of these programs was to financially assist certain categories of Tbilisi population.

IATF Response:

According to the IATF statement, providing assistance to socially vulnerable sectors of society remains a top priority for the government; this often means helping targeted categories of citizens. These programs are in line with the social policy of the Government. This policy aims at improving the welfare of all Georgian citizens and is not connected to the 2010 local elections. As an additional evidence, the IATF provides a list of social programs for 2007 and 2009 (non-election years)

GYLA Comment:

In its first interim report the GYLA focused its attention on the new wide-scale projects, which were initiated before March 30, and which were not implemented during previous years. There was nothing said in the report about the old (regular) programs selected for the comment by the IATF.



Implementation of almost all the programs, which were carried out in 2007, 2008 and 2009, and then continued in 2010, and many other new programs have been added to their list since the end of 2009. They were: “Free Computer and English Courses”; “Advocate of Tbilisi Citizens”; “Issuance of Vouchers for Co-Funding of Utility Fees”; “Reducing the Cleaning Debts Payable before January 2010 to Zero”; and “Listen to Tbilisi Citizens in All the Districts”.

GYLA’s attention was also drawn to the increase of pensions by 10 GEL for Tbilisi pensioners. Additional funds for pensions were issued starting from March 1, 2010. These additional funds were issued to pensioners in Tbilisi in 2007, but at that time it was based on the number of years worked. In 2010 these additional funds were provided to all the pensioners (without any differentiation, regardless their social status or number of years worked). Correspondingly, the initiative of March 1, 2010 is qualitatively a new budgetary program, and nothing like this has been implemented in non-election years¹¹.

The program of providing medicines to pensioners was implemented in 2008 and 2009 and it continued in 2010 as well, though this year 3 million GEL is spent for this program, whereas only 15,400 GEL was allocated for this in 2009, and 1,690.6 thousand GEL in 2008.

It is a fact the funding for social welfare programs has significantly increased in 2010. It totals 78,302.6 GEL, which exceeds the funding for social programs in 2009 by 51 million GEL. It is also interesting that in 2009, which was a non-election year, the funding for social programs from the city budget was almost twice as less than the funding in 2008, which was an election year (48,068.4 GEL in 2008 and 26,842.4 GEL in 2009).

TI Georgia statement:

TI Georgia report states that in some self-government units, the amounts allocated for office expense was much higher before the elections than after. For example, the office expenses of the Lagodekhi administration’s staff were 35,000 GEL in the first and the second quarter but 15,000 GEL in the third and the fourth quarter. The office expenses of the Lagodekhi territorial bodies were 20 thousand GEL in the second quarter, and a combined 20,000 GEL in the other three quarters.

¹¹ Tbilisi budget of 2010, “Program for disbursing additional amount (aid) for the pensioners residing in Tbilisi”, budget code 01 10 19.



According to the same report, some events were only financed from the budgets of local self-government units in the run-up to elections, and the funding was either reduced considerably or withdrawn altogether after the elections.

IATF Response:

IATF points out that there was confusion in TI report between the planned quarterly budget and real quarterly expenditures. IATF also clarifies that according to the widespread administrative practice, a much higher provisional budget is planned for the first quarter of the year than for the 3 others; for which they provide clarification that this allows a great level of flexibility, as the non-paid expenses of the first quarter can then be freely reassigned to the other quarters. Correspondingly, compared to other quarters, having more planned budget for the first quarter does not mean at all that real expenses are much higher in the first quarter than the real expenses in the other quarters. According to the IATF assessment, in reality, the opposite is true. Quarterly budgetary plans and the actual expenditures, as a rule, do not coincide with each other, which the IATF proves with several particular examples. In these examples the actual expenditures is less before the elections and then is increasing after the elections.

TI Georgia comment:

TI Georgia report discussed the planned expenditures and not the actual ones. We inquired the budgets of local self-government units in March 2010. By that time there were no results about how the first quarter budgets were executed (they are published in May). We could only obtain 45 budgets of local self-government units out of inquired 65 ones. Only some of them were broken down into quarters.

If there is a wide-spread administrative practice to always plan more budget for the first quarter, and if such budget planning is a general practice, then it is unclear why only some of the budgets of local self-government units have such a breakdown.

Besides, in the TI Georgia report, where the emphasis is intentionally laid only on non-seasonal programs, large budgetary expenditures are provided in the second, or in the first and second (and not only in the first) quarters, and it is significantly decreased in the third and fourth quarters (for example, in Signagi, house construction expenses were planned only for March; cultural events in Lagodekhi are financed only in the first and second quarters; preventive examinations in the territory of Khobi municipality are carried out only in the second quarter).



According to the IATF statement, some part of events will be implemented after the elections too, and most part of the funding will be disbursed after the elections. Disbursement of most part of the funding, presumably, is related to the legislation on state procurement¹². In accordance with the law, the financial settlement with the job performer is done after work completion.

By the moment of inquiring the budgets by us, there were no work performance reports, though the organization plans to address this issue in the future as well. OSCE/ODIHR long-term observers double-checked the trends in spending the municipal budget and found out that in contrary to the clarification provided by the IATF, in some of the municipalities there was a significant increase of expenses incurred by the government in the run-up to elections. Namely, 90% of amounts allocated for cultural events in the Signagi budget for 2010 were spent in April. In Telavi the expenditures for social assistance in April was twice as higher than the total sum of the expenses for the previous three months¹³.

TI Georgia Statement:

According to the report of TI Georgia, compared to 2007-2009, the funding for social, healthcare and infrastructure programs in the budgets of local self-government units has increased significantly in 2010 (with only a few exceptions, such as Ozurgeti, Vani, Chiatura and Ambrolauri). Besides, a large share of social and healthcare programs were short-term or one-time (one-off issuance of medicines, one-off monetary benefits and so on).

IATF Response:

According to the clarification by IATF, the equalizing transfer to be given to the local self-government units from the state budget in 2010, was allotted according to the new formula defined by the budget code. The equalizing transfers have created additional financial resources for the local self-government units that caused an increase of financing by them for social, infrastructure, or other purposes. According to the IATF report, most part of such programs existed in 2009 as well. For example, the free bus-riding program in Telavi municipality was not started on March 1. It existed in both 2008 and 2009 and its financing was respectively GEL 100,000 and GEL 70,000 – which is more than the program's 2010 financing (GEL 50,000).

¹² Law on State Procurement 2d paragraph of the Article 7

¹³ See the report on preliminary results and conclusions. OSCE/ODIHR. Elections Observation Mission, page 14.

TI Georgia comment:

Expenditures allocated for health and social affair programs (especially the social affair programs) in some of the municipalities have been increased only in 2008 and 2010 election years, and they were reduced in 2009.

Table 2: Increase and decrease trends in connection to the funding for health and social affair programs

Self-Government	2008	2009	2010	Increase/Decrease (%), 2010 to 2009
Tbilisi	65 292.50	50 471.00	111 916.80	121.7
Among them healthcare	17 224.10	23 473.40	33 614.20	43.2
Social affairs	48 068.40	26 997.60	78 302.60	190
Khulo	404.20	270.80	324.70	19.9
Among them healthcare	135.00	146.50	165.70	13.1
Social affairs	269.20	124.30	159.00	27.9
Kobuleti	636.30	335.70	380.40	13.3
Among them healthcare	170.20	138.10	142.30	3
Social affairs	466.10	197.60	238.10	20.5
Shuakhevi	208.70	153.70	186.80	21.5
Among them healthcare	94.10	67.40	67.70	0.4
Social affairs	114.60	86.30	119.10	38
Baghdati	104.80	104.80	125.00	19.3

Among them healthcare	25.50	29.00	30.00	3.4
Social affairs	79.30	75.80	95.00	25.3
Terjola	253.80	309.50	316.40	2.2
Among them healthcare	13.10	60.60	62.00	2.3
Social affairs	240.70	248.90	254.40	2.2
Tskaltubo	387.50	164.60	203.10	23.4
Among them healthcare	36.00	41.70	48.10	15.3
Social affairs	351.50	122.90	155.00	26.1
Kharagauli	109.70	158.90	177.70	11.8
Among them healthcare	32.00	46.10	48.00	4.1
Social affairs	77.70	112.80	129.70	15
Khoni	239.30	203.80	487.50	139.2
Among them healthcare	46.30	46.00	245.50	433.7
Social affairs	193.00	157.80	242.00	53.4
Akhmeta	82.50	83.30	198.00	137.7
Among them healthcare	35.00	35.00	35.00	0
Social affairs	47.50	48.30	163.00	237.5
Gurjaani	183.80	427.90	527.30	23.2
Among them healthcare	66.50	56.00	61.00	8.9
Social affairs	117.30	371.90	466.30	25.4
Lagodekhi		323.30		16.9

	161.50		378.00	
Among them healthcare	78.20	82.30	85.00	3.3
Social affairs	83.30	241.00	293.00	21.6
Signagi	161.40	243.10	300.50	23.6
Among them healthcare	57.80	50.00	87.00	74
Social affairs	103.60	193.10	213.50	10.6
Telavi	843.60	413.50	466.60	12.8
Among them healthcare	50.90	60.00	65.00	8.3
Social affairs	792.70	353.50	401.60	13.6
Kvareli	137.80	226.60	251.00	10.8
Among them healthcare	43.00	52.80	48.00	-9.1
Social affairs	94.80	173.80	203.00	16.8
Akhalkgori	232.80	112.40	121.60	8.2
Among them healthcare	143.00	55.00	40.50	-26.4
Social affairs	89.80	57.40	81.10	41.3
Tianeti	139.40	107.60	120.20	11.7
Among them healthcare	21.60	26.80	28.50	6.3
Social affairs	117.80	80.80	91.70	13.5
Dmanisi	76.00	93.90	139.50	48.6
Among them healthcare	21.00	21.00	59.50	183.3
Social affairs	55.00	72.90	80.00	9.7

Gardabani	2 906.70	647.10	707.80	9.4
Among them healthcare	114.16	152.00	220.00	44.8
Social affairs	2 792.56	495.20	487.80	-1.5
Marneuli	317.90	353.10	382.20	8.2
Among them healthcare	94.00	105.40	127.00	20.5
Social affairs	223.90	247.70	255.20	3
Rustavi	3 067.50	2 009.80	2 576.20	28.2
Among them healthcare	210.90	191.20	191.20	0
Social affairs	2 856.60	1 818.60	2 385.00	31.1
Tsalka	117.20	117.00	126.90	8.5
Among them healthcare	69.70	35.00	31.40	-10.3
Social affairs	47.50	82.00	95.50	16.5
Tsalenjikha	160.40	274.60	347.00	26.4
Among them healthcare	65.60	72.10	80.00	11
Social affairs	94.80	202.50	267.00	31.9
Poti	1 003.40	1 066.90	1 104.20	3.5
Among them healthcare	261.70	252.00	352.00	39.7
Social affairs	741.70	814.90	752.20	-7.7
Kaspi	182.10	91.50	136.20	48.9
Among them healthcare	55.60	52.00	55.00	5.8
Social affairs		39.50		105.6



	126.50		81.20	
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The increase of the amount allocated for social affairs program in Tbilisi in 2010 by 51 million GEL (190%) compared to the previous year is especially impressive. About 48 million GEL was allocated for these programs in 2008, which is 78% more than the data of 2009.

As for free-ride bus in Telavi, according to the Telavi residents, there was no free transport until 2010. There is no separate program at all for covering the expenses of municipal transport in Telavi municipality. The funding in the budget has been increased for “road construction, reconstruction, maintenance and support to municipal transportation”. In total this figure was 1,349 thousand GEL in 2008, 860 thousand GEL in 2009 and 1,206 thousand in 2010.

In general, it is unclear why the state should institute such kind of allowances for public transportation for the population of the whole municipality (from the local or central budget).

TI Statement:

It was stated in the report of TI Georgia, that in 2010, local self-government bodies increased subsidies for local media outlets (TV and print media).

IATF Response:

The IATF clarified that in 2009, allocations for TV, radio and print media from the budgets of local administrations (except the autonomous republics) amounted to 1,164,000 GEL. In 2010, this amount totals 1,218,900 GEL; which represents a growth of 4.7%, compared to the previous year i.e. approximately the same as the GDP growth. Moreover, according to the comment of IATF, the money allocated for the local media was not a subsidy but was used to pay for services among them for non-election related advertisements.

TI Georgia comment:

First of all, it is unclear why subsidizing of the media is related to the growth of GDP. As for the comment regarding the subsidies and payments, the information provided in the report of TI Georgia, except Signagi and Gurjaani, was referring to the subsidies for local media and not the payments.



Besides, the organization's report showed the districts, where the growth was especially high (in some of them the growth was even 100%), and not the general growth tendency. Calculating the average growth indicator by IATF is irrelevant.

STATE PROGRAMS/RESOURCES AND ELECTION SYMBOLIC

Statement of TI Georgia and GYLA:

These organizations considered that it was a violation from the side of the ruling party's majoritarian candidates to use a logo with an inscription "I love Tbilisi", which was created within the frameworks of rebranding of Tbilisi and paid for by the Mayor's Office, in their campaign materials.

IATF Response:

According to the IATF report, despite "I Love Tbilisi" logo was initiated by the mayor's office, the logo and the related campaign were not proprietary to the office. According to IATF, "I Love Tbilisi" has become the symbol of the city and does not belong to any party, and this symbol can be used by any party. The logo is really used on some campaign materials of the ruling party, but it is not an election slogan of the UNM candidates.

TI Georgia and GYLA Comment:

According to the documents of OSCE Copenhagen Conference held in 1990, there should be a clear separation between the State and political parties; in particular, political parties will not be merged with the State. (Article 5.4). This logo is associated with Tbilisi City Hall and its projects. Whole series of well-known programs initiated by the City Hall, among them introduction of new system for payment for parking in the city, "Plan the City Budget Together", "Plant Your Tree and Make Tbilisi Green", students event "Cinema-Mania +5", etc were carried out by wide promotion of this logo.

GYLA Statement:

"Plan the City Budget Together" represents one of the budgeted programs of Tbilisi City Hall, initiation of which may be associated with the local elections. This program aimed at surveying the Tbilisi citizens to learn the priorities for the budget of 2010, in order to plan the budget of the next year according to the public interests. Project efficiency and real goals of its implementation became necessary because of several circumstances: 1) considering that the survey of citizens



started in December, it would be impossible to analyze the survey results completely and to plan the budget respectively until December 28, 2009, i.e. approval of the draft budget of Tbilisi for 2010; 2) by the time of starting a wide-scale survey of citizens, the draft budget for Tbilisi had already been submitted to the Sakrebulo for approval; 3) by asking the last question of the questionnaire, which has been developed by the City Hall – “what would you advise to the Mayor?” – The interviewer had a chance to determine the attitude of Tbilisi citizens towards the current Mayor of Tbilisi. By that time the Mayor of Tbilisi had already been considered to be the candidate for Mayor by the Unified National Movement.

IATF Response:

According to the comment of IATF, the survey was not a part of the election campaign, its results were available to the public and any interested candidate for Mayor would be able to study them. Additionally, when the Mayor submitted the budget to the Sakrebulo, he asked to conduct the survey of Tbilisi population. According to the IATF, increasing citizen participation in determining the budget was a priority of the mayor’s office, and this outreach effort will gradually improve.

GYLA Comment:

IATF stated that the results of the survey conducted within the frameworks of the program “Plan the City Budget Together” was public and accessible for all the interested person, but GYLA was trying for 4 months without results to obtain information about the program initiation date, its budget, agreements signed within its frameworks, its description and its legal grounds. The organization filed an application to Tbilisi City Hall as early as December 10, 2009 requesting this public information¹⁴. The City Hall left the application without response and did not provide any information regarding the project.

After about 2 months, on February 23, 2010, GYLA filed another application to Tbilisi City Hall again¹⁵, inquiring the survey results together with the public information specified in the previous application. The organization was also interested in how the survey results were reflected in planning the budget for 2010, but these questions were left unanswered too.

¹⁴ GYLA statement to City Hall of Tbilisi #g-04/73-09

¹⁵ GYLA statement to City Hall of Tbilisi #g-04/144-10



The City Hall issued the information inquired for the last few months only after GYLA and TI Georgia sent an open letter to Mr. Gigi Ugulava, Mayor of Tbilisi on April 6, 2010, and requested that he control the transparent operations of the City Hall himself, though the provided information was incomplete. On April 16, 2010, 2 months after sending the last application by GYLA, with violation of statutory timeframes¹⁶, the City Hall sent the organization only the survey results, but except the answers to the last question “what will you advise the Mayor”.

As for the detailed description of the program, the City Hall provided the following clarification instead of it: the survey was carried out for identifying the needs and problems of the local population (in order to reflect the survey findings in the budget).

There was nothing mentioned in the answer about how the survey results were reflected in the draft budget of 2010. Without this information it is impossible to assess how successfully the program was implemented and whether it achieved its goal – to ensure active participation of citizens in setting the budgetary priorities.

Hence abovementioned we consider that the statement regarding the publicity of the program is groundless and such unopenness of the City Hall once more proves that survey results could not be reflected in the budget of 2010 due to the lack of time, and the program “Plan Tbilisi Budget Together” was a part of the election campaign.

ALLEGED FACTS OF THREATS AND PRESSURE ON THE REPRESENTATIVES OF THE DIFFERENT POLITICAL PARTIES

TI Statement:

TI Georgia provided information to IATF on the following: since the beginning of April, Gia Shedania, head of the district police, being instructed by Gocha Chelidze, Gamgebeli of the same district, was threatening Victor Japaridze, who was participating in the elections in Mestia as a candidate of Freedom Party (he was the number one on the party list and, at the same time, is a majoritarian candidate too). Shedania threatened Japaridze with arrest upon his arrival to Mestia unless he would pull out of the election. The threats took place on several occasions and after this Viktor Japaridze left Georgia in the middle of May and has not returned yet.

IATF Response:

¹⁶ Response of the Mayor of Tbilisi to GYLA #07-40338-1; 11/20164-7



IATF points out that one of its members member Jambul Bakuradze personally met Viktor Japaridze and promised him that IATF would study this case – and in general the situation in Mestia in details.

TI Georgia comment:

Viktor Japaridze left Georgia after his meeting with Jambul Bakuradze and he has not returned yet. TI Georgia informed the IATF about this a few weeks ago, but nothing has changed in this regard so far.

TI Statement:

TI Georgia mentioned in its report that there was pressure exercised by the head of Kvareli district administration Levan Gamsakhurdia and police chief Temur Gurashvili against the members of National Council, because of which two candidates of the National Council pulled out of the election.

IATF Response:

It is mentioned in the reply of the IATF that they checked this information and no evidence of pressure on any candidates was found. According to the information received by the IATF, the National Council candidates withdrew from the elections due to an internal conflict within the party.

TI Georgia comment:

TI Georgia and other observing organizations stated many facts of pressure on the representatives of opposition parties in the run-up to elections. Except several exceptions (among them the pressure on the members of Freedom Party in Mestia and on a member of Alliance for Georgia in Lanchkhuti), it was becoming complicated to prove such cases, because the representatives opposition parties were scared to speak about it openly. However, it is noteworthy that after registration in the run-up to elections, 112 representatives of opposition parties from proportion lists (4 party lists were completely annulled in various municipalities), and 161 individuals out of majoritarian candidates withdrew their candidacy¹⁷.

¹⁷ Statistics provided by CEC.



Probably in some cases it was actually caused by to internal conflicts within the party, though ultimately we get that there was confrontation almost within all the parties except the ruling one.

TI Statement:

TI Georgia was speaking about the campaign initiated in April that was targeted to the family members of inmates in Ozurgeti. They were promised that if they collected signatures along with personal identification numbers and other personal information of 100 up to 500 supporters of the Unified National Movement, then they would release their prisoners. During their meeting with the representatives of TI Georgia, activists of different political parties and journalists mentioned eight families like this.

IATF Response:

According to the IATF response, they have investigated this case and did not find evidence to confirm this information. However, IATF spokesperson and Deputy Minister of Internal Affairs Eka Zghuladze made a special statement on May 12. In the statement she indicated that such practice is practically unimaginable and warned family members of prisoners: “don't be fooled by false promises. No amnesty will be granted in return for supporting any political party.”

According to the IATF, same statements were made also in the local media by Gocha Shilakadze, chief of staff for the Ozurgeti administration, and Shukri Gabrichidze, representative of an Ozurgeti territorial body.

TI Georgia comment:

There were other facts of applying pressure on prisoners and their family members in many regions and villages. In some cases, among them in Ozurgeti, in private talks the citizens confirmed that they had signed the list of supporters for the ruling party as being asked for it by the prisoners' families. One of the prisoners' family member also admitted there was such promise made by the representatives of local authority.

Unfortunately, nobody speaks up openly about these facts, which is unfavorable for their investigation. Correspondingly, the special statement of the speaker of the IATF should be welcomed, though there is no truth in the comment of the group as if Shilakadze and Gabrichidze (people accused of such conduct) also made the statements via the TV. TI Georgia obtained the record of the press-conference which was mentioned in the IATF report. Shilakadze and Gabrichidze only said that the accusations brought against them was “an absurd, rumor and stupidity”, but there was no mentioning from their side that there would not be any amnesty in exchange to



political support. Thus, their statements looked like justification for themselves rather than an attempt to assure the population not to believe such promises.

ALLEGED FACTS OF PRESSURE ON PRIVATE COMPANIES NOT TO PROVIDE SERVICES TO OPPOSITION PARTIES

TI Statement:

Report of TI Georgia reviewed the issue of scheduled inspections of printing companies operating in Tbilisi in March, 2010, after which four printing companies were closed and had their property sealed. All the printing companies that were closed temporarily had received orders from the National Council. According to the representatives of opposition parties and the people who have professional ties with printing companies, the majority of printing companies were refusing to accept orders from opposition parties. They even asked other customers about the content of the materials they wanted to have printed – something the printing companies previously had showed no interest in before the elections.

IATF Response:

The IATF reached out to the political parties (including both parliamentary and non-parliamentary opposition) and publishing companies to verify if they have had any problems with printing the election materials. According to the group, none said that they had encountered such problems.

The IATF also clarified that the Revenue Office of the Ministry of Finance carries out inspections based on the “risk assessment program”. In 2010, the list of businesses to be inspected, which was made up based on the program, included several printing companies. In accordance with Articles 110 and 113 of the Tax Code, conducting inventory audits and undertaking revisions did not require advance notification.

TI Georgia comment:

The problems of the publishing companies mentioned in the report are related to the events of the mid-April. The report was published on May 11. In April the organization studied this issue in details: they spoke with the heads of several printing companies (among them those ones who were not inspected by tax authorities), and also the printing designer. Out of the above mentioned four printing companies, two refused to express any comment at all. Absolute majority of the interviewed ones confirmed that there had not been such a mass closure of printing companies before and mentioned that due to the new circumstances, they started to get interested in the contents of the order.



Response of the IATF was made on May 25. TI Georgia anonymously contacted the printing companies and talked to them about printing the material with some political content. The publishing houses agreed to take the order without asking any additional questions. However, it should be pointed out that by May 25 there were only 5 days left before elections and the parties needed to have their election material printed much earlier.

As for the requirements of the Tax Code, conducting inventory audits in fact does not require advance notification, but as for the scheduled inspection, the respective company should be notified about it 10 days in advance, and in case of urgent inspection, except the special cases (facts of significant violation of tax obligations; information that poses doubt to the source of financial and material assets of the taxpayer, etc), a court order is needed.

As a rule, only the documentation is sealed if inventory audit or tax revision is carried out. Sealing the company envisages much more preconditions. Besides, except for necessary cases, the state should try to limit conducting such inspections in the run-up to elections, especially at the companies which the opposition parties are cooperating with.

TI Statement:

The report of TI Georgia also mentioned that on 9 April, members of the Movement for Fair Georgia were denied permission by the administration to use the Sports Palace for a party event in the last moment. Although there was a verbal agreement between the parties, after the party announced publicly that they were planning to present the results of the primaries in the Sports Palace on 9 April, the Sports Palace administration refused to provide the hall saying that refurbishment had to be carried out.

IATF Response:

In response to this, the IATF clarifies that the sports palace is run by a private company and added that the party the Movement for Fair Georgia was allowed to hold the meeting at the chess palace, which is a building owned by the Ministry of Economic Development.

TI Georgia comment:

The example provided above indicated on the indirect pressure applied on the business. This opinion was substantiated by several facts: 1) the Sports Palace should have been interested in conducting such event, as far as the company would get 22 thousand GEL



as a payment for renting the palace for several hours; b) there were concerns raised in regards to postponing the agreed event with the reason of refurbishment works just two weeks before the basketball game; c) the Sports Palace was refurbished in the summer of 2009 and several million GEL was spent for this.

COLLECTION OF PERSONAL ID NUMBERS

TI Statement:

In early March, the 2nd unit of Batumi City Police Department of the Interior Ministry's Main Directorate in the Autonomous Republic of Ajara sent a written request to the heads of various public and private organizations, asking them to collect personal identification numbers and other personal data (addresses, phone numbers, positions) of their employees. The letter provided no reasons and only said that it was needed due to "counter circumstances" (and not for "special circumstances", as it was provided in the answer of the IATF).

IATF Response:

The IATF has checked this information with the Ministry of Internal Affairs. The IATF agreed with TI Georgia that the wording "special circumstances" created certain misunderstanding and that the purpose of the letter was unclear.

MIA informed the IATF that the requested information was needed for creating a district registry of the MIA territorial units (district inspectors). The IATF justified lawfulness of implementing the mentioned activity with various normative acts.

TI Georgia comment:

It is possible that the MIA really had some lawful grounds for requesting such information, though it would be desirable not to have such kind of activity carried out before the elections, provided there were no special need for this. Besides, as it is mentioned in the report, the MIA's letter did not include any clarification. One of the newspapers asked the respective department of the MIA to clarify why they needed such information, but they were refused.

INFORMATION REGARDING INCIDENTS IN SCHOOLS

GYLA statement:

Head of the Sagarejo branch of the "Movement for the Just Georgia" Ioseb Otiashvili informed GYLA that the husband of their member Nato Kurdovanidze was fired by the principal of the



local school from his job. The director named party membership of Nato Kurdovanidze as the reason for this decision.

IATF response:

IATF has studied this issue and clarified that the husband of Nato Kurdovanidze, Levan Kvezereli, was dismissed from his job due to a violation of his contract. He was serving as a guard at the school and several times indulged in alcohol during working hours. Levan Kvezereli had received several administrative warnings before being dismissed.

GYLA Comment:

According to Nato Kurdovanidze, member of Movement for Free Georgia, her husband had not received any warning from the school administration. Thus there is no evidence that this person violated the labour agreement. Nato Kurdovanidze states that the official reason for her husbands' dismissal was the fact that he was late for work for 20 minutes.

Unresponded violations identified by TI Georgia

The IATF provided its response to the majority of violations specified in the second interim report of TI Georgia, but did not express any comment regarding the cases such as unlawful participation of public officers and law enforcement officers in election campaign, among them:

- On May 4, the public officers in Gurjaani, who were on their annual leaves, were carrying out their official duties from the office of the ruling party;
- On April 27, former governor of Sagarejo who was using the administrative resources;
- On April 24, the law enforcement officers participated in the election campaign of the ruling party in Ozurgeti, and for the purposes of this activity, the local government ignored the statutory provision stipulated in the Law on Assembly and Manifestations, for the favor of the ruling party;
- On April 22, the public officers participated in election event of the Unified National Movement in Mtskheta, together with school-teachers who were there during their class hours; involvement of public schoolchildren in the election campaign in Mtskheta.



- Disturbing the event of the National Council in Ozurgeti on March 24.

Besides, on May 25 TI Georgia published its third interim report, which has not been responded by the IATF. The report provides the description of the following types of pre-election violations:

- cases of applying pressure on the opposition members and on the voters;
- seven cases of participation of public officers and law enforcers in election campaign;
- filing an application by a candidate for precinct committee member for occupying the position of a committee member (afterwards by the members appointed by the district election committee) at Gori Office of the United National Movement; participation of social agents in the campaign for supporting the ruling party.

Unresponded violations identified by the GYLA

The GYLA expresses worries that the IATF did not pay attention to various significant violations reflected in the organization's first and second interim monitoring reports on the pre-election environment, among them:

- Presence of Gurjaani district prosecutor Ghia Lazashvili at the presentation of the majoritarian candidates and the party list of the United National Movement at Gurjaani Culture Center on April 29;
- Unlawful placement of election office of Vato Natsvlishvili, majoritarian candidate of United National Movement, in the library, etc.

It is especially worrying that the IATF did not respond to the cases of threat and pressure, regarding which the GYLA had very detailed information provided in their reports, for example:

- There was pressure applied on Lali Janikashvili, representative of the political union Alliance of Georgia in the Zemo Maghrani precinct. The precinct head threatened her with creating some problems for her;
- Unidentified people videotaped the people (sitting in the car with the state plate number TTI - 863) who were entering the Gori office of the political union Alliance of Georgia;

- In Kveshi territorial body, Bolnisi, pressure was applied on Tsesar Mamulashvili, a majoritarian candidate of the Movement for Fair Georgia. He was called to come to the Gamgeoba and was threatened that some problems might be created for his business;
- At Abasha precinct #4 the pressure was applied on Elguja Gabiskiria, representative of the National Council. He was detained by the police officer Otia Gabelaia on May 2 at 12:00 and requested that he withdraw from elections;
- Pressure was applied on Tamar Kviriashvli, reporter of Kakheti Information Center. Tamaz Abramishvili, Gamgeoba staff member of Gurjaani Municipality abused her verbally and even tried to abuse her physically, when the reporter tried to tape those public officers leaving the office of the United National Movement, who were not on their holidays.