

Transparency International Georgia is publishing a new report

For immediate release

20 December, 2012, Tbilisi - Transparency International Georgia is publishing a new report on *Financial Analysis of the Election Campaign* carried out within the frames of the project "Transparent and Accountable Political Finances in Georgia". The report analyses the financial declarations of the *Bidzina Ivanishvili - Georgian Dream* and *United National Movement - More Benefits to People*, two electoral subjects that received sufficient votes in the 2012 parliamentary elections and got seats in parliament.

Several important trends and facts that single out in the study:

- **Incomes of the electoral subjects** - *Georgian Dream* has received 2 million 377 thousand 877 Gel in the form of income in the period between August - September 2012, while *The United National Movement* has received 10 million 76 thousand 414 Gel. Similar to previous years, the vast majority of income received was donations. This time, investors were only natural persons, since the law prohibits receiving donations from legal entities. Nonetheless, we have revealed through the data analysis that 74 of the *United National Movement* donors and 30 of the *Georgian Dream* donors have some connection with businesses;
- **Expenses of the electoral subjects**- *Georgian Dream* spent a total of 6 million 206 thousand 577 Gel in the period between August – September of 2012, while the expenses of the *United National Movement* comprised 18 million 695 thousand 669 Gel. The greatest part of the *Georgian Dream*'s total expenditure went on the preparation of low cost marketing materials containing *Georgian Dream* symbols, while the *United National Movement* used its funds for advertisements;
- **State Audit Office Activities** - The State Audit Office has often exceeded its authority and carried out the control of the activities of political associations in violation of the law, which was often even beyond the limits of financial control. Moreover, if up until December 2011 the relevant monitoring body immediately disclosed political finances without delay and with full transparency as prescribed by the law, this requirement of the law was in a number of cases overlooked by the State Audit Office; in addition, election campaign final reports have not been published as yet, in spite of the obligation thereof;

- **Legislative problems** - elections financing laws have significantly improved compared to the previous period, however, serious problem still linger. The financial declaration forms and functions of the regulatory body existing before the 2011 amendments did not ensure proper transparency and accountability. In this respect, new declaration forms have significantly lessened the problem, but some issues still need to be improved;
- **Financial declaration forms** – under the 2011 legislative changes, unlike previous periods when only a donation represented a source of income, other categories were added to the electoral subjects income sources, the declaration forms, however, do not allow to cover these categories exhaustively, whereas the problem is already solved with respect to expenses by the availability of an additional form that fully encompasses all types of expenses.

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