



ZUGDIDI CITY COUNCIL PERFORMANCE REPORT



2017

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INTRODUCTION

Transparency International Georgia is carrying out an evaluation of the performance of representative bodies in Georgia. On October 19, 2017, the organization published a [report](#) on the performance of the Tbilisi City Council. This report examines the performance of the Zugdidi City Council.

The Municipality of the Self-Governing City of Zugdidi will cease to exist in the nearest future as a result of legislative amendments to the Local Government Code adopted by the Parliament in June 2017 that [reduced](#) the number of self-governing cities from 12 to 5. Transparency International Georgia [opposed](#) this decision; however, the Georgian Parliament and Government did not share our position. **Nevertheless, we believe that an analysis of the shortcomings, challenges, successes and experience of Zugdidi City Municipality can be of use to the newly elected (October 21) Zugdidi Municipal Council, which will assemble and hold its first meeting in the nearest future.**

The report is based on public information requested from the City Council or obtained from its official website, as well as our observations.

Reporting period - July 2014 to August 18, 2017

CHAPTER 1 - KEY FINDINGS

- Zugdidi City Council conducted weak oversight of the executive body and entities subordinate to the municipality. The City Council's oversight activities in relation to specific public officials and entities accountable to it were mostly formal in nature.
- Almost 42% of all meetings (196) held by Zugdidi City Council were extraordinary.
- Zugdidi City Council adopted a total of 696 legal acts, of which 551 were initiated by Zugdidi City Hall, and 155 by the Council itself.
- Zugdidi City Council had the highest levels of openness and citizen engagement among municipalities of the Samegrelo-Zemo Svaneti region. In its January 2017 report, Transparency International Georgia found the City Council website to be the most [informative](#) and transparent in the region.
- Incomplete public official asset declarations were found to be a problem in Zugdidi City Council as well. Two such facts were identified during the evaluation: Levan Konjaria (chairperson of the faction National Movement) and Tengiz Kharchilava (chairperson of the Finance and Budget Commission) failed to declare their business ties.
- Zugdidi City Council spent a total of GEL 444,479 as bonuses and salary supplements. Even though the City Council did adopt an ordinance on issuing bonuses, the legal act had a number of [shortcomings](#) and did require appropriate justification. As a result, most bonuses were issued on a quarterly basis and on public holidays, rather than based on merit.
- In October 2015, Zugdidi City Council adopted a [Code of Ethics](#) that set professional and ethical standards for Council members. However, the Ethics Commission held only a single meeting during the reporting period and did not identify any cases of violation of the Code.

CHAPTER 2 - GENERAL INFORMATION ABOUT ZUGDIDI CITY COUNCIL

Zugdidi City Council is a local government representative body for Zugdidi City Municipality. Its activities are regulated by the Local Government Code (Organic Law of Georgia) and include oversight of the executive body - City Hall and its public officials, as well as other activities defined by the Constitution, other laws and the Council's own Rules of Procedure.

Zugdidi City Council consists of 15 members, of which 5 are elected from local single mandate majoritarian districts and 10 are elected through the proportional system.

The rights and obligations of the City Council, its subordinate bodies and public officials are defined by the Local Government Code, the Council's Rules of Procedure and other legal acts.

The City Council has the authority to create commissions for the purpose of preparing issues for the Council, facilitating the implementation of decisions, and overseeing the structural units of the City Hall and legal entities established by the Council. Zugdidi City Council has created the following commissions:

1. Finance, Budget and Revision Issues Commission
2. Legal, Mandate, Human Rights and Ethics Commission
3. Economy, Urban Development and Property Management Issues Commission
4. Education, Culture, Sports and Youth Affairs Commission
5. Health and Social Issues Commission

► **Public Officials Elected by the City Council**

The Chairperson and Deputy Chairperson of the City Council were elected on two occasions since 2014. Merab Kvaraia was elected as Chairperson on July 14, 2014, but was removed from the position in 2016 after being elected as Member of Parliament. On March 27, 2017, Natalia Sherozia was elected as the new Chairperson. As for the Deputy Chairperson, Giorgi Todua was elected in July 2014, but was dismissed in April 2017, after which Tazo Patsatsia became the new Deputy Chairperson.

Other public officials elected by the City Council were:

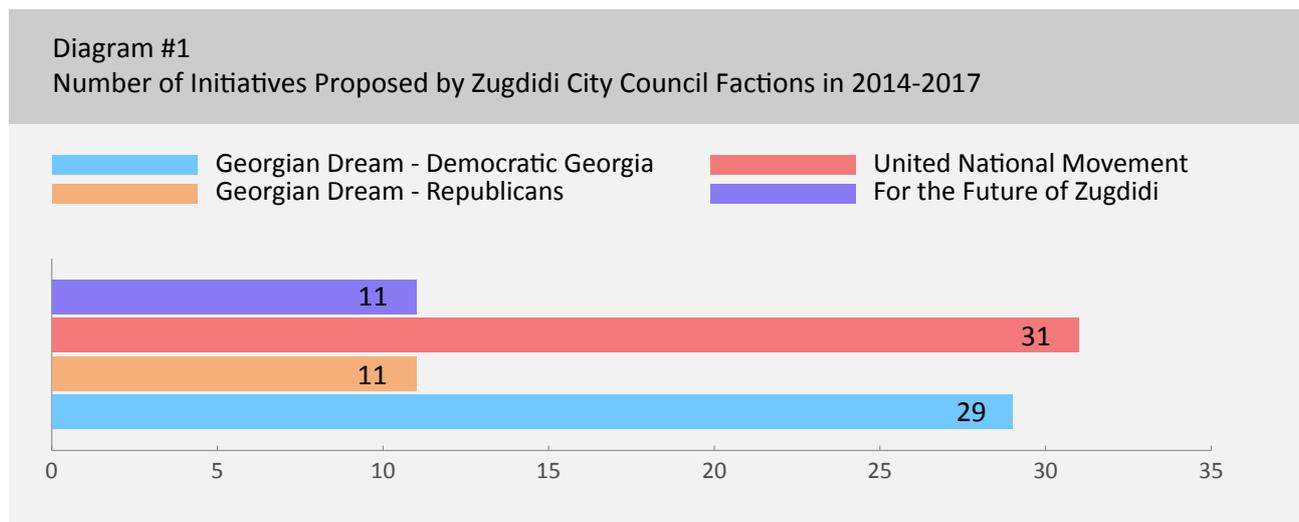
- July 18, 2014 - Kakhaber Partsvania, Chairperson of the Finance, Budget and Revision Issues Commission.
- July 18, 2014 - Nugzar Saria, Chairperson of the Legal, Mandate, Human Rights and Ethics Commission.
- July 18, 2014 - Tengiz Kochua, Chairperson of the Economy, Urban Development and Property Management Issues Commission.
- July 18, 2014 - Natalia Sherozia, Chairperson of the Health and Social Issues Commission.
- July 18, 2014 - Natia Pipia, Chairperson of Education, Culture, Sports and Youth Affairs Commission.
- April 3, 2015 - Kakhaber Partsvania, Chairperson of the Commission for Recognition of Property Rights on Land Plots Owned by Natural Persons and Legal Entities of Private Law.
- April 3, 2015 - Nikoloz Zarkua, Deputy Chairperson of the Commission for Recognition of Property Rights on Land Plots Owned by Natural Persons and Legal Entities of Private Law.
- April 14, 2010 - Tengiz Kharchilava, Chairperson of the Finance, Budget and Revision Issues Commission.
- March 27, 2017 - Natalia Sherozia, Chairperson of Zugdidi City Council.
- May 5, 2017 - Vakhtang Gogilava, Chairperson of the Health and Social Issues Commission.

► Factions

Zugdidi City Council included the following factions during the reporting period:

1. Georgian Dream - Democratic Georgia
2. Georgian Dream - Republicans
3. United National Movement (the faction was abolished on June 10, 2017)
4. For the Future of Zugdidi (formerly: Georgian Dream - Democrats, Conservatives)

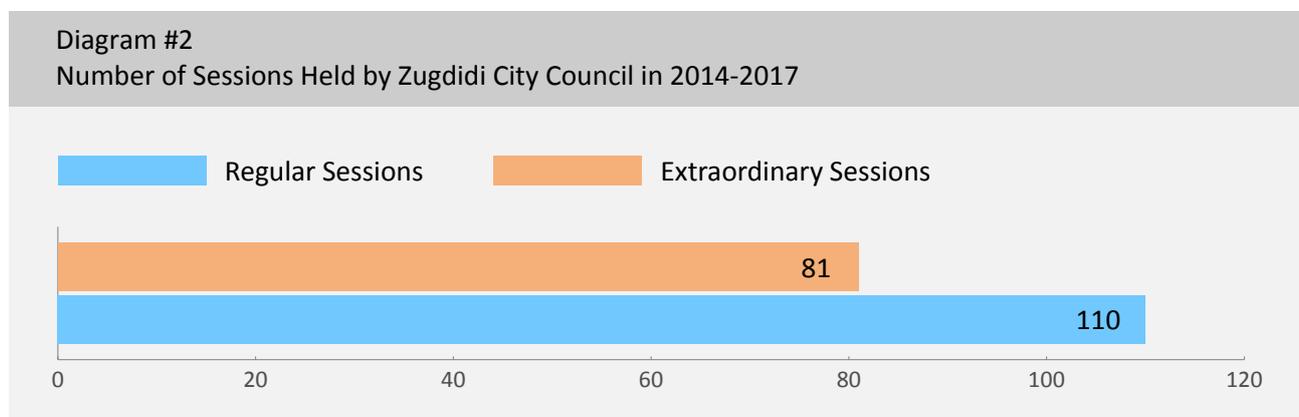
Factions of Zugdidi City Council proposed a total of 82 initiatives requesting: implementation of various infrastructural projects, changes to municipal social programs, study of specific problems in the municipality, solutions to parking and street vending problems, etc. The initiatives were submitted in both written and oral form. Most initiatives were proposed by the faction United National Movement, and the least by factions Georgian Dream - Republicans and For the Future of Zugdidi.



A full list of initiatives proposed by council factions can be found [here](#).

► Meetings of the City Council and its Bureau

Zugdidi City Council held a total of 196 sessions during the reporting period, of which 81 were extraordinary. All of the extraordinary sessions were initiated by the Chairperson of the City Council. On no occasion was a council session cancelled due to lack of quorum.

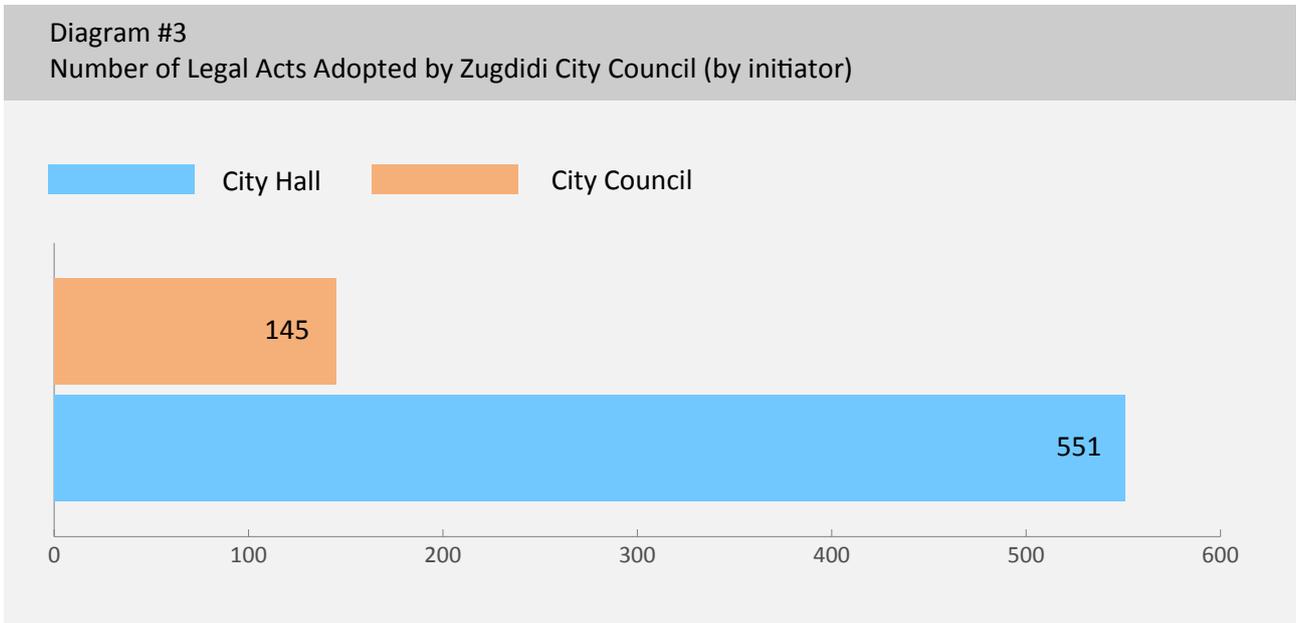


The City Council Bureau held a total of 115 sessions, as a result of which it prepared 20 projects of various work plans related to organizational issues of City Council and its Commissions.

► **Legal Acts Adopted by Zugdidi City Council**

A City Council has the authority to adopt the following legal acts: normative act – City Council Ordinance and individual act – City Council Decree. During the reporting period, Zugdidi City Council adopted a total of 696 administrative legal acts, of which:

- 145 acts were initiated by the City Council; and
- 551 by the City Hall.



During the reporting period, the City Council received a negative legal assessment from the supervisory body on 15 legal acts, of which it accepted all without submitting a motivated refusal.

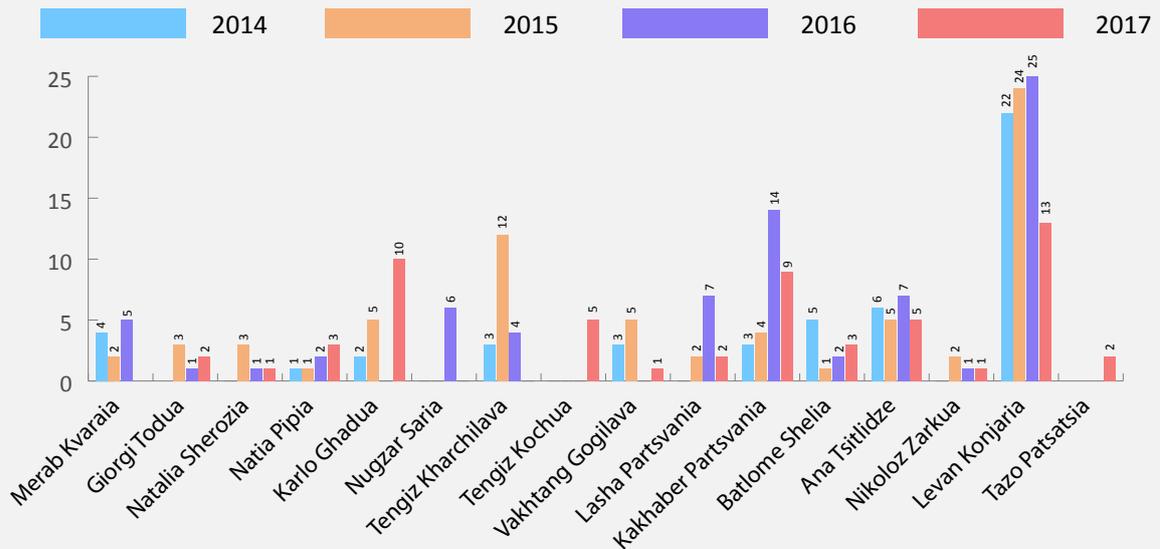
► Attendance of Zugdidi City Council Members

Zugdidi City Council has not determined what constitutes an inexcusable absence from a council session. Generally, it considers an absence to be inexcusable if a council member is not on vacation or a work visit.

Levan Konjaria, Council Member representing the United National Movement, had the most inexcusable absences during the reporting period. Konjaria failed to attend 84 of 196 sessions. Georgian Dream representative Kakhaber Partsvania had the second most absences of this kind – 30.

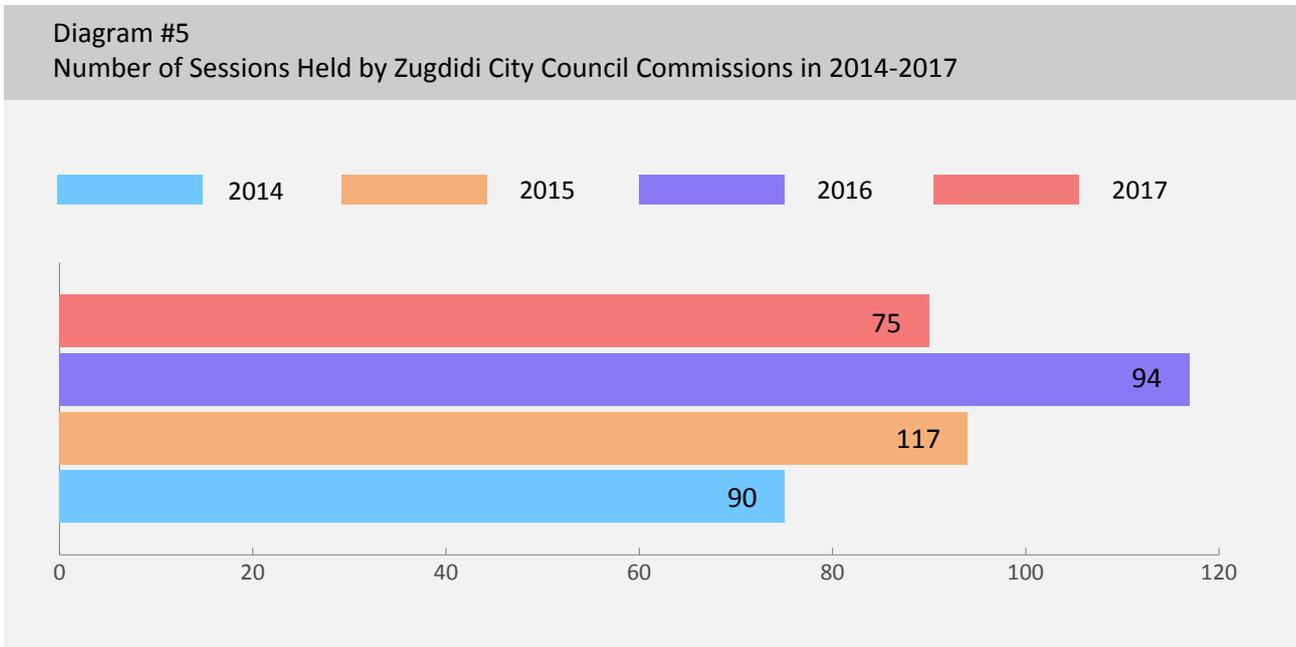
Diagram #4

Inexcusable Absences of Zugdidi City Council Members in 2014-2017



► **Number of Sessions Held and Conclusions Issued by Zugdidi City Council Commissions**

During the reporting period, 5 permanent commissions of Zugdidi City Council held a total of 376 sessions and issued 923 conclusions on the compliance of draft legal acts with Georgian legislation.



According to public information received from Zugdidi City Council, during the reporting period, the Legal, Mandate, Human Rights and Ethics Commission has not identified any cases of incompatibility of legal acts or procedural issues with the council’s Rules of Procedure.

As for oversight over City Hall services and public officials by City Council Commissions, information provided to us by the City Council was very general and did not indicate specifics about what oversight measures were taken and what the results of these measures were.

► **Gender Equality Council**

The Gender Equality Council of Zugdidi City Council was created on June 2, 2017. The Council has not performed any activities yet.

CHAPTER 3 - IMPORTANT EVENTS

► Support to Abolish the Status of a Self-Governing City for Zugdidi

On May 22, 2017, Zugdidi City Council supported the initiative of the Government of Georgia to unify the Self-Governing Community of Zugdidi and the Self-Governing City of Zugdidi. The City Council did not hold any meetings with citizens prior to May 22 in order to hear their position on the matter. Most Council Members dismissed the [recommendation](#) issued by non-governmental organizations, including Transparency International Georgia, to oppose the merging of municipalities. In the end, the initiative was supported by the Parliament of Georgia, which undoubtedly damaged the decentralization process of the government.

► Free of Charge Transfer of Property to the State

According to Article 24 of the Local Government Code, a municipal council is authorized to transfer its property to the state free of charge. More specifically, Article 54 allows the mayor, with the approval of the city council, to make a decision to transfer movable or immovable property by direct transfer, with the right to use with or without consideration, conditionally or unconditionally.

During the reporting period, Zugdidi City Council made a total of 10 decisions to transfer municipal property to the state free of charge:

- September 24, 2015 – 1,860 of the 5,263 square meter non-agricultural land plot owned by the municipality (Cadastral Code - 43.36.01.301).
- November 6, 2015 – Land plot located on #222 D. Agmashenebeli Str., Zugdidi.
- November 17, 2015 – Land plot located on #3 Nikoladze Str., Zugdidi.
- April 1, 2016 – A vehicle owned by the municipality - Toyota Landcruiser LG 200.
- April 28, 2016 – 47,520 square meter non-agricultural land plot (Cadastral Code - 47.31.74.117) located on Tetri Giorgi Str., Zugdidi.
- June 3, 2016 – 2,275 square meter non-agricultural land plot (Cadastral Code – 43.31.76.223) located on #222 D. Agmashenebeli Str., Zugdidi.
- December 30, 2016 – 72 square meter non-agricultural land plot (Cadastral Code - 43. 31.48.338).
- May 5, 2017 – 9 square meter non-agricultural land plot (Cadastral Code - 43.31.48.363).
- July 17, 2017 – 5,000 square meter non-agricultural land plot located on #2 Janashia Str., Zugdidi, together with a 3,493.2 square meter building (including the first floor – 1,594.2 square meters, and third floor - 601.1 square meters) (Cadastral Code - 43.31.62.142).

► Independent Audit

The Local Governance Code grants the municipal council the authority to invite an independent auditor at least once a year to conduct an independent audit of the municipality's activities. Zugdidi City Council has not exercised this right during the reporting period.

Transparency International Georgia believes that the City Council must exercise the authority granted to it by law and conduct independent audits on various issues. Not only will this help identify potential financial violations, but will increase the credibility of the City Council and the accountability of executive branch well as.

CHAPTER 4 - OVERSIGHT OF BODIES ACCOUNTABLE TO THE COUNCIL

A municipal council is authorized to oversee the activities of the municipality's executive bodies and their public officials, to review and evaluate their reports.¹ The mayor is accountable to the city council and the public.²

Zugdidi City Council has reviewed a total of 3 reports of municipal executive bodies and their public officials, including the Mayor of Zugdidi.

However, the City Council did not specify what mechanisms were used (except for reviewing the reports) to oversee the activities of the City Hall and its legal entities, what concerns were expressed and what the responses were from relevant institutions.

1 Local Government Code, Article 24, Paragraph 1, Subparagraph c.a)

2 Local Government Code, Article 48, Paragraph 2

CHAPTER 5 - CITIZEN INVOLVEMENT IN COUNCIL ACTIVITIES

Zugdidi City Council is one of the most successful municipal councils in the region in terms of citizen involvement:

- In 2015, the City Council set up an information center - Zugdidi-Info, through which citizens receive SMS (text) messages about: infrastructural, cultural, sports and other projects taking place in the city of Zugdidi; healthcare and social programs.; and the dates and agendas of City Council sessions.
- Zugdidi City Council's website - www.zugdidi.gov.ge was evaluated to be the most informative and transparent in the Samegrelo-Zemo Svaneti region by Transparency International Georgia's [January 2017](#) report.
- Zugdidi City Council periodically holds public budget [debates](#) with the involvement of civil society and non-governmental organizations.
- Presentations of performance reports of the City Council and its members are also public and are usually actively attended by citizens.
- A total of 3 petitions were registered with the Zugdidi City Council during the reporting period:
 - Rehabilitation of drainage and sewage systems on Beria, Khorava, Saint Nino, Tolstoy, Kutaisi, Tabidze and Kobakhidze streets in Zugdidi.
 - Designation of parking spaces throughout Zugdidi.
 - Renaming the park on Dadiani Street in Zugdidi in honor of Giga Otkhozoria.

From the above issues: works to rehabilitate the drainage and sewage systems on the requested streets are underway; parking spaces have been designated; the issue of renaming the Dadiani Street park is under consideration.

► **Electronic Petition**

Zugdidi City Council launched the development of an [electronic petition](#) system for Zugdidi municipality in May 2017. Even though a concept of the system was prepared, the City Council has yet to discuss it.

CHAPTER 6 - BUSINESS TIES, UNDECLARED PROPERTY, INCOMPATIBLE ACTIVITY

In order to identify business ties, undeclared property and incompatible activities of Zugdidi City Council Members, Transparency International Georgia looked at their asset declarations and public information available in the Public Registry database.

► Legal Requirements and Responsibility

According to the Law on Conflict of Interest and Corruption in the Public Service, public officials on the local government level include the: Chairperson and Deputy Chairperson of a Municipal Council; Chairperson of a Municipal Council Commission; and Chairperson of a Municipal Council Faction. According to the law, a person must submit a public official's asset declaration to the Civil Service Bureau within two months after his/her appointment. Moreover, the Government Order of February 12, 2014 defines the list of public officials, who are obligated to file asset declarations. According to this Order, the following officials have this obligation:

- **City Council Chairperson**
- **Deputy Chairperson**
- **Chairpersons of City Council Commissions**
- **Chairpersons of City Council Factions**

The incompatibility of duties of city council public officials is regulated by the Law on Conflict of Interest and Corruption in the Public Service, according to which:

- A public official is prohibited from holding any position in any enterprise.
- A public servant shall, for the term of his/her office, under a trust agreement, transfer to other persons for management a capital share (block of stocks) of an enterprise of the business entity owned by him/her, as determined by the legislation of Georgia.
- A public servant may not be a permanent head of a business entity, or a member of a controlling, a supervisory or an auditing body.
- Public servants may not carry out entrepreneurial activities. Public servants may only hold stocks or a share in an enterprise.

Two Members of Zugdidi City Council - Levan Konjaria and Tengiz Kharchilava have undeclared business ties.

Levan Konjaria – Chairperson of the faction United National Movement

According to the Public Registry, Levan Konjaria is a 25% [shareholder](#) of Ltd. Elite Brand Company, while his son Otar Konjaria is a 100% [shareholder](#) of Ltd. Express Printing. Konjaria has failed to declare either of these shares in his October 2016 asset [declaration](#).

Tengiz Kharchilava – Chairperson of the Finance, Budget and Revision Issues Commission

According to the Public Registry, Tengiz Kharchilava is a shareholder and director of Ltd. Lanji (ID -219996770), which he failed to declare in his June 2017 asset [declaration](#).

Information about Ltd. Lanji has not been updated for years on the business registry. This potentially indicates that the company is no longer operational. Nevertheless, if the company exists officially, the member of the City Council is still obliged to report his shares and terminate his management position.

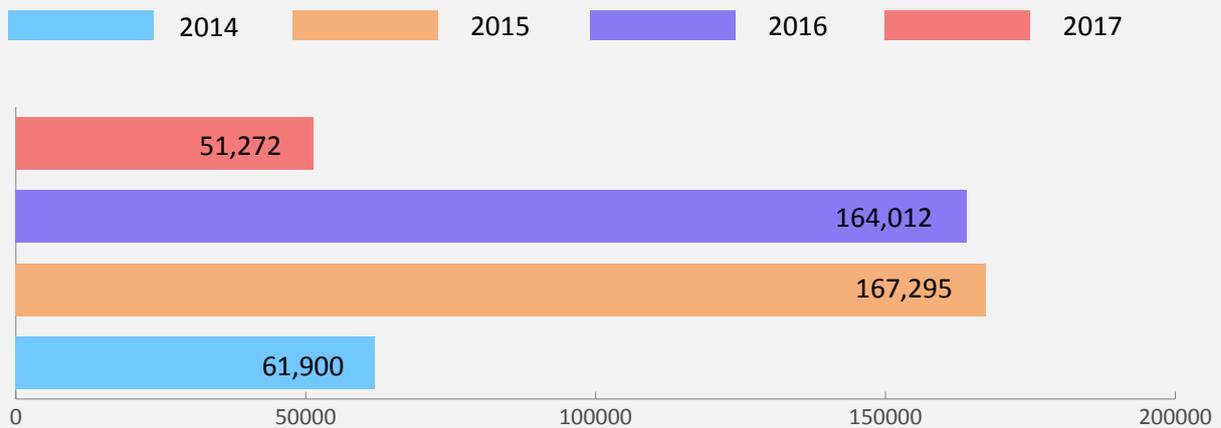
CHAPTER 7 - EXPENSES OF ZUGDIDI CITY COUNCIL

► Bonuses and Salary Supplements

Zugdidi City Council spent a total of GEL 444,479 on bonuses and salary supplements during the reporting period.

Diagram #6

Bonuses and Salary Supplements Issued by Zugdidi City Council in 2014-2017



The City Council issues bonuses without any justification, while salary supplements are given for completing large tasks or overtime work. No salary supplements were issued in 2015-2016. In 2014, a single supplement of GEL 30,950 was issued. In 2017, five supplements of GEL 28,261 in total were issued.

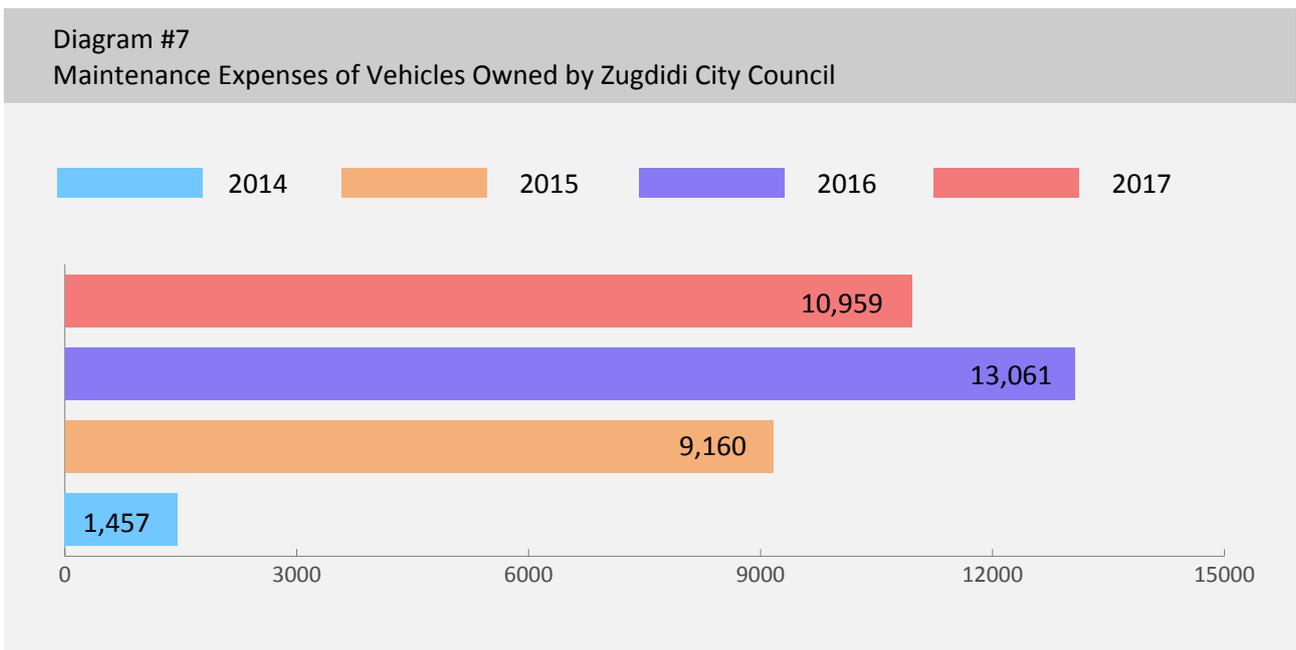
► **Work Visit Expenses**

Zugdidi City Council spent a total of GEL 5,672 on work visits of its employees.

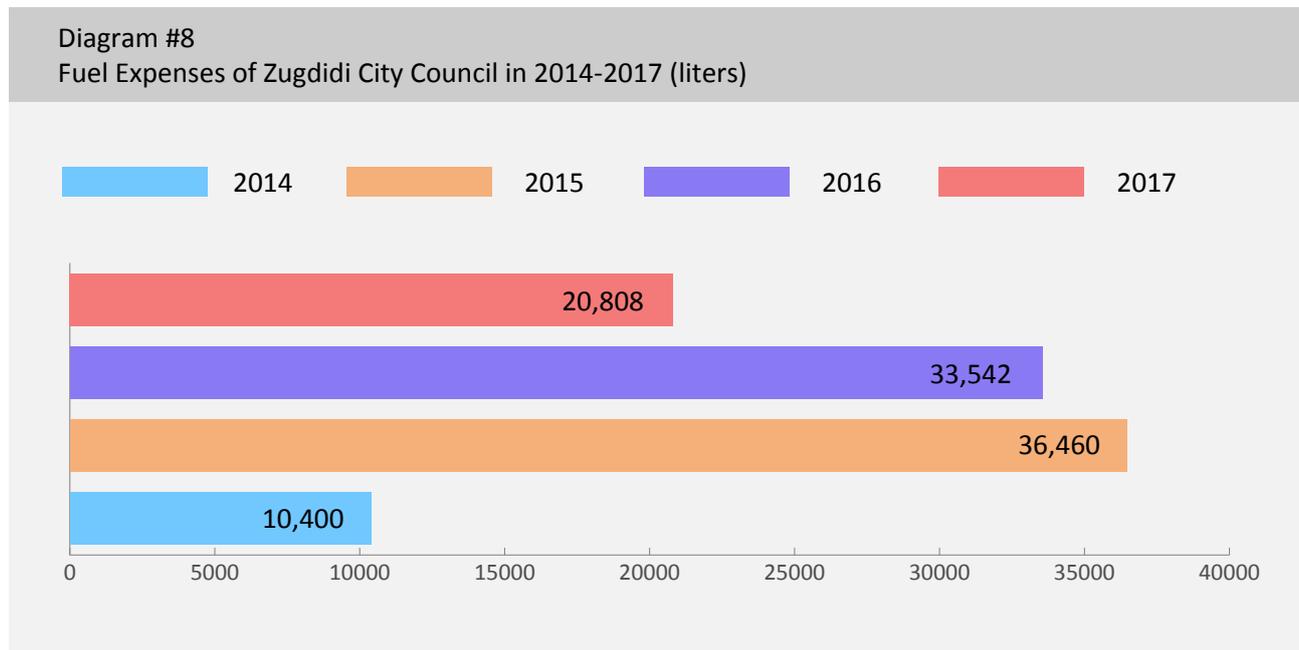
► **Vehicles and Fuel Expenses**

Zugdidi City Council owns 4 vehicles, used by the Chairperson, Deputy Chairperson, Head of Bureau and the Commission for Land Property Recognition in 2015-2016. Fuel purchased by the City Council budget was used by 20 persons, including City Council public officials, its Members and employees of the City Council Bureau.

The Council spent a total of GEL 34,637 on the maintenance of its vehicles during the reporting period.



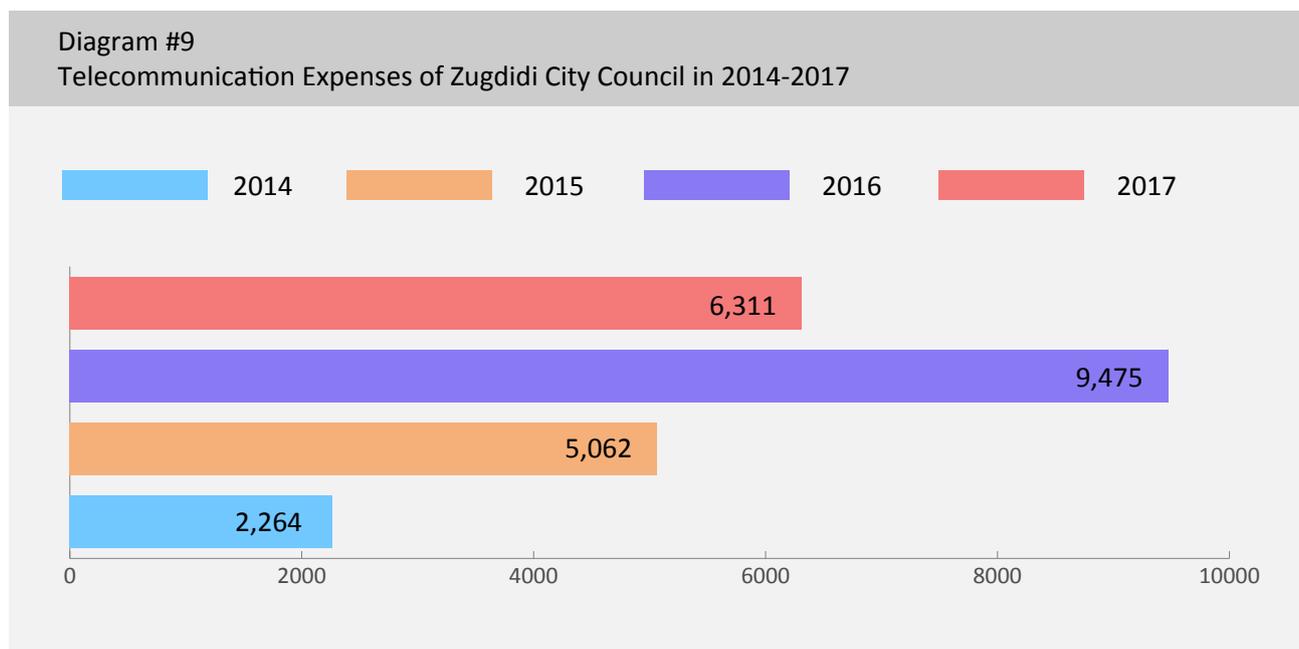
Zugdidi City Council Members and employees of the City Council Bureau spent a total of GEL 101,210 on fuel. Worth noting is that the data provided to us by the City Council was incomplete, specifically for 2015-2016. Fuel expenses amounted to GEL 17,679 in 2014, and GEL 37,140 in 2017.



Zugdidi City Council purchased two vehicles during the reporting period: Mitsubishi Colt worth GEL 5,500 in 2015 and Volkswagen Jetta worth 12,400 in 2016.

► Telecommunication Expenses

Zugdidi City Council spent a total of GEL 23,111 on telephone communication in 2014-2017.



RECOMMENDATIONS

The Municipal Council of the Self-Governing Community of Zugdidi, which will convene in the nearest future, must take the following experience and shortcomings of Zugdidi City Council into consideration:

Oversight:

- The Municipal Council must make effective use of oversight mechanisms granted to it by Georgian legislation: posing questions to accountable bodies / officials, summoning them to council sessions, overseeing the implementation of decisions.
- Authorized subjects must actively use available mechanisms to oversee the implementation of decisions.
- The Municipal Council must make sure that the procedures for posing questions to accountable bodies and public officials are followed, and violations are met with an appropriate response, including failure of accountable entities to answer the summons of a Council Faction.

Municipal Council Sessions:

- The Municipal Council must not rely extensively on extraordinary sessions. Council sessions must be planned, except for very rare occasions.
- While it is important to pursue efficiency in the work of the Municipal Council, of equal importance is ensuring citizen involvement in the process, mobilization of interest groups, providing time for them to prepare for Council sessions, transparency of the Council, etc., all of which are significantly impeded by frequent extraordinary sessions. Therefore, Zugdidi Municipal Council must work to improve the organizational side of its work and significantly reduce the number of extraordinary sessions and issues on their agenda.

Accountability:

- Municipal Council Members must assume greater responsibility to attend Council sessions. The Rules of Procedure must include a definition of an inexcusable absence and clarify what circumstances are considered excusable (family issues).
- Municipal Council Members must correctly fill out their asset declarations, declare business shares owned by them and their family members and leave their management positions in accordance with pre-defined legal procedures.

Bonuses / Salary Supplements:

- Transparency International Georgia believes that bonuses must not be issued for public holidays (defined by the Labor Code), but rather for outstanding performance by a public servant.

Administrative Expenses:

- The Municipal Council must manage its expenses (including purchase and maintenance of vehicles, fuel, and telecommunication) rationally and in accordance with the authority granted to it by the Local Government Code.

Transparency:

In order to raise the standard of transparency, Zugdidi Municipal Council must:

- Make use of all citizen involvement mechanisms made available by the Local Government Code.
- Continue Zugdidi City Council's practice of holding public hearings, field meetings, SMS service for citizens, and budget discussions.
- Make sure to run its own separate official website that will be used to disclose public information.
- Approve a list of public information to be disclosed proactively.
- Disclose timely, accurate and full information about the activities and performance of the Council and its subordinate entities. The following information must be published on the Council website:
 - Original versions of legal acts, their initiators / authors, explanatory notes, a document reflecting opinions expressed during sessions.
 - Questions posed to accountable bodies and public officials for oversight purposes.
 - Detailed information about Council Member attendance, including excusable and inexcusable absences of each member.
 - Representation expenses incurred by Municipal Council Members.
 - Information about previous convocations of the Municipal Council.
 - Activities of Municipal Council Members, including protocols of their meetings with voters.
 - Performance reports and session protocols of Municipal Council Members, public officials, Municipal Council Commissions and Factions.