



OPEN GEORGIAN AID NEGOTIATIONS TO PUBLIC SCRUTINY AND DEBATE, SAYS TRANSPARENCY INTERNATIONAL GEORGIA

- **TI Georgia calls on donors to comply with transparency principles outlined in 2005 Paris Declaration on Aid Effectiveness**

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Tbilisi, Georgia – In the aftermath of the conflict between Georgia and Russia in August 2008, the US government on September 3rd announced an aid package of USD 570 million¹ to meet Georgia's humanitarian needs and to support its economic recovery. The complete package is to be made available during the lifetime of the current US administration. According to official US statements, Georgia can also expect to receive additional support of USD 430 million over the next few years.

On September 1st, European leaders announced that the European Union will also provide substantial aid for reconstruction in Georgia. Details of the European package are to be decided at a forthcoming international donors' conference.

To date, the ongoing negotiations surrounding the USD 570 million aid package seem to be limited to representatives of the US and Georgian leaderships, the IMF, and the World Bank.² Parliament, the media, and aid agencies have not yet been invited to observe or participate in the talks.

DONOR COMMITMENTS TO TRANSPARENCY

TI Georgia calls on the United States, European Union member states, and multilateral and donor agencies involved in aid to Georgia to meet Georgia's humanitarian needs and to support its economic recovery in a transparent manner, in line with the principles outlined in the 2005 Paris Declaration on Aid Effectiveness.

The Paris Declaration,³ which was developed by representatives of the United States, Canada, major European donor countries, and a host of multilateral agencies including the World Bank and IMF, calls for aid to be given in a manner that:

- increases the accountability of aid to the citizens and parliaments of both donor and recipient countries (article 3)
- involves a broad range of development partners when formulating development strategies (article 48), and
- provides “timely, transparent and comprehensive information on aid flows” (article 49).

CALL FOR TRANSPARENCY IN AID NEGOTIATIONS

“TI Georgia calls on all parties involved in current and future aid negotiations to open the process to public scrutiny and public debate,” says Tamuna Karosanidze, Executive Director of Tbilisi-based TI Georgia. “These are huge sums for a small country like Georgia, and in order for this money to be used effectively, it is important for decision-making to be based on democratic process. Donor transparency

¹ For more background on the aid package, and a more in-depth analysis of its components by Transparency International Georgia, please visit www.transparency.ge/index.php?lang_id=ENG&sec_id=50600&info_id=433

² At a press conference given in Washington, D.C. on September 3rd, the US Under Secretary for Economic, Energy, and Agricultural Affairs Reuben Jeffery stated that the preliminary outlines of the USD 570 million aid package were arrived at during two and a half days of intensive discussions in Tbilisi with the Georgian leadership, the IMF, and the World Bank. Mr. Jeffery added that the aid package was developed based on the Georgian leadership's preliminary assessments of their needs. He emphasized that the final package will be the result of an “iterant process as we move forward.” The full transcript of his remarks is available at <http://georgia.usembassy.gov/tr-09032008b.html>

³ The full text of the declaration and the list of participating countries and organizations can be found at http://www.gc21.de/ibt/alumni/ibt/docs/Paris_Declaration_en.pdf

and inclusive debate within Georgia itself are the preconditions for increasing accountability and improving the allocation, delivery, and impact of aid.”

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Transparency International Georgia (TI Georgia), a national chapter of Transparency International, was established on 7 May 2000 as a local non-governmental organization committed to combating corruption in Georgia through the promotion of transparency and accountability. Our mission is to serve as the primary source of information on corruption reform in Georgia, assist the Georgian Government and the broader public in facilitating reform in sectors where corruption exists, and build and strengthen institutions. To fulfill this mission, TI Georgia: establishes programmatic activities that target structural corruption in specific sectors; promotes access of local populations to information on existing problems and changes initiated to address these problems; encourages input on reform from local and international experts; assists the Government in drafting policy; and produces analysis and public policy recommendations on current activities and on future reform.