

ANNUAL REPORT 2017

TRANSPARENCY INTERNATIONAL GEORGIA



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ABOUT US

Transparency International Georgia has been actively working in Georgia for 17 years now. We are a member of the Transparency International (TI) global movement which unites over 100 independent national Chapters and about 30 Individual Members. The movement is led by the International Secretariat based in Berlin.

The head office of Transparency International Georgia is located in Tbilisi while the regional offices are operating in Kutaisi, Batumi and Zugdidi. In 2017, the organization had a 40-strong staff.

We strive for an environment in which transparency and openness are the main principles in both the public and the private sector. Our objective is to facilitate the country's democratic development and to make our modest contribution to rendering this process irreversible.

Developing and strengthening state institutions, introducing the principles of good governance, establishing high standards of transparency, facilitating a fair election environment, supporting free and pluralist media, improving the judicial system, encouraging citizens' participation and central and local government's accountability to them – this is an incomplete list of the directions of our organization's work.

Our organization's number one objective is to provide all-encompassing support to anti-corruption policies. Transparency International defines corruption as abuse of entrusted power for private gain. Our organization is oriented

towards the creation of a corruption-free environment.

In its work, Transparency International Georgia is guided by high standards of impartiality, objectiveness and fairness. We offer the public a reliable, fact-based analysis in the form of profound research, prompting debates on various policy directions. We are trying to deliver our message to the public using simple and comprehensible language, be it our reports, statements or other means.

Our word is worth something and we value this achievement! In the following years, Transparency International Georgia will continue working with its usual vigour in all of the directions that will further strengthen the country's democratic image.



OUR TEAM IN 2017 28♀/♂22

TRANSPARENCY INTERNATIONAL GEORGIA



MESSAGE FROM EXECUTIVE DIRECTOR EKA GIGAURI



Dear Friends,

I am happy to address you for the seventh time on behalf of Transparency International Georgia and the energetic team that actively participates in the important processes unfolding in the country and facilitates the strengthening of the principles of democracy, good governance and transparency.

I think that the most useful and people-oriented endeavour we have been doing for years now is helping citizens in restoring their violated rights. I am extremely proud of our team as it left no citizen's request without a response – in 2017, we provided over

**“ I AM EXTREMELY
PROUD OF OUR TEAM
AS IT LEFT NO CITIZEN'S
REQUEST WITHOUT A
RESPONSE**

Photo by Khatuna Khutsishvili

1,800 people with free legal consultation, as a result of the lawsuits won by our lawyers, the state had to pay GEL 568,650 in compensation to the people illegally dismissed from their jobs and citizens regained ownership of 51,000 sq. meters of land.

In 2017, we actively participated in two important developments: one regarding the fundamental changes in the Constitution and the other – the reform of the judicial system.

As a result of our work in the State Constitutional Commission, important amendments were made to the document – the oversight function of the Georgian Parliament was strengthened, accountability of the executive branch was increased, the country's adherence to European and Euro-Atlantic integration was written down and provisions ensuring better functioning of the judicial branch and the tax system were added. Even though we were unable to secure immediate changes in the election system as a result of the process, we continue advocacy in this direction.

“ WE WILL DOUBLE OUR EFFORTS TO HELP MAKE THE COUNTRY'S EUROPEAN AND EURO-ATLANTIC COURSE TRULY IRREVERSIBLE

In 2017, our organization became the Chair of the Coalition for Independent and Transparent Judiciary, which caused us to step up even further our involvement in the process of reforming and improving the judicial system. We

believe that the problems prevailing in the judicial system represent an extremely important challenge, and addressing these problems is one of the top priorities on our agenda. To this end, in 2017, we launched a large-scale campaign which is becoming increasingly powerful tool in promoting meaningful reforms.

“ MEDIA CAN ALWAYS COUNT ON OUR SUPPORT

I reckon that through our activities we played an important role in preserving a pluralist media environment. We defended the rights of all media outlets and journalists who were attacked from different sides. We fully appreciate the role the media in general, and critical media outlets, in particular, play in securing the development of democracy. They can always count on our support!

The media was our natural ally in the multitude of activities we carried out during 2017, including in the monitoring of local elections, publishing large-scale studies or making statements on important issues, which made us a target of attacks or unsubstantiated criticism. I think that we deserved such “high-level attention” because our word counts! We usually responded to criticism with arguments, and we have no problem in admitting a mistake should we make one, although this has not really happened. We believe that criticism makes us stronger and motivates us – and we call on our opponents to have a similar approach.

Active communication with the public and highlighting the problems which concern them is an important direction of our work. The campaign Strength is in Europe, made a useful contribution to the establishment of this relationship. We started this campaign together with our partners in 2017 to meet a serious challenge posed by the Russian propaganda and the dissemination of incorrect perceptions of the Western values among the Georgian public. We will double our efforts with this campaign to help make the country's European and Euro-Atlantic course truly irreversible.

And finally, I would like to thank the team of Transparency International Georgia as our organization would never have been this successful without them!



**“ WE BELIEVE
THAT CRITICISM
MAKES US STRONGER
AND MOTIVATES US –
AND WE CALL ON OUR
OPPONENTS TO HAVE
A SIMILAR APPROACH**



ELECTIONS, PUBLIC FINANCES



LEVAN NATROSHVILI
Programme Manager

In 2017, my team and I observed elections, conducted monitoring of public finances and studied various large markets.

The year 2017 was the year of local self-government elections. Our organization observed the election process on the Election Day on 21 October as well as during the pre-election and post-election periods. We mobilized up to 400 motivated young observers for our monitoring mission in Tbilisi. Within two days, we issued two interim and one final assessment.

When monitoring election processes, we usually pay special attention to political party financing and the misuse of administrative resources. In 2017, we summarized the results of these activities in four reports and dozens of statements. Our election monitoring revealed several negative trends of misusing administrative resources. Especially problematic were the unlawful recording of voters at the polling stations in Tbilisi and the involvement of employees of budget-funded organizations in the election campaign.

As for political party financing, the most problematic in this respect was the issue of donors. The amount of donations received by the ruling party, Georgian Dream, was 10 times as high as the amount of dona-

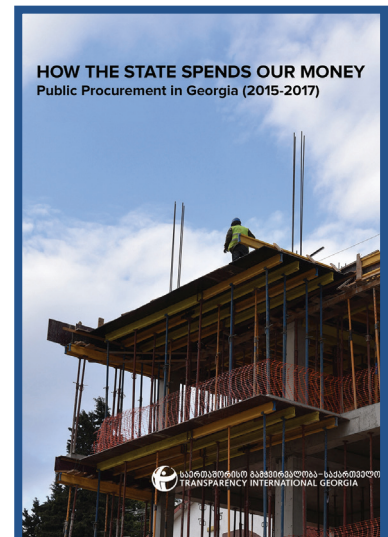




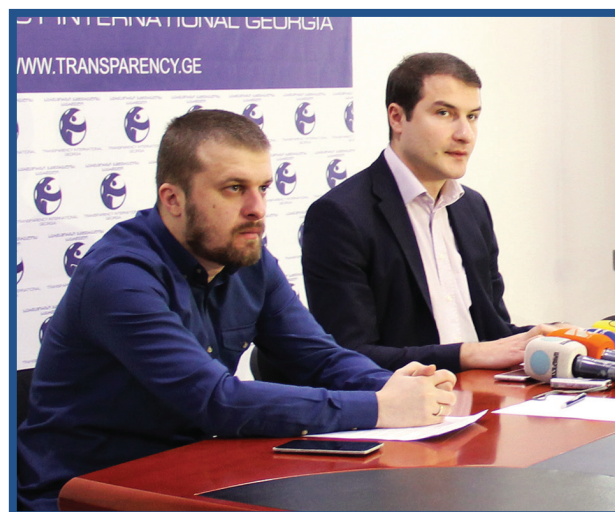
tions received by all other parties combined. In the course of our research, we identified 42 interesting cases when two or more donors were connected to each other and donated at least GEL 20,000 of combined amount to the party. We identified cases when, in exchange for making donations, companies received public procurement contracts.

In the course of the year, we were also actively involved in the advocacy of the election reform. Within the framework of the Constitutional Commission, we conducted an important campaign to change the system of parliamentary elections. Despite the fact that the election system for the 2020 parliamentary elections will be virtually the same, as a result of our efforts and the efforts of other parties involved, the government agreed to hold the 2024 parliamentary elections based entirely on the system of proportional representation – something that various groups of the public had been demanding for several years.

In addition, we regularly publish studies about the situation prevailing in public finances. Of special note in 2017 was the preparation of a comprehensive study about public procurement, summarizing the trends that prevailed in the past two-and-a-half years. We discovered many noteworthy facts and circumstances that drew wide response among the public. For example, there were interesting cases of public procurement that involved high corruption risks, when contracts were signed with newly estab-



lished companies, while some public institutions did not use tenders at all, resorting only to the simplified procurement procedure. In addition to this report, we published 15 analytical documents on public finance management.



ANTI-CORRUPTION EFFORT



EREKLE URUSHADZE
Programme Manager

The work of the anti-corruption program team of Transparency International Georgia in 2017, as in previous years, was focused on Georgia's anti-corruption legislation and policy analysis with the aim of identifying the existing shortcomings and ways of tackling them. At the same time, informing the public about the possible cases of corruption and conflict of interest was one of the main directions of our activities.

Our organization has been actively involved in the work of the Anti-Corruption

Council under the Ministry of Justice and conducted monitoring of the implementation of the National Anti-Corruption Strategy and Action Plan. We presented the main findings of the monitoring to the Council in March 2017.

Georgia's compliance with the relevant international obligations remains an important part of our work with regard to anti-corruption policy. Noteworthy in this respect is the monitoring of the implementation of recommendations elaborated by the Organization for Economic Cooperation and Development (OECD) Anti-Corruption Network within the framework of the Istanbul Action Plan. Similar to the previous years, in 2017 too, Transparency International Georgia recorded the government's activities undertaken in this area (including the obligations that remain unfulfilled). The information that we present remains one of the main sources for OECD's reports on Georgia's anti-corruption reforms.



We also look at the implementation of the obligations undertaken by the Georgian Government under the Association Agreement with the EU and the Association Agenda in the sphere of anti-corruption policy and administrative reform. In 2017, we had an opportunity (twice, in March and October) to present our opinions and findings on these issues to the Members of the European Parliament.

Noteworthy among the specific cases studied by our team last year are a possible corruption case in Gardabani Municipality, the transfer of land plots to the companies linked to former Prime Minister Bidzina Ivanishvili in Tbilisi and the conflict of interest and corruption risks in Tbilisi Mayor's Office Architecture Service and the so-called Zoning Council. Shortly after publishing the research on the latter, based on our recommendation, the newly elected mayor of Tbilisi abolished the "Zoning Council", which was a commendable step. Last year, we also published a detailed study on the shortcomings with regard to corruption prevention in state-founded Legal Entities of Public Law and Non-Entrepreneurial (Non-Commercial) Legal Persons.





LIKA SAJAIA
Programme Manager

OUR WORK IN PARLIAMENT

2017 was marked by our active involvement in the legislative process. In this respect, I would emphasize Transparency International Georgia's productive participation in the work of the State Constitutional Commission. Within its framework, many of the suggestions made by our organization were considered in the new wording of the Constitution.

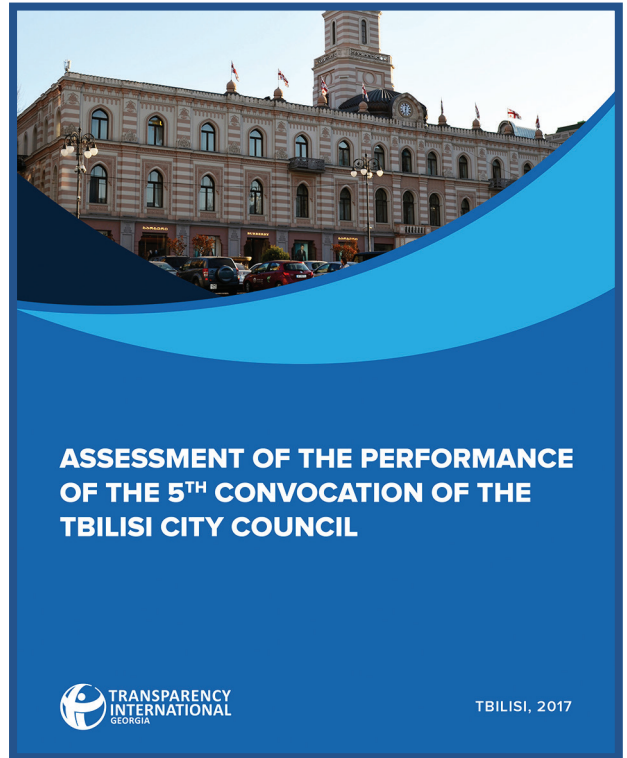
Even though the Constitutional Commission did not accept some of our initiatives, it did take into account a number of important suggestions made by Transparency International Georgia: the country's Euro-Atlantic course was reflected in the Constitution, the procedure for setting up an ad hoc parliamentary investigation commission was simplified and the prime minister's obligation to present an annual report to Parliament was established.



Parliament approved our legislative suggestion to ban Russian propaganda in election campaign advertisement. Based on this suggestion, the Legal Issues Committee created a working group which is developing the corresponding legislative initiative.

Among the reports prepared in the course of 2017, I would emphasize two major studies which drew wide response both among the parties concerned and the public:

In the run-up to the local government elections in October, we assessed the work of the Fifth Convocation of Tbilisi City Council and presented the next Council with the ready recommendations for addressing the shortcomings identified in the work of its predecessor;



We examined the Ninth Convocation Parliament members' (MPs) connections with business activities and their undeclared assets.

Based on the published study of MPs' business links, the Civil Service Bureau started monitoring the declarations of 54 MPs. In addition, out of nine MPs mentioned in our study as involved in activities incompatible with their office, seven have addressed this problem.

In parallel with writing reports, we regularly evaluated important legislative initiatives and events related to parliamentary activities. We issued up to 20 publications in this area, in the form of statements, initiatives and analyses. Among them was a critical assessment of the government's legislative initiative which

concerned the merger of the State Security Service and the Intelligence Service as well as the complete restoration of the so-called ODRs (planted security officers, the acronym from the Russian «ОДР» - «офицер действующего резерва», literally, Active Reserve Officer): as a result of active resistance offered by our own and partner organizations, the government gave up this intention and recalled the initiative. Worthy of a separate note is the format of co-operation with the bureaus of the members of Parliament elected in single-seat districts. Four trainings on exercising parliamentary oversight and assessment criteria for the work of the bureaus of the members of Parliament elected in single-seat districts conducted for the bureau staff were a success.



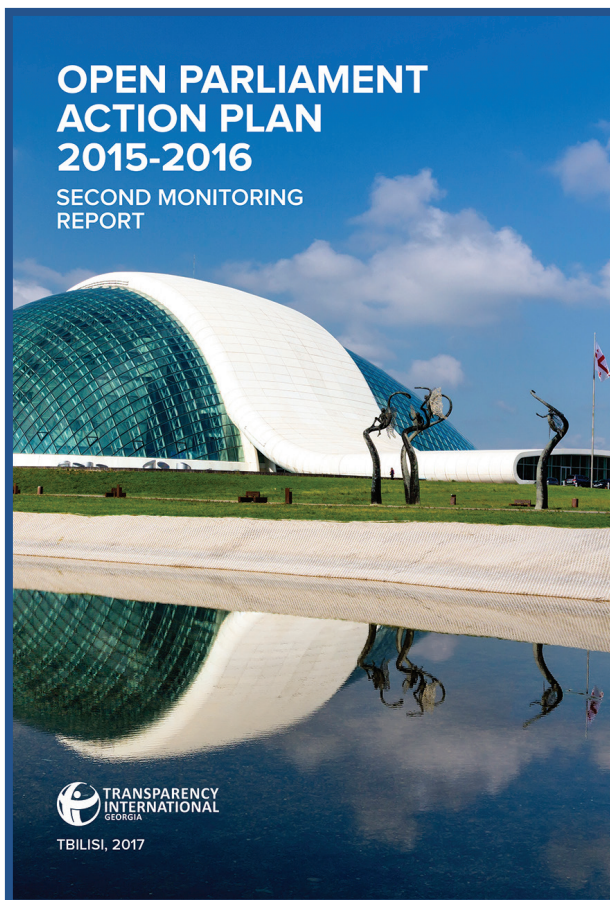
OPEN GOVERNMENT PARTNERSHIP (OGP)

In 2017, Georgia became Open Government Partnership (OGP) Chair, which was mainly conditioned by the active involvement of civil society in the process and by the introduction of OGP principles by Georgia's legislative body and Tbilisi Mayor's Office.

Given the importance of OGP, Transparency International Georgia worked especially actively in 2017 with the government agencies as well as Tbilisi Mayor's Office and the Parliament of

Georgia on the introduction of OGP principles and monitoring.

In 2017, Transparency International Georgia published Georgia's Open Parliament Action Plan Monitoring Report, assessing how well Georgian Parliament fulfils its obligations within OGP. It is noteworthy that six out of 18 obligations in the Action Plan were introduced on the initiative of Transparency International Georgia.



Within the framework of Open Parliament 2017 Action Plan, Transparency International Georgia actively advocated the adoption of the Code of Ethics for Parliament in order to prevent this kind of confrontations in the future.



Transparency International Georgia also organized several meetings with the members of the civil society concerning Georgia's chairing OGP. During these meetings, we heard many interesting opinions and remarks expressed by the civil sector and discussed the directions which the government must consider without fail in the new OGP Action Plan.



JUDICIAL SYSTEM



GIA GVILAVA
Programme Manager

Independence, transparency and improved efficiency of the judicial system remained the priority of our team's activities in 2017. In the course of the year, our work included monitoring and identifying the most pressing problems prevailing in the system as well as suggesting the initiatives concerning specific institutional reforms to the government.

In 2017, our partner organizations elected us to chair the Coalition for Independent and Transparent Judiciary. At the time, the problems of independence of the judges and of pluralism of opinions within the judicial system escalated.

As part of the coalition, we actively tried to reveal the shortcomings that existed within the system and involved flawed methods of administration



HOW JUDICIAL SYSTEM IS GOVERNED



and informal influences. In this regard, in cooperation with our partners, we conducted the largest-scale study assessing the state of the judicial system in the past five years.

Furthermore, we vigorously monitored the functioning of the judicial system throughout the year and regularly published information, evaluation and statements about various pressing issues, participated in parliamentary committee hearings, presenting our recommendations and opinions on nearly all of the initiatives concerning the judicial system reform.

In 2017, a new alarming trend manifested itself. Namely, business associations, certain lawyers and persons with various kinds of connections to the judicial system started actively talking about the appearance of the signs of corruption within the judiciary. So far no particular facts were identified but, given the significance and specific nature of the judicial system, the dissemination of this kind of information on such a large scale could create large public perception of corruption, which in turn could irreparably harm this extremely important institution.

From this perspective, we studied several cases in which the problem of judges making unsubstantiated decisions on civil cases was apparent. For example, our organization examined the cases of Georgian Manganese, Philip Morris and Transcaucasus Crystal where unsubstantiated decisions made by the court as well as other suspicious circumstances

around these cases raised legitimate questions. Unfortunately, problems of this kind immediately give rise to suspicions about the existence of corruption. Systemic weaknesses which make it impossible to effectively prevent corruption or identify it became evident. Correspondingly, our organization will continue to actively monitor the judicial system from this angle and inform the public.

In the course of 2017, our lawyers A provided over 1,800 persons with free legal consultation, launched 140 cases at the court, 74 of which were successful. As a



result of the lawsuits won by our lawyers, the state had to pay GEL 568,650 in compensation to persons unlawfully dismissed from their jobs by the public institutions, and citizens were restored in their right of legal ownership of overall 51,000 sq. m of land.



SUCCESS STORIES – FREE LEGAL AID



TEO ZAKARASHVILI
Lawyer

CASES OF DAVIT TSIRAMUA AND DAVIT TSINTSADZE

In 2017, my two most important cases were Davit Tsiramua versus State Service of Veterans' Affairs and Davit Tsintsadze versus Border Police of Georgia.

Davit Tsiramua was dismissed from his job on 16 May 2014. From the very beginning, the court of all three instances found his dismissal unlawful and ordered the Service to re-examine the issue. Despite this, the Veterans' Service issued a new order once again confirming the legality of the dismissal. We appealed the new order in Tbilisi City Court which upheld our claim and ordered the State Service of Veterans' Affairs to reinstate Tsiramua and fully compensate him for down-time (approximately GEL 110,000). Tbilisi Court of Appeals upheld this decision too.

Davit Tsintsadze's case is also related to his dismissal from the job. We asked for compensation for the down-time between his dismissal and his reinstatement as, even though the dismissal from Border Police was ruled unlawful, he had only received compensation for three months. This case was based on the 31 July 2015 decision by the Constitutional Court of Georgia and, first Tbilisi City Court and then Tbilisi Court of Appeals upheld the payment of compensation for the entire down-time in the amount of GEL 44,440 in damages for unlawful dismissal by the state.



MAGDA JIMSHELEISHVILI
Lawyer

CASE OF MAKHARE MEREBASHVILI

Our beneficiary, Makhare Merebashvili, with the participation of Advocacy and Legal Advice Centre (ALAC) of Transparency International Georgia, pursued a lawsuit against LEPL Crime Prevention Centre operating under the Ministry of Justice since 2015. The lawsuit concerned Makhare Merebashvili's unlawful dismissal from his job.

Makhare Merebashvili was hired by LEPL Crime Prevention Centre in 2012 as a result of a recruitment competition. In 2014, also as a result of a competition, he was appointed the head of one of the departments. However, in February 2015, Makhare Merebashvili was dismissed from his post due to inadequate qualification and professional skills.

The evidence presented by the Crime Prevention Centre, however, failed to back its accusations and claims directed at Makhare Merebashvili, while our client presented numerous pieces of evidence which completely dispelled the accusations made by the Centre.

The court fully agreed with our arguments regarding the unlawful dismissal of Makhare Merebashvili and deemed groundless the attitude of LEPL Crime Prevention Centre under the Ministry of Justice to the people employed by this agency. Correspondingly, according to the court decision, Makhare Merebashvili was dismissed from his post unlawfully and without any grounds, and he received compensation in the amount of GEL 28,000.



ANA BERDZENISHVILI
Lawyer

CASE OF EMZAR ABASHIDZE

The most special and precedent-setting case for me in 2017 was the one of Emzar Abashidze who has been our beneficiary for six years now.

In 1994, a plot of agricultural land was allocated to him by the Gonio Cooperative Enterprise Meeting of Trustees. Despite numerous attempts, he was unable to register the land plot as his own for over 10 years as his requests kept being rejected by the Public Registry on various grounds.

Finally, in 2016, Mr. Abashidze appealed to the National Agency of Public Registry with our help. It sent the document for confirmation to Batumi Mayor's Office but the municipality rejected it on the grounds that it was beyond the scope of its competency. We then appealed this decision in Batumi City Court which ordered the Mayor's Office to discuss the document confirmation.

Based on the court decision, Batumi Mayor's Office instituted administrative procedures to make a decision. We believe that this decision will become a basis for the Mayor's Office to stop refusing to confirm-attest legitimate documents and will allow them to register their land.



LELA MOTSONELIDZE
Lawyer

CASE OF NELI TSURTSUMIA

Neli Tsurtsumia owned a plot of land in Anaklia since 1998. In 2015, she applied to the Public Registry asking to ascertain the borders and area of the agricultural land plot. The Public Registry rejected the request as the plot overlapped with a land plot owned by the state.

Neli Tsurtsumia asked Transparency International Georgia for help. Our lawyer Lela Motsonelidze prepared the lawsuit against the Georgian Ministry of Economy and the Public Registry. Zugdidi District Court upheld the request and annulled the registration of the disputed land plot as state property. This decision was appealed by the opponent but Kutaisi Court of Appeals dismissed the presented arguments and upheld the district court's decision in favour of Neli Tsurtsumia.



NATO GOGIASHVILI
Lawyer

CASE OF NONA BABUADZE

Nona Babuadze participated in the recruitment competition for the position of a chief specialist in Zestaponi Resource Centre in 2017. She successfully completed all stages, including the interview stage where the majority of the competition commission members supported her candidacy. However, the head of the resource centre did not take the commission members' opinion into account and appointed a different person as the chief specialist of the Resource Centre at his sole discretion.

Nona Babuadze asked the Kutaisi Office of Transparency International Georgia for help. After studying the materials of the case, with the help of our lawyer Nato Gogiashvili, Nona Babuadze won the case in court and Zestaponi Resource Centre was tasked to issue an order on appointing her the chief specialist and to offer her remuneration corresponding to the said position in the run-up to the execution of the court decision.



NINO SIORIDZE
Lawyer

CASE OF GELA SHABURISHVILI

Gela Shaburishvili's administrative lawsuit against the National Agency of Public Registry, the National Agency of State Property and the Ministry of Economy of the Autonomous Republic of Ajara over the registration of property rights began in 2011.

Gela Shaburishvili purchased the disputed land from a private owner but, before the registration of property rights was completed, as a result of the pressure put on the seller, the land was unlawfully registered as the property of the state.

Gela Shaburishvili filed a lawsuit asking to register his right of ownership of the land plot that he had bought. Batumi City Court did not uphold the claim but Kutaisi Court of Appeals made a new decision deeming invalid the Public Registry's decision regarding the registration of disputed land as state property and ordered the Registry to resume the process of registration based on the purchase agreement signed with Gela Shaburishvili.



KETI ROGAVA
Lawyer

CASE OF MAIA GHAMBASHIDZE

Maia Ghambashidze worked at Lagodekhi Museum of Local History for 25 years. In February 2017, she was dismissed. The employer named reorganization and staff optimization as the grounds for this decision. The staff optimization, according to the employer, was caused by the cuts in salary funds.

Our lawyer Ketig Rogava defended Ms. Ghambashidze's rights in Gurjaani District Court.

During the hearing, the respondent failed to present the proof of a decrease in salary funds. It turned out that the reverse was true: specifically, the court established that the budget cuts that N(N)LP Lagodekhi Municipality Centre of Culture and Tourism Development suffered from in 2017 did not affect the salaries of the Centre employees. On the contrary, compared to the 2016 budget, the total amount of salaries increased by GEL 18,837.

Correspondingly, the court ruled that Ms. Ghambashidze's dismissal was unlawful and ordered the employer to annul her dismissal, reinstate her in her job and pay her the compensation for the down-time in the amount of GEL 4,450.

75 LEGAL CASES WON BY OUR LAWYERS IN 2017



**THE TOTAL AMOUNT OF COMPENSATION FOR
ILLEGALLY DISMISSED PUBLIC SERVANTS
– 568 650 GEL**



51 000 M2 LAND RETURNED TO THEIR OWNERS



“TI Georgia is not only my friend but the friend of all civil servants who were unfairly dismissed from their jobs”.

IRAKLI MEKVABISHVILI



“Don’t give up and protect your rights with the assistance of Transparency International Georgia”.

LASHA KILABERIA



MEDIA ENVIRONMENT

The issue of the media in Georgia remained topical in 2017. Correspondingly, the media team of Transparency International Georgia worked to inform the general public as well as its local and international partners about the ongoing processes taking place in the field of the media and provide them with our assessment in a timely manner. A lawsuit concerning the ownership of Rustavi2 TV Company and the events that unfolded around the Public Broadcaster under the new management were the dominant issues.

For the second year now, the media team of Transparency International Georgia has been implementing the project entitled Media Environment Strengthening and Monitoring (MESM) with the financial support from the United States Agency for International Development (USAID). Transparency International Georgia has two main goals within the project:

- To ensure transparency of the work of the Georgian National Communications Commission (GNCC) ;
- To support the Public Broadcaster (GPB/ APB) in ensuring, through monitoring and advocacy, the introduction of good practices.

Within the framework of this project, in the course of the year, Transparency International Georgia was observing the performances of the Public Broadcaster and the regulatory commission and periodically published its own assessments. Following the election of the government affiliated person as a new director general, highlighted the challenges facing the Public Service Broadcaster. The new management held a whole range of suspicious tenders, as well as questions arose with regard to the recruitment policy, while the legislative amendments initiated by the management increased

the risks of corruption in the Broadcaster and significantly undermined the principle of transparency.

In late 2017, the media team published a report in which we evaluated the work performed by the new management of the Georgian Public Broadcaster and the Public Broadcaster Ajara TV and Radio in the course of one year, identified institutional problems and proposed relevant recommendations.

The research conducted by the media team also revealed that the incumbent chairman of the National Communications Commission failed to meet the educational qualifications required by the law.

Transparency International Georgia studied the advertising market and published an already traditional annual report about the advertising market trends. Such studies are extremely important as free advertising market is a necessary precondition for the development of independent media.

In 2017, the organization continued its successful cooperation with International Research and Exchanges Board (IREX Georgia). Within the framework of the project, our team trained 58 journalists from 12 regional media outlets about open databases and prepared three video blogs. In the run-up to the local elections, we trained 19 regional journalists, which helped them in their coverage of pre-election period.

In 2017, the media team, together with its lawyer colleagues, offered consultation to over 70 journalists working in Tbilisi and regions.



REGIONAL ACTIVITIES

For Batumi, Kutaisi and Zugdidi regional offices of Transparency International Georgia, 2017 was a special year in terms of advocacy of citizens' problems and efficient monitoring of the local government bodies. Also, we paid more attention to combating anti-Western propaganda, working with the youth and conducting lectures and trainings on civic activism.

Every year, an increasing number of citizens visit our free legal assistance centres in Kutaisi, Zugdidi and Batumi: the need arises because of the necessity to protect property rights, improper attitude on the part of the state and municipal agencies and for other reasons. We won the case of land ownership in Gonio that lasted many years – 28 citizens had their property rights restored.

In 2017, we took many steps exercising oversight over local government bodies: the main goal of studying and critically assessing suspicious

tenders, public officials' asset declarations, municipal websites, sales of municipal and autonomous property, women's political representation at the local level and other issues as well as presenting recommendations on these matters is not to criticize the municipal bureaucracy but to help civil servants and decision makers better manage cities and villages.

The year 2017 was special for regional offices also due to the fact that, for the first time, we prepared reports assessing four years of work of the Supreme Council of the Autonomous Republic of Ajara and the three years of activities of Kutaisi and Zugdidi Councils.

In 2017, the local government reform suffered from a significant setback since the number of self-governing cities was reduced from 12 back to five. We made a substantiated criticism of this process as the one directed against decentralization. In addition, the problem of transferring



agricultural lands to local governments remains unresolved to this day. These and other similar issues which we regularly emphasized in 2017 prevent municipalities from receiving more room for manoeuvre and levers. We hope that these approaches will change without fail.

Naturally, we look for like-minded people, too. We look for them in universities, general or professional educational institutions which we frequently visit. We would especially note the information meetings about the Future Leaders Exchange programme (FLEX) of American Councils we organized in the villages of Ajara during which the 2016 winners of the programme shared their experience of participating in the programme and of living in the United States with their peers. Throughout 2017, we held dozens of such meetings and discussions in Zugdidi, Kutaisi, Batumi, Kobuleti, Keda, Khulo. European integration, combatting corruption, public administration and transparency, elimination of discrimination in civil service, encouragement of women's participation in local politics, history

of democracy, tolerance and diversity – this is only a short list of topics that we talked about last year at Shota Meskhia State University of Zugdidi, Batumi Shota Rustaveli State University, Akaki Tsereteli State University in Kutaisi, Batumi State Maritime Academy and Institute of Arts, Free Journalists' House in Batumi, American Corner of Batumi State Library and Centres for Civic Engagement established by USAID.

It goes without saying that reaching a broad audience and disseminating information about our services would have been very difficult without the regional media. Media outlets such as Livepress, Batumelebi Magazine, Public Broadcaster Ajara TV and Radio, Samkhretis Karibche, Kutaisi Post, Dzveli Kalaki and Atinati radio stations, TV25, regional bureaus of national broadcasters, Radio Tavisupleba (Radio Freedom) and various news agencies, Ajara P.S. Newspaper, Factcheck, Regional Broadcasters' Association always expressed great interest in covering research, reports, blogs, statements issued by our organization's regional offices





– naturally, we have the same goal: improve administration and accountability of state agencies through oversight over the government.

Over 30 blogs, reports, statements published by the regional offices, 13 discussions and nine trainings that they held and up to 40 local problems they resolved in 2017, naturally, imply hundreds of working hours invested by our staff. In 2018 and in the years to come, we are ready to serve the public with honesty and high level of professionalism.



#GENTER – STRENGTH LIES IN EUROPE

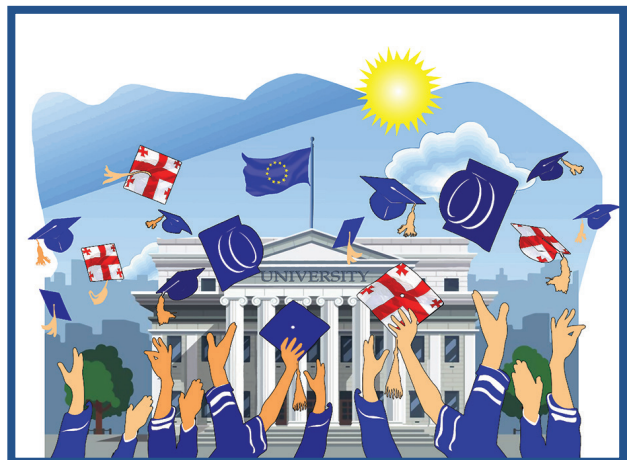
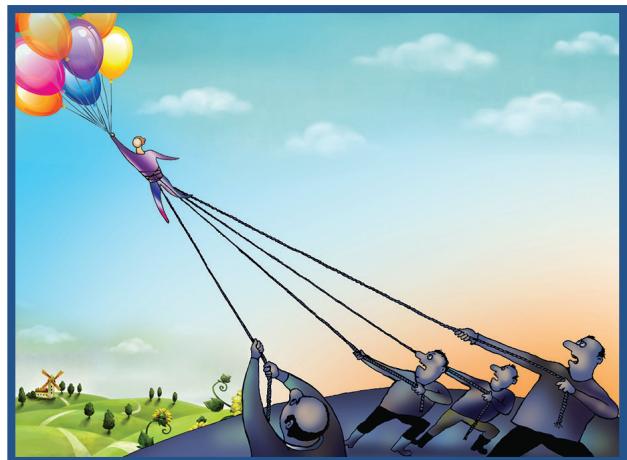
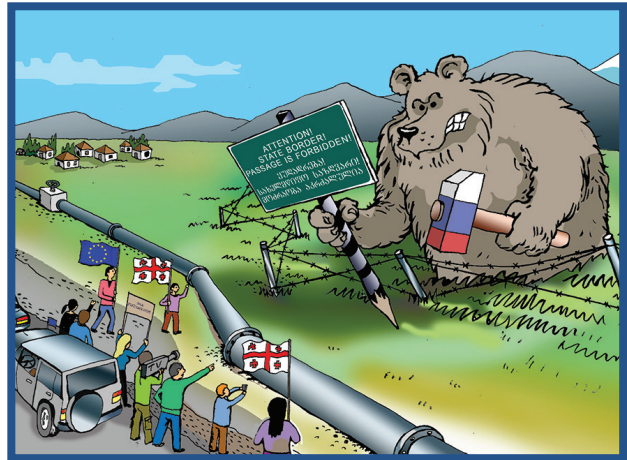
Starting from the spring of 2017, Transparency International Georgia, with the support of East-West Management Institute and financial assistance of USAID, started the #GEnter campaign (Civic movement against Anti-Western Propaganda) that aims to tackle anti-Western propaganda and highlight the benefits that Georgia will get by having closer ties to the European Union and NATO. Our partners from the Coalition for Euro-Atlantic Georgia were actively involved in this project. In addition, we signed a memorandum of cooperation with the Information Center on NATO and EU.

We held over 20 meetings with the rural population as well as youth groups in Ajara, Imereti and Samegrelo regions, which enjoyed active media coverage. Representatives of our organization, together with partners,] in an interactive mode shared their opinion with the local citizens on why Georgia's European and Euro-Atlantic integration has no alternative when it comes to the country's wellbeing and development. We also answered their questions and offered arguments that debunked the false perceptions which are widespread as a result of the Russian soft power. It became clear that further effort is required to counter the Russian propaganda.





In addition to the meetings, within the framework of the project, we prepared 30 infographics, 8 cartoons and 15 videos about the concrete possibilities offered by the EU to our citizens in the areas of visa-free travel, education, agriculture, judicial system improvement, environment and, generally, improvement of democratic development.



These topics and the problems related to the Russian propaganda were discussed with local taxi drivers in Kutaisi, Batumi and Zugdidi in Conversations about Europe – these videos stirred great interest among our Facebook friends.



INTERNSHIP PROGRAMME

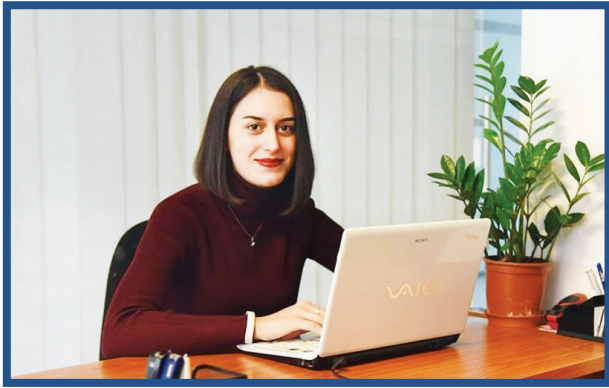
Every year, TI Georgia announces four 3-month internships for students. 2017 wasn't an exception - 47 students from four different batches went through practical internship at our head and regional offices, as well as at the Parliament of Georgia, where TI Georgia has its own office. In addition to the local students, three foreigners went through our internship program in 2017. The experiences an internship can provide are key to receiving work experience, as well as building a successful career.



MARIAM MAMNIASHVILI

I started my internship at Transparency International Georgia after finishing the internship at National Democratic Institute in July 2017. During the internship, I mainly worked with the anti-corruption team. I had direct contact with researchers and analysts and in the working process on some researches I have gained

meaningful analytical experience. Fortunately, the call for the new office assistant announced just before the end of my internship program. After passing every stage of competition, now as an office assistant I became the part of the Transparency International Georgia team. It is meaningful to note, that before the internship program, I have always been actively involved in the working process of Transparency International Georgia - on behalf of TIG I was an observer on Parliamentary and Presidential elections. Now I am honored to be the part of the team whose work makes the electoral process more transparent, fair and democratic. It is a great pleasure to be the part of the organization that helps the youth to gain more practical experience in the fields of democratic accountability da transparency.



ANI MUKHIGULASHVILI

As a fourth year law student at free university of Tbilisi I started internship at “Transparency Inter-

national-Georgia” in October, 2017. I have been actively involved in many interesting projects of the “Transparency International-Georgia” for three months. Being an observer from the organization at elections 2017 gave me the opportunity to realize the importance of conducting elections on the legal bases. After accepting the request to continue my internship, I have been participating in legal researches that helped me to notice problems and corruption risks in court systems. I strongly believe that the knowledge and experience which I gained at “Transparency International-Georgia” is priceless.





TIKO CHACHUKASHVILI

I started internship in Transparency International Georgia in September of 2017. As a student of law faculty, I was assigned to work with legal team of TIG. Working with experienced lawyers of TIG, helped me to manage developing my professional skills. Besides, I was actively engaged in different research projects carried out by organization. TIG gave me a chance to

observe Georgian local self-government elections in 2017, which made me more aware of democratic development and other important processes that take place in the country. All in all, the assignments I took up have been incredibly enriching and beneficial to me. I had the opportunity of making small contributions to an established organization where my opinion was valued. This was the first time I worked in a proper office environment with incredibly nice and helpful team.

TIG is an organization which appreciates motivated students and encourages them in future development. After finishing 3 month long internship, I was offered to extend the internship period for 4 more months. I can say with no hesitation, that the time spent in the organization is truly one of the most important and life changing experience for me.



AWARDS

In 2017, our organization received a 7 Star Award for financial transparency. We are setting and meeting high standards of transparency. Our financial information, projects and activities are completely open and available to everyone.



Kutaisi Mayor's Office expressed special gratitude to the regional office of Transparency International Georgia for active cooperation, which is a very good gesture and appreciation of the efforts undertaken by our organization to address the problems of local government with the help of its regional office.



Transparency International Georgia received a certificate for the best cooperation from the Georgian Parliamentary Committee on Legal Issues. This is an additional proof of our organization's activeness and effective involvement in the legislative process.



#IAmHere

Transparency International Georgia with great enthusiasm joined a campaign to build a house for adults with autism spectrum disorder and challenged two partner organizations – Civil Development Agency and Fair Elections – to contribute to this good deed.



ჩვენაცხერ



თქვენ?

REGULAR MEETINGS WITH AMBASSADORS

In 2017, Transparency International Georgia continued its tradition of organizing meetings with the representatives of the diplomatic corps accredited in Georgia. In the course of the year, we hosted up to 10 ambassadors and discussed with them the main directions of our organization's activities as well as the topical events unfolding in the country and issues calling for future cooperation in the atmosphere of sincerity and mutual cooperation.

The heads of the diplomatic missions of the United States, the European Union, the United Kingdom, Norway, France, Germany, Poland, Finland, Estonia and Latvia visited us in 2017. We thank the states that are our partners and friends for the support that we constantly feel, first and foremost, for our country but also for our organization.



MEETINGS WITH STUDENTS

Our organization is interested in active communication with students. To this end, we held various kinds of meetings throughout the year. Public lectures and discussions are the format which we use to interact with the youth, hear their views and concerns.

In 2017, our Executive Director Eka Gigauri held public lectures at Free University and with the Law students of the Georgia's Academy of Future where she talked about the main directions of the organization's work. In June, our office hosted foreign students from Columbia University while in November, we familiarized a group of students from Austria with the work of our organization.



MEDIA COVERAGE

In 2017, like in previous years, the media were our main allies and supporters. Our activeness naturally conditioned the fact that we frequently appeared or were mentioned on TV and by

internet outlets, on the radio and in the press. This facilitated our communication with both our target groups and the public.

TRANSPARENCY INTERNATIONAL GEORGIA'S MEDIA COVERAGE PER MONTH IN 2017

TONE OF THE COVERAGE WAS MOSTLY **NEUTRAL**

PERIOD:
01.01.2017-31.12.2017

TELEVISION

JANUARY	224
FEBRUARY	185
MARCH	391
APRIL	229
MAY	331
JUNE	219
JULY	110
AUGUST	75
SEPTEMBER	208
OCTOBER	377
NOVEMBER	140
DECEMBER	159

INTERNET

JANUARY	116
FEBRUARY	101
MARCH	295
APRIL	115
MAY	266
JUNE	195
JULY	124
AUGUST	46
SEPTEMBER	278
OCTOBER	346
NOVEMBER	110
DECEMBER	174

RADIO

JANUARY	60
FEBRUARY	32
MARCH	93
APRIL	71
MAY	85
JUNE	63
JULY	23
AUGUST	22
SEPTEMBER	81
OCTOBER	126
NOVEMBER	46
DECEMBER	42

PRESS

JANUARY	19
FEBRUARY	16
MARCH	44
APRIL	32
MAY	41
JUNE	47
JULY	19
AUGUST	11
SEPTEMBER	40
OCTOBER	35
NOVEMBER	18
DECEMBER	28

According to IPM, a company which conducts media monitoring for our organization, the indicator of media activity in 2017 exceeded 5,900, while the tone of the coverage was mostly neutral.

TRANSPARENCY INTERNATIONAL GEORGIA IN MEDIA OUTLETS

IN 2017 WE WERE MENTIONED IN MEDIA **5911** TIMES

PERIOD:
01.01.2017-31.12.2017

TELEVISION



2648

INTERNET



2168

RADIO



744

PRESS



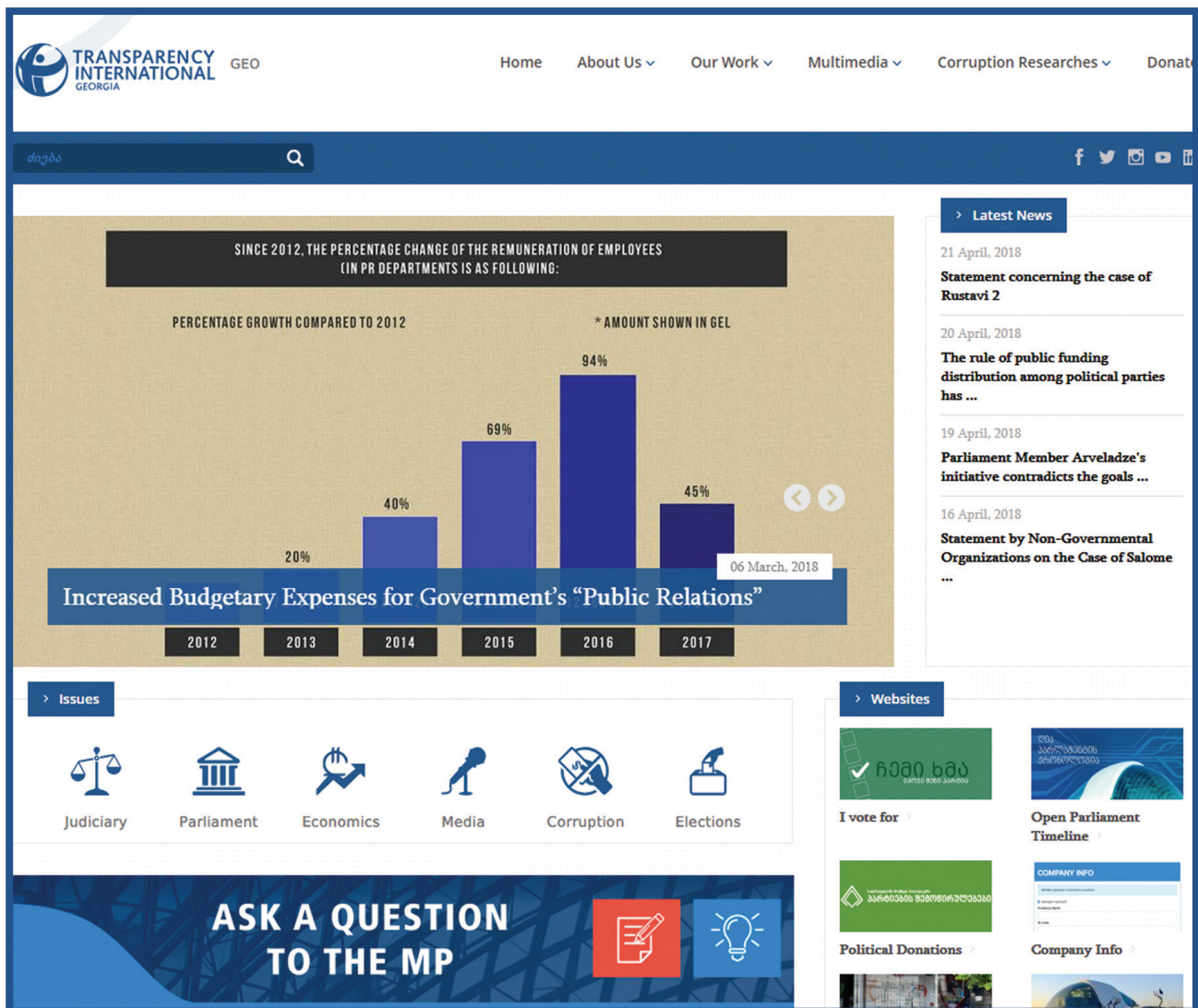
351

OUR OFFICIAL WEBSITE - TRANSPARENCY.GE

After several months of intensive work, in June 2017, we launched a renewed website which is much more user-friendly and easy to navigate. The website is bilingual (Georgian and English) and is divided into sections. The sections encompass all of the main directions of the organization's work. In the course of 2017, we posted 180 publications on our official website, including 27 reports, up to 90 statements and 66 blogs. The regional offices put a focus on

local problems by means of publishing over 30 blogs in 2017.

Our website offers a possibility to subscribe to our news, too. Should you subscribe, you will be able to filter the news in accordance with a topic or topics that are interesting for you and, at the end of each week, receive our newsletter covering the issues that are of interest to you.



POLITICALDONATIONS.GE

In 2017, our website about donors to political parties was regularly updated. This platform contains information about donations to political parties made since 2012. At the same time, further information can be found here about business interests of donors to political parties and about their participation in public procurement.

Using this platform, the organization conducted many studies, including preparing two special reports about 2017 local elections.



DONATIONS TO GEORGIAN
POLITICAL PARTIES

Georgian Dream – Democratic Georgia

50 413 935  Donation Sum 3450 Quantity Of Donations

 By Date

 By Donor

Choose Year: **All** 2012 2013 2014 2015 2016 2017

Date ▼	Donor ↕	Donation Amount ↕
2017-12-13	Muradi Razmadze	4 000€
2017-12-08	Ala Kakhniauri	15 000€
2017-12-01	Dimitri Zaalishvili	2 500€
2017-12-01	Mikheil Shkhvatsabaia	3 000€
2017-12-01	Zurab Aghdgomelashvili	3 500€
2017-12-01	Zurab Qurashvili	10 000€
2017-12-01	Giorgi Chrdileli	20 000€
2017-12-01	Emzar Nozadze	20 000€
2017-11-30	Ketevan Lobzhanidze	3 000€

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 > All

© Donations To Political Parties, 2018

[MAIN PAGE](#) [ALL PARTIES](#) [DONATIONS' FULL LIST](#)

Information is available only in Georgian

Creation of this webplatform was made possible by support from the American people through the United States Agency for International Development (USAID).

 **TRANSPARENCY
INTERNATIONAL
GEORGIA**

 **USAID | GEORGIA**

Website By Omedia

TENDERMONITOR.GE

In 2017, our website with the function of public procurement monitoring was updated. Specifically, the interface was changed and some instruments were improved, making this platform more user-friendly and streamlined. We plan to make larger scale changes to this platform in the future, which implies adding new functions. This website, too, was actively used to write many studies.

Last Update: 08/02/2018

LOGIN / REGISTER

Tender Monitor

ANNUAL

ABOUT



TENDERS

SIMPLIFIED PROCUREMENTS

Tenders

Search Suppliers

Procurer Search

Download all tenders

Supplier ⓘ

Procurer ⓘ

Status ⓘ

Risk Indicator ⓘ

Registration Number ⓘ

Category ⓘ

Type

ADDITIONAL SEARCH ▾

SEARCH

FIND INFORMATION ABOUT COMPANIES



FIND INFORMATION ABOUT DONATIONS TO POLITICAL PARTIES

STATISTIC

Major Procurers

Major Suppliers

2018 ▾

All Category ▾

Georgia has been the member of the Open Government Partnership initiative since 2012 and has spearheaded a number of noteworthy reforms and achievements in the field of accountability, transparency and citizen engagement. Amongst Georgia's aspirations in this regard is the commitment of the Parliament of Georgia to adopt the principles of open governance in its everyday work. The online platform www.ogp.ge enables users to track the progress of the Parliament of Georgia in its fulfillment of the commitments. Moreover, the website brings all key documents related to Open Parliament under a single roof.

Open Parliament Timeline

TIMELINE ACTION PLAN REPORTS GEO ENG

APRIL, 2018 MAY, 2018

COMMITMENTS FULFILLED: 11 / 24 COMMITMENTS PARTIALLY FULFILLED: 11 / 24 SHARE:

OPEN PARLIAMENT EVENTS

Open Parliament Events

CITIZEN ENGAGEMENT

ACCESS TO INFORMATION

TRANSPARENCY

TECHNOLOGIES AND INNOVA...

TECHNOLOGIES AND INNOVA...

2015-2016 ACTION PLAN

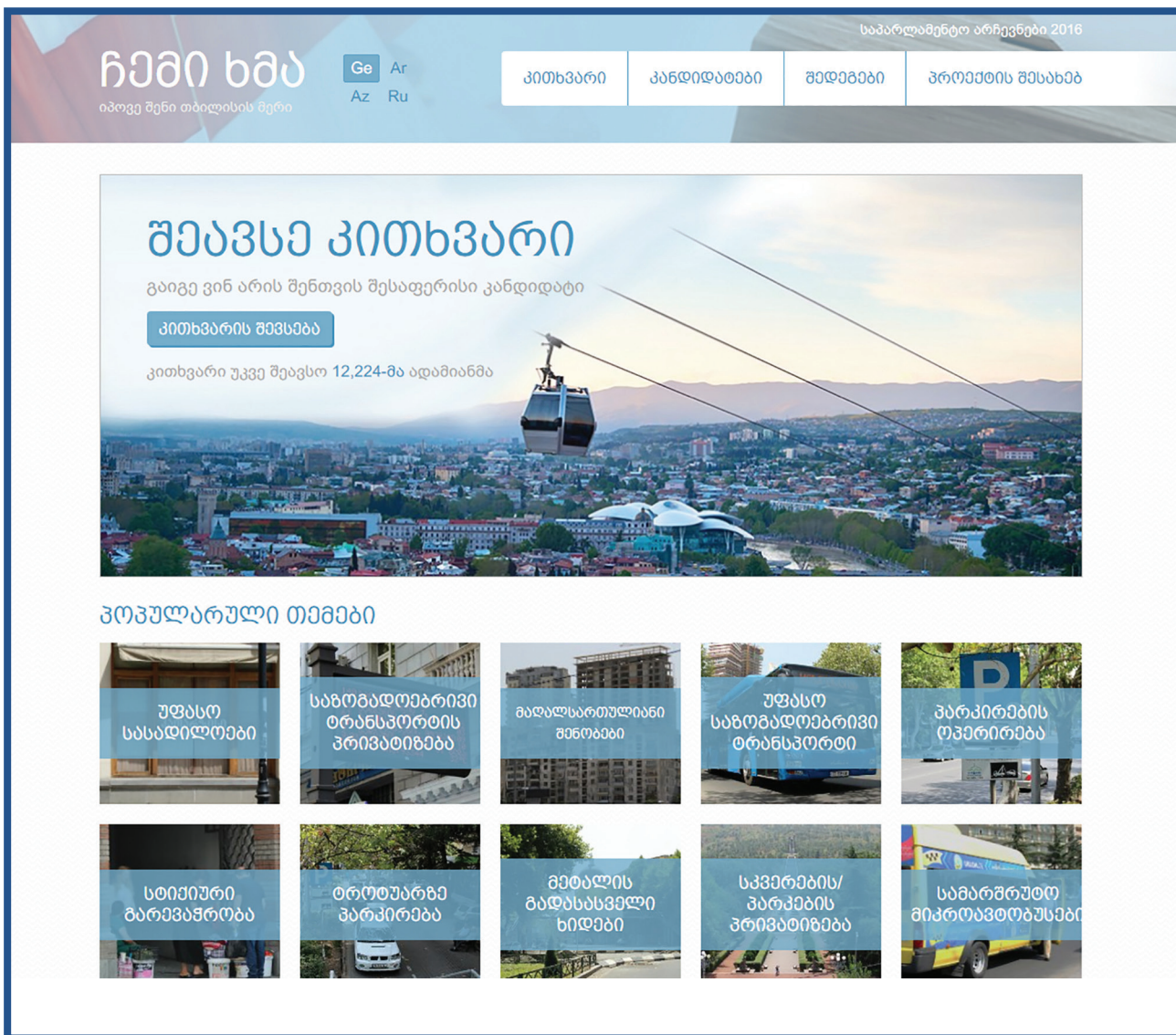
● Commitment Fulfillment ● Event ■ Legislative Process ▲ Working meeting

©OPEN PARLIAMENT TIMELINE, 2018

This website was prepared with financial support of the USAID Good Governance Initiative in Georgia (GGI), under the project "Monitoring and Promoting Understanding of Georgia's Open Parliament Action Plan". TI Georgia is responsible for the content of the website. The views expressed on this website do not necessarily reflect the views of the US Agency for International Development (USAID), Good Governance Initiative (GGI) in Georgia or the Government of the United States.

Website by Omedia

In 2016, TI Georgia created and launched an interactive platform chemikhma.ge in the run-up to the parliamentary elections. The purpose of the website was to help citizens to get a head start on the research by matching them up with a candidate based on their answers to key issues. The website proved to be considerably popular, with up to 24,000 users and thousands of shares on the social network. Building upon this success, TI Georgia created a similar site dedicated to the elections of the Mayor of Tbilisi in 2017. With a questionnaire of 20 issues related to public policy, the website enabled the residents of Tbilisi to assess how their beliefs lined up with the various candidates for Mayor. It too proved popular and thousands of citizens shared their results on the social network.



COMPANYINFO.GE

After a pause of several years, another one of our websites was updated in 2017: it includes information about companies registered in Georgia, their directors and owners. The information dating back to 2010 is available. Users can see how company management and ownership changed over the recent years and how owners and directors of various companies are connected to each other. The goal of the website is to facilitate the increase in transparency of company ownership. We believe that the public should be informed about influential business companies operating in the country, their connections and corporate networks as well as about business interests of public officials. This website, too, was used in writing many studies.

CompanyInfo

Home

Privacy

About



Search Corporations

677025 registered corporations available.

☒ Georgian keyboard

Comapny Name:

ID Code:

Address:

Email:

Legal Form:

Companies registered after:

Comapnies registered before :

Search

Search People

243718 persons are available

☒ Georgian keyboard

Full Name:

Personal number:

Address:

Nationality:

Search

Data available on this website is scraped from <https://enreg.reestri.gov.ge/>

This website is maintained with financial support from the Swedish International Development Cooperation Agency (Sida).



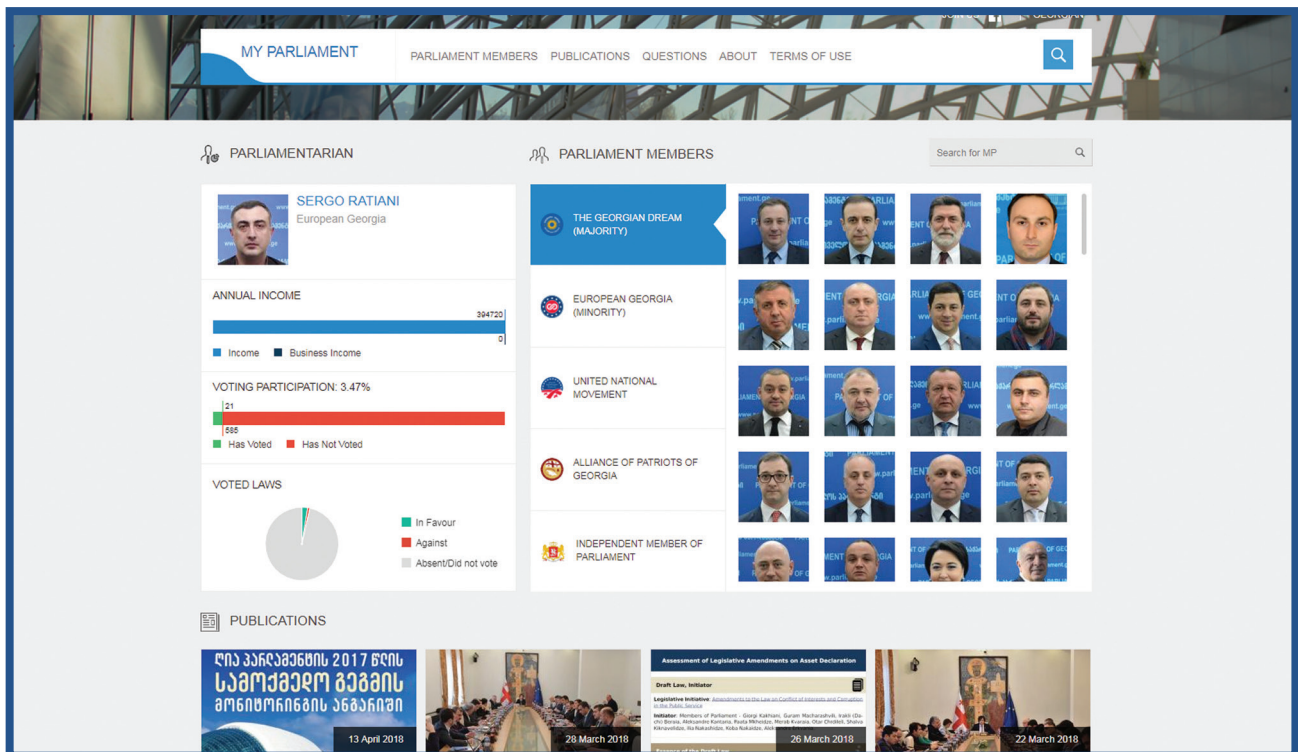


CHEMIPARLAMENTI.GE

The indicators for citizen participation in the legislative process and public awareness of the activities of the state legislature are quite low in Georgia. This is conditioned by lack of public trust or interest, as well as unavailability of easy-to-use tools to incentivize citizens to take a bigger role in the work of the legislature. www.chemiparlamenti.ge is a portal that allows anyone to instantly gain access to vast information related to the work and performance of individual MPs, political parties and factions. Through the website, users are also able to send their questions to any MP they choose and inquire about an issue related to public policy. All these questions and answers are public. Moreover, an SMS subscription system is offered free of charge to anyone who wants to receive updates on parliamentary proceedings. This service has been quite popular, with over 1500 registered subscribers.



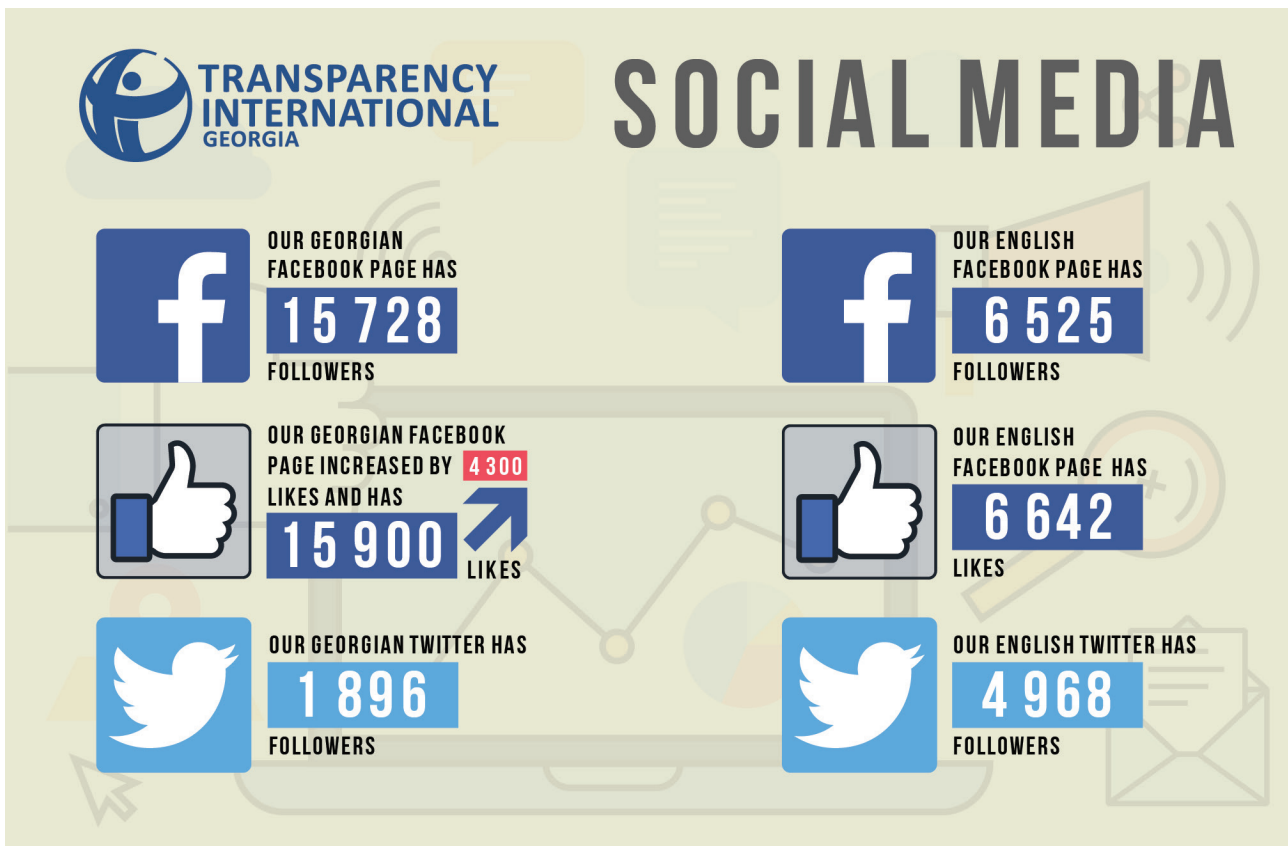
In the survey on e-democracy issues, our website is mentioned as a successful example of how citizens can be actively involved in parliamentary work.



SOCIAL MEDIA

Given the popularity of social media, in 2017, as in previous years, we actively used our Facebook pages (Georgian and English) in order to disseminate our messages among as broad a public as possible. By posting infographics,

short videos and animations on our Facebook pages, we try to respond to the processes and challenges prevailing in the country and familiarize our organization's "Facebook friends" with our vision regarding addressing them.



Many citizens approach us with various requests on Facebook on a daily basis. These are our beneficiaries and students as well as ordinary citizens. Within the scope of our competence, we answer their questions, often offering online consultations.

In 2017, we actively used the Georgian and English versions of the organization's Twitter

account, although we have to note that Twitter is not actively used in Georgia yet. This is precisely why the number of our Georgian Twitter followers is 1,896 while that of the English one – 4,968.

To publish announcements about vacancies in our organization, we use another social media network – LinkedIn.

CORRUPTION PERCEPTION INDEX

Georgia is ranked 46th among 180 countries with the score of 56 points in the Corruption Perception Index (CPI) 2017 published by Berlin-based Transparency International Secretariat. Georgia ranks highest in the region of Eastern Europe (not including the members of the European Union) and Central Asia.

In the ranking, 100 points indicate the lowest level of perceived corruption while 0 – its highest level. According to this year's survey, Georgia's ranking worsened compared to the previous year although (based on the survey methodology) a decrease of the score by one point is considered insignificant. The stability of Georgia's position in CPI over the past several years (and its worsening in 2017) indicates

that, after Georgia made a certain progress, its government needs step up its anti-corruption efforts.

Corruption Perception Index (CPI) is based on expert opinions of the level of corruption in the public sector. Since 2012, the survey has been conducted using a new methodology which allows comparing the results from different years. Georgia's score in CPI 2017 is based on the following studies: Bertelsmann Stiftung's Transformation Index, World Economic Forum Executive Opinion Survey, World Justice Project Rule of Law Index, Global Insight's Country Risk Rating, Freedom House's Nations in Transit, Varieties of Democracy Project.

CORRUPTION PERCEPTION INDEX BY YEARS

CORRUPTED

FREE OF CORRUPTION



CORRUPTION PERCEPTIONS INDEX 2017



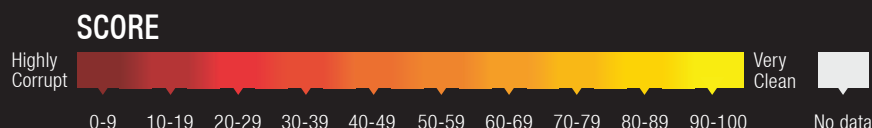
Eastern Europe & Central Asia

GLOBAL
Average score

43

EASTERN EUROPE
& CENTRAL ASIA
Average score

34



RANK COUNTRY/TERRITORY SCORE

46	Georgia	56
64	Montenegro	46
68	Belarus	44
77	Serbia	41
81	Turkey	40
85	Kosovo	39
91	Albania	38

91	Bosnia and Herzegovina	38
107	Armenia	35
107	Macedonia	35
122	Azerbaijan	31
122	Kazakhstan	31

122	Moldova	31
130	Ukraine	30
135	Kyrgyzstan	29
135	Russia	29
157	Uzbekistan	22
161	Tajikistan	21
167	Turkmenistan	19

#cpi2017 www.transparency.org/cpi

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OPEN BUDGET SURVEY (OBS)

According to the Open Budget Survey (OBS), conducted by the International Budget Partnership (IBP), Georgia got 82 points out of 100 in state budget transparency. It is 16 points more than the result of 2015 survey. 82 points allows Georgia to be ranked number 5 (16th place in 2015) among 115 countries.

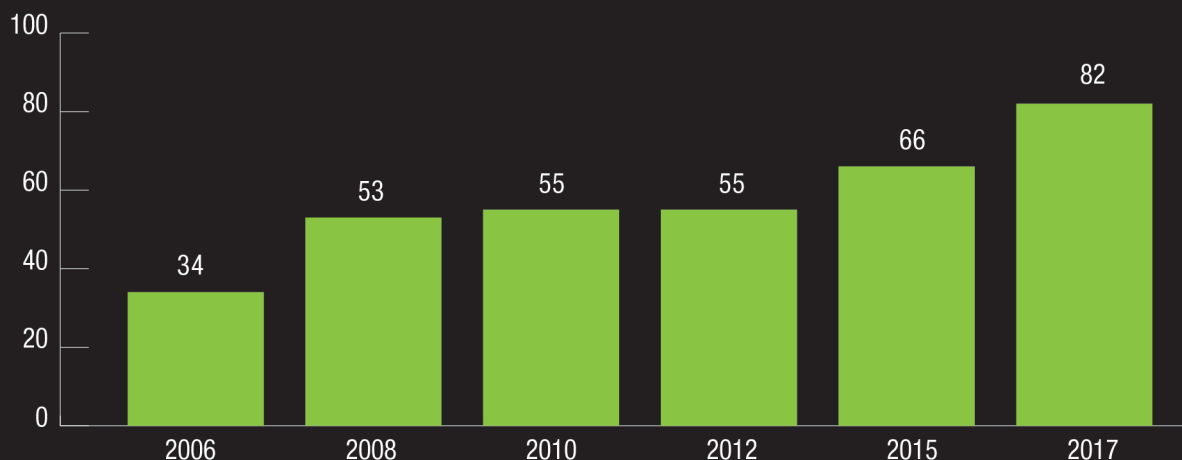
Transparency International Georgia has been participating in this research and assessing Georgia's progress since 2012. Despite the impressive performance, the IBP proposes a number of recommendations for the Government of Georgia in order to continue improving its scores.

OPEN BUDGET SURVEY 2017

GEORGIA



How has the OBI score for Georgia changed over time?



OUR DONORS

ROYAL NORWEGIAN MINISTRY OF FOREIGN AFFAIRS
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)
IREX
EWMI
TETRA TECH ARD
SWEDISH INTERNATIONAL DEVELOPMENT AGENCY (SIDA)
OPEN SOCIETY GEORGIA FUND
EMBASSY OF THE NETHERLANDS



Norwegian Ministry
of Foreign Affairs



TETRA TECH

EAST • WEST
MANAGEMENT
INSTITUTE



Kingdom of the Netherlands



USAID
FROM THE AMERICAN PEOPLE



OPEN SOCIETY GEORGIA FOUNDATION
ფონდი ღია საზოგადოება საქართველო



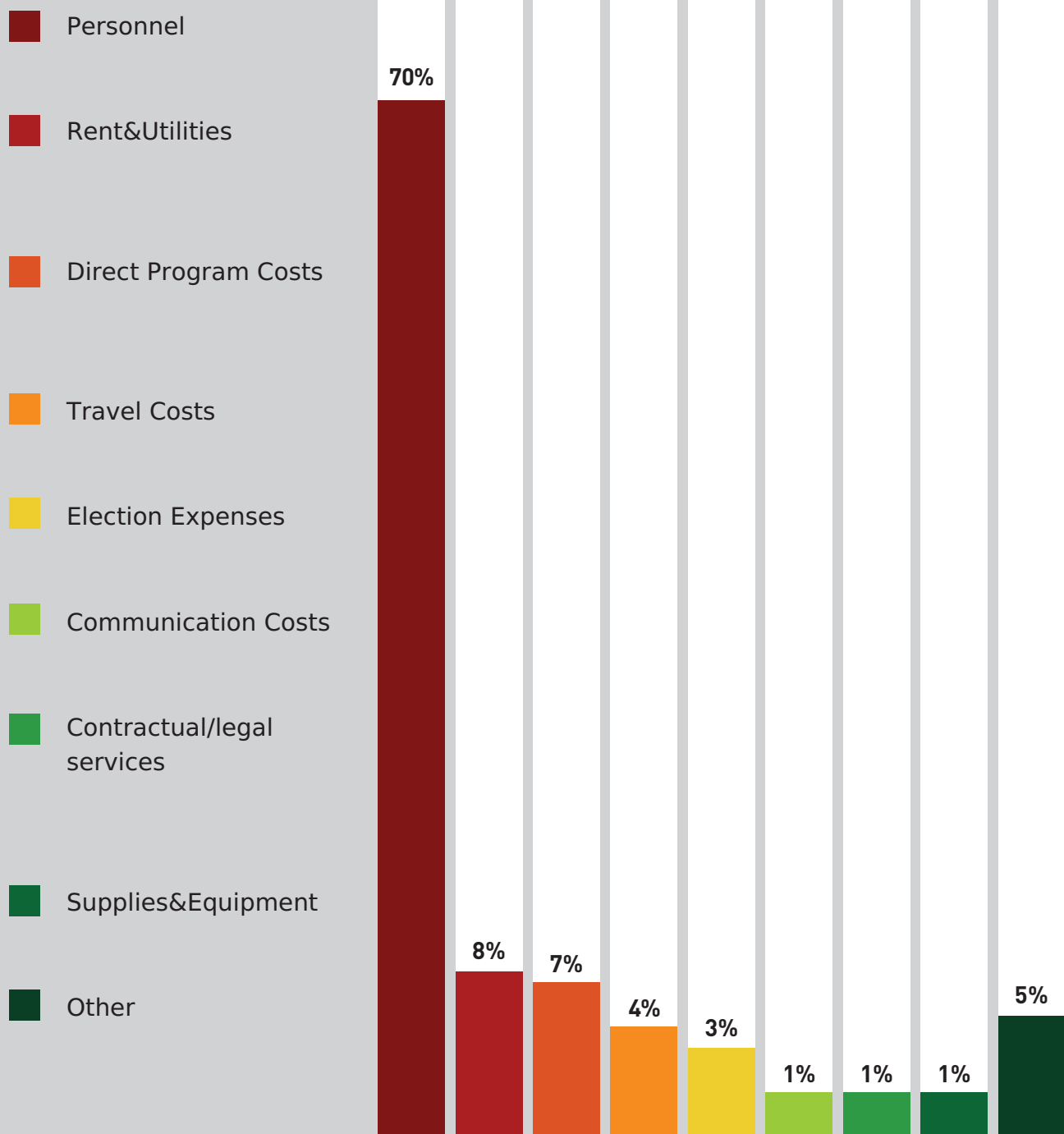
Sweden/შვედეთი
Sverige



IREX
Make a Better World

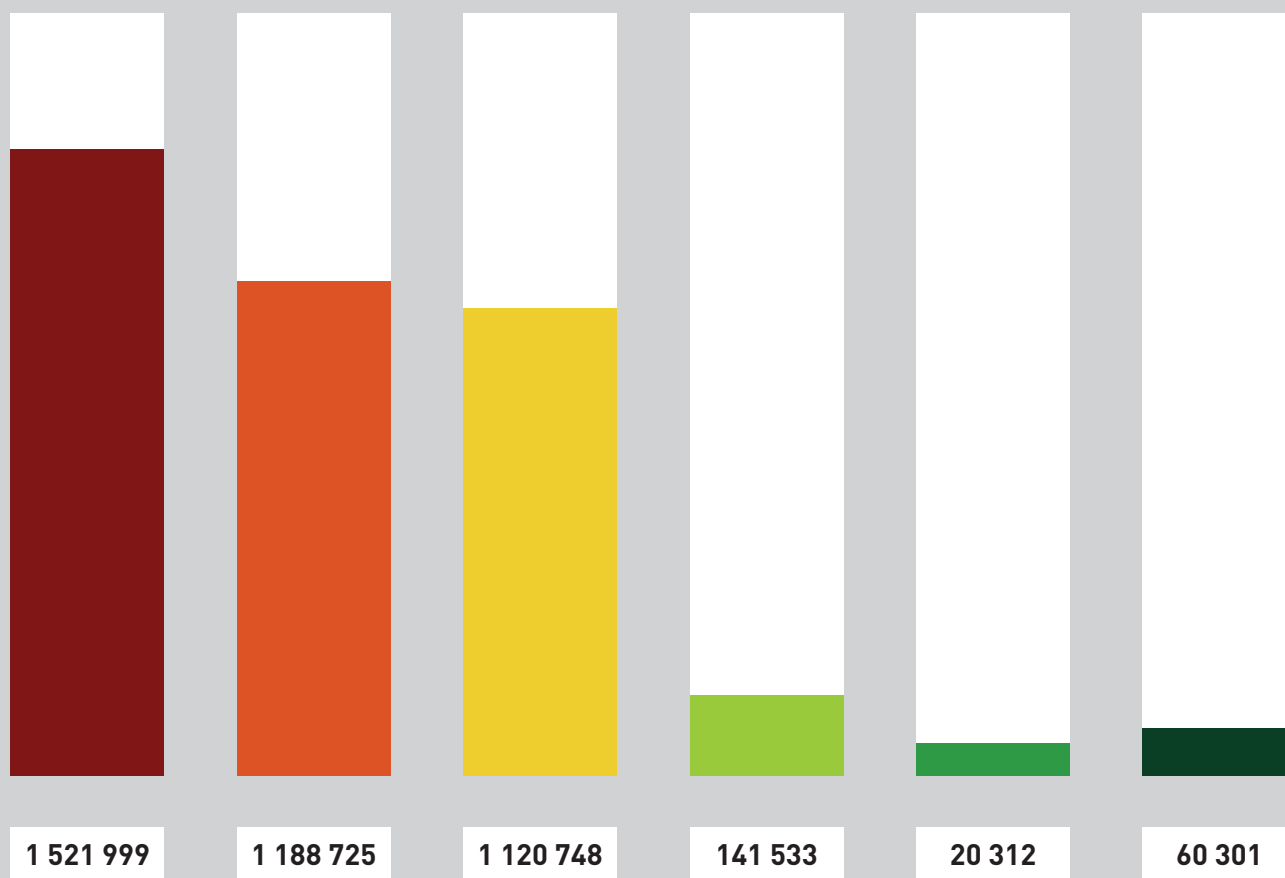
FINANCIAL INFORMATION

EXPENSES (IN GEL)



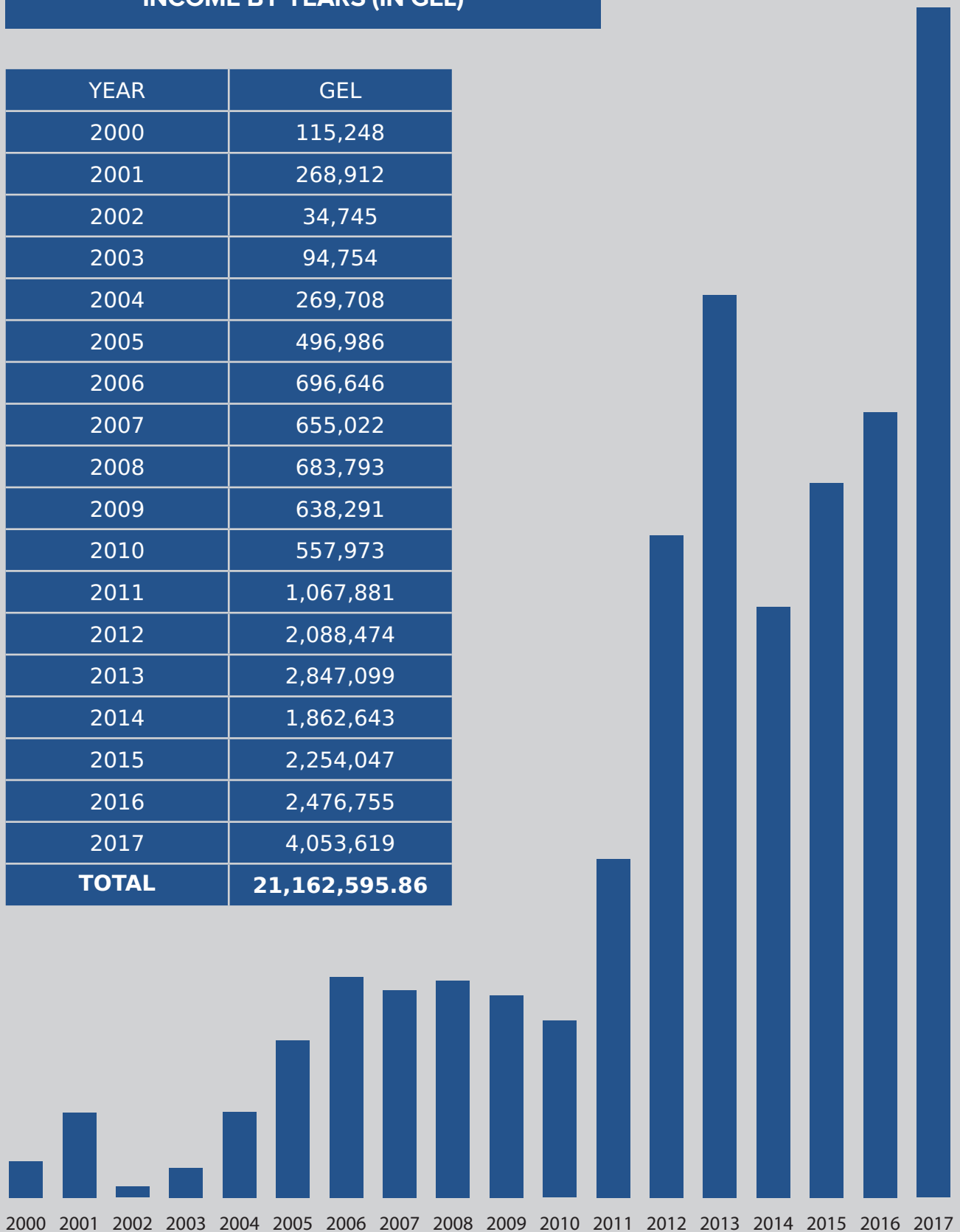
INCOME BY DONORS (IN GEL)

- Royal Norwegian Ministry of Foreign Affairs
- U.S. Agency for International Development (USAID)
via IREX and EWMI and Tetra Tech ARD
- Swedish International Development Agency (Sida)
- Open Society Georgia Fund
- Embassy of the Netherlands
- Other



INCOME BY YEARS (IN GEL)

YEAR	GEL
2000	115,248
2001	268,912
2002	34,745
2003	94,754
2004	269,708
2005	496,986
2006	696,646
2007	655,022
2008	683,793
2009	638,291
2010	557,973
2011	1,067,881
2012	2,088,474
2013	2,847,099
2014	1,862,643
2015	2,254,047
2016	2,476,755
2017	4,053,619
TOTAL	21,162,595.86





Independent Auditors' Report

To the Management of Transparency International Georgia

Opinion

We have audited the financial statements of **Transparency International Georgia** (the Organization), which comprise the statement of financial position as at December 31 2017, and the Statement of Activities and Change in Net Assets, Statement of Grant Activities, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 31 December 2017 and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information had been obtained and reviewed by us, and nothing came to our attention to be reported as inconsistency to audited financial statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this audit's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

We have nothing to report in respect of the above responsibilities.

Responsibilities of Management and Those Charged with Governance for the Financial Statement



Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Crowe Horwath GE LLC

Member Crowe Horwath International

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Organization audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Horwath GE LLC

February 23, 2018



Crowe Horwath GE LLC



2017