



Transparency International Georgia Releases New Report

27 September 2012, Tbilisi. As part of the project 'Transparent and Accountable Political Finances in Georgia', Transparency International Georgia (TI Georgia) is releasing a new report, '**Electorally Motivated Public Spending: An Analysis of Local Budgets**'. The report discusses trends relating to the use of local budgets for electoral purposes in the period from 2009 to 2012. Special attention has been given to the municipalities of Tbilisi, Batumi, Kutaisi, Zugdidi and Gori. During this period, TI Georgia has identified a number of tendencies:

- **Violations of the Election Code.** On 10 August, 2012, Gori municipality made amendments to its local budget with the view to increasing spending. This action violated the Election Code of Georgia, since it is prohibited to increase budget programs from the day of the announcement of election until the day of the final election results.
- **Budget amendments in 14 municipalities on 1 August.** Fourteen municipalities made amendments to their local budgets on 1 August, 2012, the day the election was announced. While no law was violated by these acts, the striking coincidence is of some interest in itself.
- **Increased subsidies for some programs in pre-election years, with decreases during the post-election period.** Analysis of the budgets of some municipalities has shown that the funding of certain programs varies significantly during pre- and post-election periods, based on the range of these program's beneficiaries. Increased spending on health care, social aid, infrastructure and development programs during pre-election years are to be highlighted in this regard.
- **The potential misuse of unspent funds.** At present municipalities have the ability to retain unspent sums in their budgets, add them to the following year's budget, or spend them as they or the central government see fit. Such discretion increases the potential for the misuse of local budgets for electoral purposes.
- **Lack of detailed spending data.** There are some spending categories in local budgets that may be subject to pre-election manipulation. However, due to the fact that spending data for these categories are not spelled out in detail, achieving an accurate analysis of these funds is very difficult. The lack of precise detailing of local budgets represents a serious problem.
- **The problematic column 'other spending'.** In a majority of the budgets analysed, the proportion of funds placed within the 'other spending' category in pre-election years is growing. It is easy to re-direct funds from 'other spending' to alternative programs, with the goal of increasing support from the public before an election.

Within the framework of the **Transparent and Accountable Political Finances in Georgia** TI Georgia is going to release one more report before the election.

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