



# Political Party Finance Report



საერთაშორისო გამჭვირვალობა - საქართველო  
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Tbilisi 2011

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This report analyses party and campaign financing of Georgian parties, focusing on issues concerning transparency and accountability. The report is divided into four chapters: 1) annual state funding for political parties; 2) election campaign finance; 3) budget funding allocated to political parties for voter list verification during the 2010 local elections; 4) recommendations for resolving the current problems in the party finance sphere. Each of the first three chapters also contains recommendations and conclusions. The detailed study focuses on the political parties that cleared the threshold and obtained seats in the Tbilisi City Council in the 30 May 2010 elections, as well as the blocks that these parties were members of during the elections in 2008-2010.

As the study has revealed, the legislation governing party finance in Georgia requires significant improvement. There is presently no agency responsible for controlling full compliance of party financing with the law; it is not clear who is responsible for the verification of annual party finance reports; there is no single template for annual party finance reporting; parties are not required to present original financial documents when reporting their finances to the Central Election Commission (CEC); there are no sanctions for parties that submit incomplete or inaccurate finance reports (*etc.*).

Some parties only provide four or five categories of expenses in their annual reports. Some parties place most of their expenses in the “other expenses” field, which often accounts for 70 percent of the total expenses and sometimes exceeds GEL 1 million. Such inconsistencies in reporting make it very difficult to analyze and check party expenses.

It is often difficult and even impossible to identify the sources of the campaign funding that political parties receive. Parties transfer money from their party funds to their campaign funds. Since information about party funds only becomes public at the beginning of the following year, it is impossible to fully monitor campaign funds during the time of elections. For example, 96 percent (over GEL 13.5 million) of the total donations to the ruling party’s campaign fund for the 30 May 2010 local elections was transferred from the party’s own account. It was impossible to trace the origin of this money until February 2011.

Georgian law establishes a GEL 100,000 cap on the donations that a single legal entity can make to the campaign fund of the same political party. Introducing a donation cap is a common practice in many countries and is aimed at ensuring that no business entity gains excessive influence on the country’s policies by donating a particularly large amount of

money to a party. Despite the introduction of the GEL 100,000 cap, there have been cases of the same legal entity donating more than GEL 100,000 to party through its subsidiaries in Georgia. For example, in 2010, the companies Tegeta Truck and Bus, Tegeta Construction Equipment, Tegeta Logistic, Tegeta Motors and Tegeta Motors Kutaisi donated a total of more than GEL 500,000 to the United National Movement. Temur Kokhodze is the founder of three of these companies and is also among the founders of the other two.

There have also been cases when the total amount transferred by an enterprise to a party's fund and the same party's campaign fund exceeded GEL 100,000. For example, in 2008, JSC Transmsheni donated GEL 100,000 to the campaign fund of United National Movement presidential candidate Mikheil Saakashvili and another GEL 75,000 to the United National Movement.

Another interesting trend is that the ruling party's campaign financing has been from seven times (during the 2010 local elections) to 26 times (during the 2008 presidential elections) larger than the total funding of all other election contestants. With a few exceptions, opposition parties have only received donations from physical persons, while businesses have only been providing funding for the campaign of the ruling party and its candidates. This was the case during the 5 January 2008 presidential election and all the subsequent elections.

As for the inclusion of political parties in the verification of voter lists before the 2010 elections, the initiative proved ineffective because of time shortage, inadequate planning, weak coordination and other problems. In order to improve the voter list, it is necessary to ensure that it is continuously accessible to parties and other interested organizations and individuals, so that they can verify the list at any time and request changes if needed. It is also important to improve coordination between the government agencies responsible for compiling the list.

*The study is largely based on the information obtained by November 2010, although the reports on the state funding allocated to political parties in 2010 only became available in February 2011 and some information was subsequently added to the study.*

## Annual party financing (Based on data from 2007-2009)

Party revenues are regulated by the Organic Law of Georgia On Political Unions of Citizens. Specifically, a party's assets are made up of:

- a) Funds allocated by the state where the law provides for this;
- b) Membership fees;
- c) Donations made by individuals and legal entities;
- d) Funds received through the production and dissemination of party symbols, conducting of lectures, exhibitions and other events of this kind by the party, publishing and other types of activity that do not change a party's status of a non-commercial legal entity;
- e) Donations received through public events.<sup>1</sup>

As of 1 January 2010, 14 political parties were receiving annual state funding in Georgia.<sup>2</sup> TI Georgia reviewed the annual revenues of these political parties in 2007-2009, as well as the detained accounts of expenses of the parties that participated and won seats (independently or as part of a block) in Tbilisi Local Government in the May 30, 2010 local elections, in order to determine:

1. The amount of funds that parties were able to raise during and between elections;
2. The origin of these funds;
3. How these funds had been spent;
4. Whether the funds had been raised and spent in line with to the requirements of the law.

The following political groups won seats in the 2010 local elections:

1. New Rights (the Alliance for Georgia block);
2. The United National Movement – For a Victorious Georgia;
3. The Conservative Party of Georgia (the National Council block);
4. We Ourselves (the Giorgi Targamadze, Inga Grigolia – Christian-Democratic Movement block);
5. Giorgi Targamadze – Christian-Democrats (the Giorgi Targamadze, Inga Grigolia – Christian-Democratic Movement block);
6. The People's Christian-Democratic Party (the Giorgi Targamadze, Inga Grigolia – Christian-Democratic Movement block);

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<sup>1</sup> The Organic Law of Georgia On Political Unions of Citizens (adopted on 31 October 1997, #1028-IS; published in Parliamentary Messenger No 45, 21 October 1997, p. 76), Article 25, Paragraph 1.

<sup>2</sup> The analysis is based on data available as of 1 January 2010 since the parties that are to receive funding on the basis of the 2010 local election results only submit their finance reports in February 2011. Information about 2010 annual financing can be found below in sub-section: Donations to Political Parties Accounts in 2010 and in Annex Figures 2-15.

7. Industry Will Save Georgia;
8. The Republican Party of Georgia (the Alliance for Georgia block);
9. Georgia's Way (the Alliance for Georgia block);
10. The People's Party (the National Council block).

## Party Revenues

Even though parties can raise funds from five different sources under the Georgian law, TI Georgia found that they actually only utilize three types of financing: the funds allocated by the state, membership fees and donations by legal entities.

### State Funding

As noted before, under the Organic Law of Georgia On Political Unions of Citizens, state funding is one of the components of a party's assets. Funds are allocated in the Georgian State Budget annually to provide financial support to the activities of political parties and to promote the establishment of a healthy and competitive political system.<sup>3</sup> There are two ways in which this money can be used to finance parties: (1) direct transfer of funds to parties<sup>4</sup> and (2) the transfer of funds to a legal entity of public law – the Centre for Electoral Systems Development, Reforms and Training (hereinafter referred to as the Fund) – for the subsequent division among parties.<sup>5</sup> The Fund's goal is to promote the development of the nongovernmental sector and the establishment of a healthy and competitive political system.<sup>6</sup>

The money allocated in the Georgian State Budget for direct transfers to parties is received by parties that obtained at least four percent of the total vote in the last parliamentary elections or at least three percent of the total vote in the last local election.<sup>7</sup> The size of the state financing to be provided to a party is calculated through a formula whereby the basic funding (the same amount given to all parties that have cleared the established threshold) is supplemented with funding awarded according to the seats won in parliament and the votes received in the elections.<sup>8</sup>

The basic funding amounts to GEL 150,000 per year.<sup>9</sup> The basic funding increases to GEL 300,000 a year if an electoral subject (a party or a block) received at least eight percent of the total vote in the last parliamentary elections or six percent of the total vote in the last local elections.<sup>10</sup>

Since the votes received by an electoral block are divided equally between the parties that make up the block, so is the basic funding.

A total of 14 political parties received funding from the state budget in 2007-2009. For detailed information, see *Table 1 below*.<sup>11</sup>

<sup>3</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 29(1), Paragraph 1.

<sup>4</sup> The size of funding allocated to parties directly in the Georgian State Budget is calculated through a formula established by the Law on Political Unions of Citizens (see footnote 9 for detail).

<sup>5</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 29(1), Paragraph 2.

<sup>6</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30(1), Paragraph 1.

<sup>7</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30(1), Paragraph 2.

<sup>8</sup> According to Article 30, Paragraph 4 of the Law on Political Unions of Citizens, the following formula is applied:

$Z = B + (M * 600 * 12) + (L * 100 * 12) + (V * 1.5) + (W * 1)$ , where Z is the size of budget funding to be received by a party; B is the size of base funding; M is the number of MPs elected through proportional vote (30 or less); L is the number of MPs elected through proportional vote (over 30); V is the number of votes received (up to 200,000); and W is the number of voters received (over 200,000).

<sup>9</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30(1), Paragraph 5.

<sup>10</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30(1), Paragraph 6.

<sup>11</sup> For a clearer picture, see Figure 1 in the Annex "Percentage Indicators for Direct Party Financing from State Budget".



**Table 1: Funding allocated to parties by the state in 2007-2009**

Nº	Electoral Subject <sup>12</sup>	Funding Received in GEL (2007)	Funding Received in GEL (2008)	Funding Received in GEL (2009)
1	New Rights	171 633.00	170 674.56	79 407.48
2	Freedom	160 890.00	145 082.91	80 607.48
3	Shalva Natelashvili – Labour Party of Georgia	209 519.00	352 524.25	391 338.00
4	United National Movement – For Victorious Georgia	1 592 521.00	1 853 685.24	1 827 185.52
5	Conservative Party of Georgia	117 492.00	284 748.54	248 748.00
6	Kartuli Dasi	–	84 201.72	86 607.48
7	We Ourselves	–	91 161.72	93 807.48
8	Giorgi Targamadze – Christian-Democrats	–	573 651.00	573 651.00
9	Industry Will Save Georgia	171 074.00	290 347.56	239 947.56
10	Republican Party of Georgia	117 492.00	284 748.42	248 748.00
11	National Forum	–	14 434.58	79 407.48
12	Movement for United Georgia	–	14 434.58	79 407.48
13	Georgia’s Way	–	–	93 842.06
14	People’s Party	–	16 834.58	79 407.48
<b>Total</b>		<b>2 540 621.00</b>	<b>4 176 529.66</b>	<b>4 202 112.50</b>

\* *Source: Information provided by the Central Electoral Commission of Georgia (CEC).*

Parties are required to publish their financial declarations and an auditor’s reports by February 1 of every year.<sup>13</sup> A party can hire any independent auditor operating in Georgia to conduct financial audit.<sup>14</sup>

The financial declaration must contain information regarding the party’s annual revenues (including sources, etc.) and expenses (categorized by: elections, financing of various events, salaries, travel costs, etc.), as well as a description of assets (buildings and transport owned by the party and their value, funds deposited in banks, etc.).<sup>15</sup>

Within ten days from the publication of the financial declaration, a party must submit copies of the declaration and the auditor’s report to the CEC and the local tax agency.<sup>16</sup> If the party fails to publish the financial declaration within the legal deadline, it will have state financing withheld over the next year.<sup>17</sup>

As noted before, along with the money transferred directly to parties, a certain amount is transferred annually from the Georgian State Budget to the Fund.<sup>18</sup> The amount transferred to the Fund must be half of the amount transferred directly to the parties.<sup>19</sup>

<sup>12</sup> The political parties marked in yellow participated in the 2010 local elections and won seats in the relevant bodies either independently or as part of a block.

<sup>13</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 32, Paragraph 1.

<sup>14</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 33, Paragraph 2.

<sup>15</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 32, Paragraph 1.

<sup>16</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 34, Paragraph 4.

<sup>17</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 34.

<sup>18</sup> Under the 30 December 2008 amendments to the Law on Political Unions of Citizens, the Reforms and Development Fund was established in order to facilitate party building and the establishment of a competitive political system. Under the amendments to the same law adopted on 28 December 2009, the Fund for Development of Electoral Systems, Reforms and Training was established as the legal successor to the Reforms and Development Fund. Parties have therefore received additional funding since 2009.

<sup>19</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30 (1), Paragraph 4.

Of the money transferred from the Georgian State Budget to the Fund, 50 percent is divided between parties, while the remaining 50 percent is allocated to NGOs.<sup>20</sup> The money to be transferred to parties from the Fund is divided between them in proportion with their basic funding.<sup>21</sup> Parties receive an equal amount of money if they received four to eight percent of the total vote in the parliamentary elections or three to six percent of the total vote in local elections. If a party received over eight percent of the vote in the parliamentary elections or over six percent of the vote in the local elections, it will receive a larger amount, though the amount is a fixed one and does not change according to the number of votes received.

Money from the Fund is allocated exclusively for the conduct of research, training, conferences, travel and regional projects.<sup>22</sup> See Table 2 below.

Table 2: Parties that received money from the Fund in 2009<sup>23</sup>

Nº	Electoral Subject	Funding Received in GEL
1	New Rights	23 786.80
2	Freedom	23 786.80
3	Shalva Natelashvili – Labour Party of Georgia	107 040.64
4	United National Movement – For Victorious Georgia	214 081.28
5	Conservative Party of Georgia	107 040.64
6	Kartuli Dasi	23 786.80
7	We Ourselves	23 786.80
8	Giorgi Targamadze – Christian-Democrats	214 081.28
9	Industry Will Save Georgia	107 040.64
10	Republican Party of Georgia	107 040.64
11	National Forum	23 786.80
12	Movement for United Georgia	23 786.80
13	Georgia’s Way	23 786.80
14	People’s Party	23 786.80
<b>Total</b>		<b>1 046 619.52</b>

\* Source: Information provided by the Fund

A party must submit report to the Fund annually on how the allocated money has been spent. If a party fails to submit a report as required by the law or does not use the money for the purposes established by the law, it will not receive money from the Fund over the next year.<sup>24</sup>

### Membership Fees

As noted above, membership fees are a component of a party’s assets under the Georgian law. Only a few parties (New Rights, the Republican Party of Georgia and Georgia’s Way) have included them in their financial reports. The money received this way usually amounts to a small portion (five to ten percent) of a party’s annual revenues. New Rights’s revenues for 2008 and 2009 are an exception as membership fees amounted to 46 percent and 60 percent of the entire funding respectively. See Table 3 below.<sup>25</sup>

<sup>20</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30 (1), Paragraph 7.

<sup>21</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30 (1), Paragraph 8.

<sup>22</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30 (1), Paragraph 9.

<sup>23</sup> Nine political parties contested the 2008 parliamentary elections as part of the United Opposition block and the money allocated from the Fund (GEL 214,081.28) was divided equally between them. One of these parties later left the coalition and received funding independently.

<sup>24</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 30 (1), Paragraph 11.

<sup>25</sup> For a clearer picture, see Figure 3 below “Party Revenue from Membership Fees in 2007-2009”.

**Table 3: Membership fees received by parties in 2007-2008**

Political Party	Membership Fees in GEL(2007)	Membership Fees in GEL(2008)	Membership Fees in GEL(2009)
New Rights	10 411.00	79 312.58	155 120.00
Republican Party of Georgia	10 383.00	4 324.00	1 210.00
Georgia's Way	Didn't Exist	1 112.00	1 221.70

\* *Source: Financial reports of political parties provided by the CEC.*

### Donations by Individuals and Legal Entities

Parties can receive donations from individuals and legal entities in line with the rules and restrictions established by the law. Specifically, the financial and material donations made to a party in a single year must not exceed:

- a) GEL 30,000 per individual;
- b) GEL 100,000 per legal entity.<sup>26</sup>

Parties are prohibited from receiving financial and material donations from:

- a) Foreign individuals and legal entities, international organizations and movements (except for the money donated for the conduct of lectures, seminars and other public events of this kind);
- b) A state body, a legal entity of public law, a state organization or a business where the state's share exceeds ten percent (except for the cases where the law directly allows this);
- c) A non-commercial legal entity or a religious organizations (except for the money donated for the conduct of lectures, seminars and other public events of this kind);
- d) An individual with no citizenship;
- e) Anonymous sources.<sup>27</sup>

A legal entity that makes a donation is required to provide its title and legal address, while an individual must provide his/her first name, last name, address, personal number and the number of a Georgian citizen's identification document (or a Georgian citizen's passport).<sup>28</sup> Donations made without the provisions of this data are considered anonymous. A political party's officer responsible for financial affairs must transfer anonymous donations to the Georgian State Budget immediately.<sup>29</sup>

*For detailed information regarding the donations made by individuals and legal entities to parties in 2007-2009, see Tables 4-7 below.*

<sup>26</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 27, Paragraph 1.

<sup>27</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 26, Paragraph 1. The regulation about anonymous donors is in Force since October 1, 2007.

<sup>28</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 26, Paragraph 2.

<sup>29</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 26, Paragraph 3.

**Table 4: Donations received by parties in 2007-2009<sup>30</sup>**

Political Party	Membership Fees in GEL(2007)	Membership Fees in GEL(2008)	Membership Fees in GEL(2009)
New Rights	–	–	–
United National Movement	9 155 269.00	12 479 332.00	–
Conservative Party of Georgia	–	1 663.00	17 345.00
We Ourselves	–	–	–
Christian-Democrats	–	58 821.00	38 778.00
Industry Will Save Georgia	–	–	–
Republican Party of Georgia	85 727.00	650.00	–
Georgia's Way	–	11 450.00	–
People's Party	–	14 760.00	–

\* *Source: Financial reports of parties provided by the CEC.*

In 2007, donations were the primary source of revenue for the United National Movement which received over GEL 9 million in this way. The same year, the Republican Party of Georgia raised approximately GEL 86,000 in donations which is 106.7 times less than what the United National Movement managed to collect. The situation was similar in 2008. In 2009 (which was a non-electoral year), the ruling party did not receive any donations, while the Conservative Party of Georgia and the Christian-Democrats received some small donations.

The majority of donations made by legal entities in 2007-2009 were monetary,<sup>31</sup> while individuals mostly made non-monetary donations. TI Georgia attempted to trace the sources of these donations, in order to determine whether or not they had been made by party members, and asked the parties in question to indicate how many of those who had made donations were party members.<sup>32</sup> See Tables 5-7 below.

**Table 5: Donations made to parties in 2007<sup>33</sup>**

Political Party	Number of Individuals Amount	Donated by Individuals (in GEL)	How Many of These Were Party Members	Amount Donated by Party Members (in GEL)	Number of Legal Entities	Amount Donated by Legal Entities (in GEL)
United National Movement	23	279 597.00	No Information Provided		240	8 875 802.00
Republican Party of Georgia <sup>34</sup>	40	85 727.00	6	36 100.00	0	–

\* *Source: Party finance reports provided by the CEC.*

<sup>30</sup> For a clearer picture, see Figure 4 below Party Revenue from Donations in 2007-2009.

<sup>31</sup> Of the 240 legal entities that made donations to the United National Movement in 2007, only two made non-monetary donations (worth GEL 163,997). Legal entities made no such donations in 2008 and 2009.

<sup>32</sup> Even though TI Georgia explained to political parties why the information had been requested, the United National Movement refused to provide it, citing the fact that the electoral law did not require it to do so. Other parties provided full information regarding party affiliation.

<sup>33</sup> Data taken directly from the report provided by the CEC, though in some cases the total amount is not consistent with the total amount given by parties in the report, mostly because of technical errors. We have cited the amounts given in the report here but have refrained from providing the total amount.

<sup>34</sup> Monetary donation – one (GEL 6,700); non-monetary donation – 38 (a total of GEL 72,327). One anonymous donation of GEL 10,000 had also been made. The latter was donated before October 1, 2007, when anonymous donation was still legal.

**Table 6: Donations made to parties in 2008**

Political Party	Number of Individuals Amount	Donated by Individuals (in GEL)	How Many of These Were Party Members	Amount Donated by Party Members (in GEL)	Number of Legal Entities	Amount Donated by Legal Entities (in GEL)
United National Movement	52	693 000.00	No Information Provided		454	11 606 322.00
Conservative Party of Georgia	– <sup>35</sup>	1 663.00	–	1 663.00	0	–
Christian-Democrats <sup>36</sup>	5	58 821.00	3	50 000.00	0	–
Republican Party of Georgia	1	650.00	0	–	0	–
Georgia's Way	6	11 450.00	3	6 000.00	0	–
People's Party	7	14 760.00	7	14 760.00	0	–

\* *Source: Party finance reports provided by the CEC.*

**Table 7: Donations made to parties in 2009**

Political Party	Number of Individuals Amount	Donated by Individuals (in GEL)	How Many of These Were Party Members	Amount Donated by Party Members (in GEL)	Number of Legal Entities	Amount Donated by Legal Entities (in GEL)
Conservative Party of Georgia	– <sup>37</sup>	17 345.00	–	17 345.00	0	–
Christian-Democrats	9	38 778.00	2	5 400.00	–	–

\* *Source: Party finance reports provided by the CEC.*

The 2007 donations were made, in case of both parties, in November and December, ahead of the 5 January 2008 presidential election. Multiple donations were made in 2008 (an electoral year) but only two political parties received donations in 2009 (a non-electoral year). In 2007 and 2008, almost all donations were transferred to the campaign funds of the parties or the relevant blocks (as party donations) and were spent by the respective campaigns. In 2009, the parties used the donations to cover their general expenses (salaries, representation costs, etc.).

Only one party – the United National Movement – received donations from legal entities in 2007-2009. Other parties only received donations from individuals.

### Other Types of Revenue

As noted before, according to the Organic Law of Georgia On Political Unions of Citizens, party assets are made up of funds raised through the production and dissemination of party symbols, conducting lectures, exhibitions and other

<sup>35</sup> This data was not provided in the report of the Conservative Party, therefore, we do not have exact information about donors. According to party representatives, the money was donated by 15 individuals.

<sup>36</sup> The Christian-Democrats had provided combined data regarding donations to the party and to the campaign fund, i.e. they had indicated, among donors, those who have donated money to the party's Election Campaign Fund. We separated Campaign Fund Donors and only indicated here those, donating to the party. For more information, see Figure 6 in Annex "Incomes of Christian-Democratic Movement in 2007-2009" and TI Georgia's website: "Christian-Democratic Movement (Annual Finances 2008 – Donations from Individuals)".

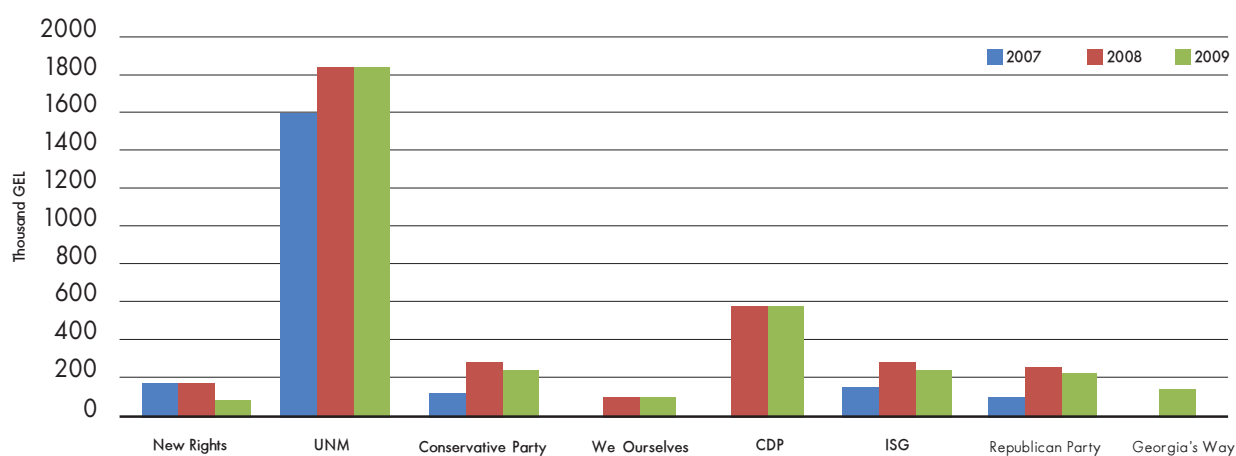
<sup>37</sup> This data was not provided in the report of the Conservative Party, therefore, we do not have exact information about donors. According to party representatives this money was donated by four individuals.

events of this kind, as well as publications and other activities that serve the goals identified in a party's charter and do not change its status as a non-profit legal entity. It is also permissible to raise donations through public events. The legal requirements regarding the provisions of data about individuals and legal entities do not apply to this type of donations, though the amount should not exceed GEL 30,000 per year.<sup>38</sup>

The financial reports show that no party received any revenue from such sources. According to the parties, there are two main reasons for this: (1) the costs of these types of activities are higher than the revenue they generate; (2) such activities are risky as they create possibility of provocations.<sup>39</sup> Parties have stated that they might fail to control the amount of donations made at public events and could thereby violate the law. Penalties for such violations are quite severe.<sup>40</sup>

For a better understanding, see the main types of revenue by category in Figures 1-4.<sup>41</sup>

Figure 1: Party Revenue from State Budget 2007-2009<sup>42</sup>



\* For more detailed data, see Table 1: Party Revenues from State Budget in 2007-2009

<sup>38</sup> The Organic Law of Georgia On Political Unions of Citizens, Article 26, Paragraph 4.

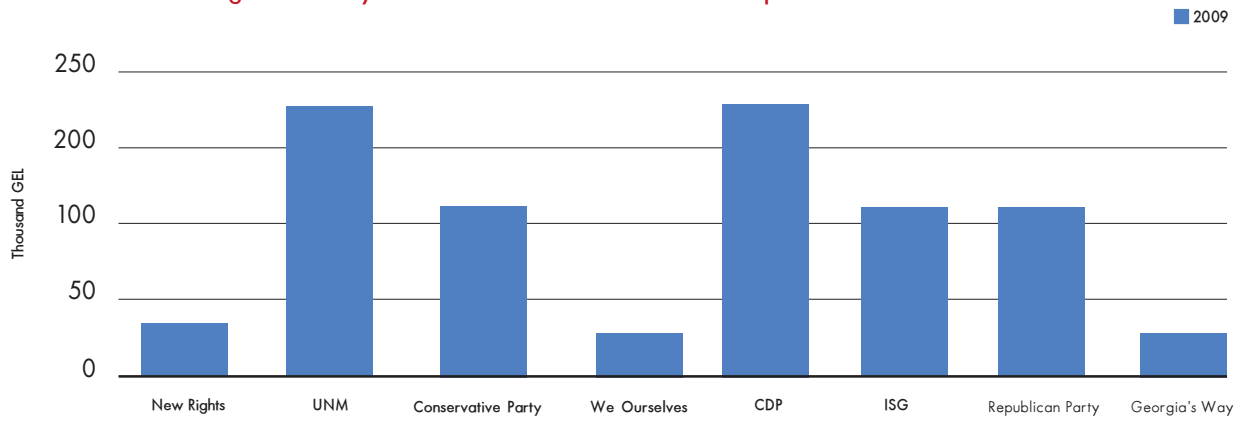
<sup>39</sup> The author's interviews with representatives of the Conservative Party and the Republican Party.

<sup>40</sup> According to Article 28 of the Law on Political Unions of Citizens, a party is required to transfer illegal financial and material donations to the State Treasury within a month. If the party fails to follow this requirement, the donations will be confiscated and transferred to the State Budget. In addition, if the total annual value of these donations is: 1) between GEL 2,000 and GEL 15,000, the party will have state funding withheld for a year; b) between GEL 15,000 and GEL 50,000, the party will have state funding withheld for two years; 3) exceeds GEL 50,000, the party will have state funding withheld for four years. If the party is not entitled to receive state funding, the sanctions will be imposed once it gains such entitlement.

<sup>41</sup> See Figures 2-10 in the Annex for further information on party revenues.

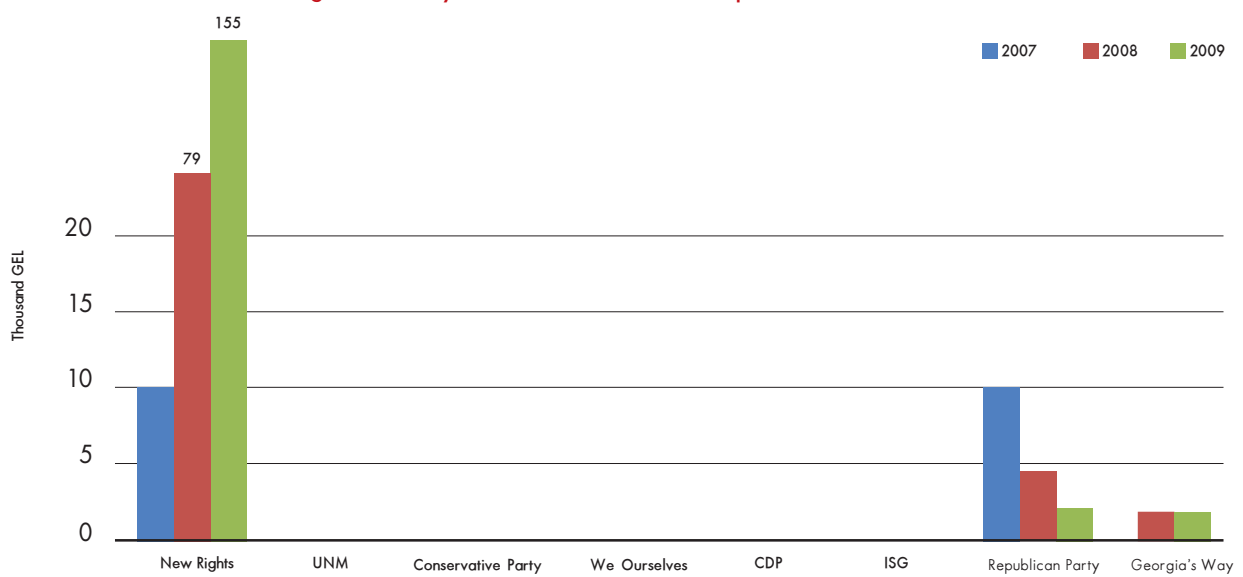
<sup>42</sup> The abbreviations on Figures: UNM – United National Movement; CDP – Christian Democratic Party, ISG – Industry Will Save Georgia

Figure 2: Party Revenue from State Fund Of Developments and Reforms 2009



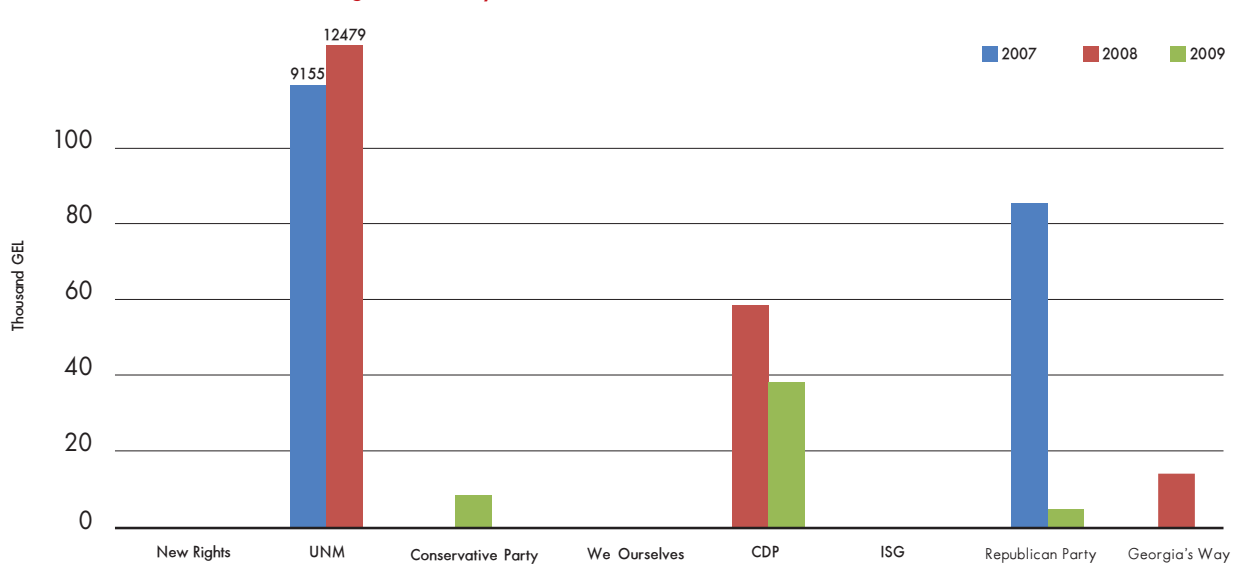
\* For more detailed data, see Table 2: Party Revenues from State Fund in 2009

Figure 3: Party Revenue from Membership Fees in 2007-2009



\* For more detailed data, see Table 2: Party Revenues from Membership Fees in 2007-2009

Figure 4: Party Revenue from Donations in 2007-2009



\* For more detailed data, see Table 4: Party Revenues from Donations in 2007-2009.

## Party Expenses

It is more difficult to analyze party expenses because there is no uniform template for accounting and financial reporting and different parties divide their expenses into different categories.

According to party representatives, they usually use the common forms of accounting.<sup>43</sup> However, the accounting of some parties is detailed, while others provide more general information.

In most cases, expenses are divided into the following main categories:

1. Salaries
2. Travel Costs
3. Office expenses (including rent/lease)
4. Taxes
5. Campaign expenses
6. Services

Some parties identify additional types of expenses: utility payments; purchase of assets; communication costs; stationery costs; transport costs; representation costs, etc.

The United National Movement, the Republican Party of Georgia and Industry Will Save Georgia have provided the most detailed accounting. New Rights, the Conservative Party of Georgia and Georgia's Way have only identified four or five types of expenses and have placed everything else in the "miscellanea" category. Parties mostly spend the money they receive from the Fund (which, according to the law, must be used for conferences, trainings, electoral surveys and travel) for travel because, as they have stated, the amount is too small for surveys. According to a Republican Party representative, the parties that were united in the Alliance for Georgia block in 2010 combined the money received from the Fund and conducted surveys on the block's behalf.<sup>44</sup>

TI Georgia attempted to place the expenses of parties in a single format based on the categories listed above. See *Tables 8-10 below*.<sup>45</sup>

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<sup>43</sup> The author's interview with the representatives of Georgia's Way, the Republican Party and the Conservative Party.

<sup>44</sup> The author's interview with Gigla Agulashvili, financial manager of the Georgia's Way party.

<sup>45</sup> For a clearer picture, see Figures 11-15 in the Annex Revenues of Parties in 2007-2009.



**Table 8: Party expenses in 2007-2009 (Part 1)**

Political Party	Salaries (2007)	Salaries (2008)	Salaries (2009)	Travel (2007)	Travel (2008)	Travel (2009)
New Rights	10 200.00	9 900.00	5 560.00	0.00	0.00	0.00
United National Movement	34 400.00	300 352.00	469 300.00	0.00	3 950.00	0.00
Conservative Party of Georgia	4 750.00	27 287.50	60 669.00	55 260.00	119 760.00	215 192.00
We Ourselves	Party had not been established	28 232.25	48 966.84	Party had not been established	9 603.00	1 511.00
Christian-Democrats	Party had not been established	84 400.00	578 266.00	Party had not been established	2 181.00	0.00
Industry Will Save Georgia	6 883.20	46 583.75	60 350.00	30 049.13	46 384.23	43 525.70
Republican Party of Georgia	45 741.00	49 535.00	57 812.00	495.00	0.00	0.00
Georgia's Way	Party had not been established	0.00	14 660.00	Party had not been established	0.00	18 496.65
People's Party	Party had not been established	5 493.00	6 840.00	Party had not been established	0.00	0.00

\* *Source: Party finance reports provided by the CEC.*

**Table 9: Party expenses in 2007-2009 (Part 2)**

Political Party	Office Expenses <sup>46</sup> (2007)	Office Expenses (2008)	Office Expenses (2009)	Taxes (2007)	Taxes (2008)	Taxes (2009)
New Rights	171 647.00	255 040.47	239 897.98	2 040.00	0.00	0.00
United National Movement	385 381.00	403 294.00	1 053 379.00	6 880.00	538 769.00	270 464.00
Conservative Party of Georgia	14 192.35	26 476.50	41 970.00	3 341.08	7 108.00	13 920.75
We Ourselves	Party had not been established	12 201.73	60 542.25	Party had not been established	0.00	0.00
Christian-Democrats	Party had not been established	358 480.00	76 649.20	Party had not been established	0.00	0.00
Industry Will Save Georgia	114 990.02	86 786.67	79 795.56	2 514.00	12 011.41	7 682.50
Republican Party of Georgia	86 595.00	165 495.00	241 272.00	3 590.00	17 058.00	21 419.00
Georgia's Way	Party had not been established	8 836.74	21 754.00	Party had not been established	0.00	3 590.00
People's Party	Party had not been established	20 782.50	28 170.00	Party had not been established	1 373.25	0.00

\* *Source: Party finance reports provided by the CEC.*

<sup>46</sup> Office expenses include: office rent/lease, stationery, repairs, transport, communication, etc.

**Table 10: Party expenses in 2007-2009 (Part 3)**

Political Party	Services <sup>47</sup> (2007)	Services (2008)	Services (2009)	Campaign Expenses (2007)	Campaign Expenses (2008)	Other Expenses <sup>48</sup> (2007)	Other Expenses (2008)	Other Expenses (2009)
New Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23 786.80
United National Movement	534 196.00	2 996 845.00	914 856.00	32 186 257.00	21 318 865.00	443 077.00	856 137.00	36 440.00
Conservative Party of Georgia	0.00	0.00	356.72	0.00	0.00	28 695.08	124 409.16	39 839.22
We Ourselves	Party had not been established	0.00	0.00	Party had not been established	0.00	Party had not been established	4 026.40	240.14
Christian-Democrats	Party had not been established	0.00	0.00	Party had not been established	693 717.00	Party had not been established	63 869.00	181 995.95
Industry Will Save Georgia	3 661.97	31 116.45	2 563.09	13 614.73	35 500.00	8 950.00	25 538.92	24 260.90
Republican Party of Georgia	11 783.00	6 148.00	10 045.00	11 093.00	10 000.00	5 221.00	3 440.00	98 484.00
Georgia's Way	Party had not been established	3 105.00	0.00	Party had not been established	0.00	Party had not been established	267.50	48 975.28
People's Party	Party had not been established	0.00	0.00	Party had not been established	0.00	Party had not been established	4 135.39	47 722.08

\* *Source: Party finance reports provided by the CEC.*

## Conclusion

The analysis of annual party finance reports identified a number of problems:

- Because there is no single template of accounting, reports from different parties are not uniform and it is difficult to compare and analyze them. Some parties divide their main expenses into four or five categories, while the reports submitted by others are more detailed and identify 10-15 types of expenses, providing a more comprehensive picture.
- There is no agency responsible for the monitoring of annual party finance reports. The CEC is only charged with gathering the information and has no authority of control. The numerous irregularities and inconsistencies identified by the analysis are therefore not addressed.
- Party revenues are mostly spent on election campaigns. For this reason, more money is transferred to the permanent accounts of parties before the elections than in non-electoral periods. The United National Movement's revenues are a clear example of this. Specifically, the party received most of the donations in late 2007 (during the campaign for the 5 January 2008 presidential election) and in 2008 (during the campaigns for the 5 January presidential election and 21 May parliamentary elections), while not receiving any revenue of this type in 2009 (a non-electoral year). This money is transferred to the campaign funds before elections and is spent without any control over its origin. At the same time, there is no upper limit of party donations. It is possible for the same individual or entity to donate in excess of the permissible amount to a party's permanent account and its campaign fund.<sup>49</sup>
- The question of raising donations through public events is controversial. There is hardly any party that has exercised this right. Some parties consider it dangerous since anonymous donations could be made at public events. Individuals prefer to make donations anonymously, especially when opposition parties are concerned. It is therefore difficult to control the donations. At the same time, donations raised through public events should not exceed

<sup>47</sup> Service expenses include: legal services, auditing services, non-electoral advertising services, banking services.

<sup>48</sup> "Other expenses" includes "other expenses" as indicated by the political parties, as well as: specific expenses of the fund (which New Right, the Christian-Democrats, the People's Party, the Conservative Party and the Republican Party had indicated separately), assistance, contract obligations and other unclassified expenses.

<sup>49</sup> For example, in 2008, a legal entity – JSC Transsheni (registered at 2 Dolidze St.) – donated GEL 100,000 to the campaign fund of United National Movement candidate Mikheil Saakashvili (the donation was made on 11 January, i.e. before the fund was closed). On 10 March of the same year, it donated GEL 75,000 to the United National Movement. A single legal entity thus donated a total of GEL 175,000 to the same electoral subject in a single year, which exceeds the limit established by the law.

GEL 30,000 per year. It is possible that someone will deliberately donate a larger amount of money at a public event, in which case the party would have to transfer it to the State Budget. The question of donations through public events is therefore irrelevant. For this reason, the aforementioned right is hardly ever exercised.

In order to resolve these problems, a uniform and comprehensive template of financial accounting needs to be introduced which would provide as much detail regarding different types of revenues and expenses as possible. At the same time, the law should identify an agency responsible for the oversight and monitoring of party financing that would exercise comprehensive control over their financial activities.

## Part 2

### Election Campaign Financing

Three elections were held in Georgia between 2008 and 2010: presidential on 5 January 2008, parliamentary on 21 May 2008 and local on 30 May 2010.<sup>50</sup> The issues of financing these election campaigns – both legislation and practice – are discussed below.

According to the electoral legislation, campaign fund<sup>51</sup> is the combination of an electoral subject's<sup>52</sup> financial resources and goods and services it received free of charge (calculated based on their market prices).<sup>53</sup> Any income that the electoral subject manages to generate during the campaign period is included in this fund. Money transferred to the campaign fund account and goods and services received by the electoral subject free of charge are considered electoral donations to the campaign fund.<sup>54</sup>

The Electoral Code of Georgia provides for a restriction whereby financial and material donations to the campaign fund must not exceed GEL 30,000 from an individual (including individual entrepreneur) and GEL 100,000 from a legal entity. This restriction does not apply to the donations that a party makes to its own campaign fund.<sup>55</sup> The Code prohibits donations to the fund from: foreign states, legal entities and individuals of foreign states, persons without citizenship, international organizations and movements, non-commercial legal entities, religious organizations, commercial legal entities in where the state owns a share.<sup>56</sup>

Upon the completion of the elections, electoral subjects submit campaign fund reports to the CEC. The report includes: audit report, information about donations, general and detailed expense report. The report is submitted in a template approved by the CEC.<sup>57</sup>

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<sup>50</sup> The full title of these elections is "30 May 2010 elections of local self-government representative bodies – Sakrebulo – and mayor of the capital of Georgia – the city of Tbilisi, and by-elections of Georgian Parliament."

<sup>51</sup> The Organic Law of Georgia the Georgian Electoral Code (2 August 2001, No 1047-rs; published in the Georgian Legislative Messenger, No 25, 22.08.2001), Article 46, Paragraph 1.

<sup>52</sup> A candidate for an office or the membership of a representative public body, a party, an electoral bloc or an initiative group registered by the corresponding electoral commission (The Organic Law of Georgia the Georgian Electoral Code, Article 3, Sup-Paragraph "h").

<sup>53</sup> The Organic Law of Georgia the Georgian Electoral Code, Article 46, Paragraphs 2, 7.

<sup>54</sup> The Organic Law of Georgia the Georgian Electoral Code, Article 47, Paragraph 1.

<sup>55</sup> The Organic Law of Georgia the Georgian Electoral Code, Article 47, Paragraphs 3<sup>1</sup>, 3<sup>3</sup>.

<sup>56</sup> The Organic Law of Georgia the Georgian Electoral Code, Article 47, Paragraph 5.

<sup>57</sup> Decree No 58/2003, issued by the Central Electoral Commission on 4 October 2003, [http://www.cec.gov.ge/index.php?lang\\_id=GEO&sec\\_id=62&info\\_id=6220](http://www.cec.gov.ge/index.php?lang_id=GEO&sec_id=62&info_id=6220). A sample accounting form is provided in Table 1 in the Annex "Election Campaign Expenditures Form approved by CEC".

Within five days from the announcement of the election date, the Financial Monitoring Group consisting of the representatives of the public, lawyers and licensed auditors is formed at the CEC. The group verifies the reports submitted to the CEC and issues corresponding conclusions.<sup>58</sup>

## 5 January 2008 Presidential Election

Seven electoral subjects participated in the 2008 presidential election:

1. Arkadi Patarkatsishvili (initiative group)
2. Giorgi Maisashvili (“Giorgi Maisashvili”)
3. Davit Gamkrelidze (New Rights)
4. Irina Sarishvili-Chanturia (initiative group)
5. Levan Gachechiladze (Freedom)<sup>59</sup>
6. Mikheil Saakashvili (United National Movement)
7. Shalva Natelashvili (Labour Party of Georgia)

This report covers financial data of the electoral subjects nominated by parties that acquired mandates in the 2010 local self-government elections. These are Davit Gamkrelidze, Levan Gachechiladze and Mikheil Saakashvili.

### Campaign Fund Revenue

During the presidential election, donations from legal entities were mainly received by the ruling party.<sup>60</sup> Mikheil Saakashvili’s campaign fund had almost twice as many donating individuals as the two other candidates combined. In the case of Davit Gamkrelidze, three fourths of donating individuals were party members, while the rest were from outside the party. *See Table 11.*

**Table 11. Number of donating individuals for the 2008 presidential election<sup>61</sup>**

Subject	Individuals	Of those – party members <sup>62</sup>	Legal entities	Party	Total
Davit Gamkrelidze	20	15	0	1	21
Levan Gachechiladze <sup>63</sup>	28	3 <sup>64</sup>	2	2	32
Mikheil Saakashvili <sup>65</sup>	108	N/A <sup>66</sup>	138 <sup>67</sup>	1	247

\* *Source: Party reports received from CEC*

<sup>58</sup> The Organic Law of Georgia the Georgian Electoral Code, Article 48, Paragraph 10<sup>1</sup>.

<sup>59</sup> The Freedom party was formally in charge of Levan Gachechiladze’s campaign fund, although the bloc that nominated Gachechiladze also included the Republican Party, Georgia’s Way, the Conservative Party and other opposition groups.

<sup>60</sup> The subject not discussed here faced similar situation as far as donations by legal entities are concerned.

<sup>61</sup> For a clearer picture, see Figures 16-17 in Annex on Number of Donors and Amount of Donations for 2008 Presidential Elections.

<sup>62</sup> Party members are highlighted among the physical persons that made donations. Parties are separated from the contributing legal entities.

<sup>63</sup> Levan Gachechiladze’s campaign fund report identified ten legal entities that had made donations, although eight of them were TV and radio broadcasters that carried free advertising that we was entitled to under the electoral law. We removed this information from the list since the law does not require its submission.

<sup>64</sup> It is possible that the number of party members among the physical persons that made donations to Levan Gachechiladze’s campaign was higher than indicated here. We were unable to obtain party lists from every party represented in the bloc that nominated Gachechiladze as candidate.

<sup>65</sup> Individual entrepreneurs are also listed among physical persons (individual entrepreneurs only made donations to Mikheil Saakashvili’s campaign fund. A total of ten such individuals donated different sums of money to his fund).

<sup>66</sup> Transparency International Georgia asked every political group to provide information identifying party members among the physical persons that had made donations. The United National Movement refused to provide this information, citing the fact that it was not required to do so under the electoral law. Other parties did not refuse to supply the information.

<sup>67</sup> Of the 138 legal entities, 41 (that donated a total of GEL 2,979,215 to the candidate) were large taxpayers as of 2010. Under the tax law, a large taxpayer is defined as a legal entity that meets the following criteria: a) the taxpayer’s annual turnover exceeds GEL 3 million; b) the amount to be paid by a taxpayer in taxes is at least GEL 150,000; c) an excise tax payer’s annual turnover exceeds GEL 1,5 million; d) the amount to be paid by a taxpayer in excise tax is at least GEL 100,00. The finance minister’s Order No 248 of 31 March 2010 “On Approving Charter of Legal Entity of Public Law – Revenue Service”, Article 20, Paragraph 2 (as of 31 December 2010).

The total amount of donations received by the two opposition candidates was less than GEL1 million; the donations received by Mikheil Saakashvili amount to approximately GEL 23 million (including GEL 12.7 million donated directly to the campaign fund and GEL 10.3 million received from the National Movement account). *See Table 12.*

**Table 12. Amount of donations for the 2008 presidential election by donor**

Subject	Individuals	Of those – party members <sup>68</sup>	Legal entities	Party	Total
David Gankrelidze	145 000.00	127 000.00	–	7 500.00	152 500.00
Levan Gachechiladze <sup>69</sup>	630 390.00	80 000.00	93 350.00	13 593.00	737 333.00
Mikheil Saakashvili	2 792 362.53	N/A <sup>70</sup>	9 895 800.00	10 297 955.82	22 986 118.35

\* *Source: Party reports received from CEC*

Of the amount that the ruling party subsequently transferred from its account to Mikheil Saakashvili's campaign fund, 89 percent was donations received by the party during the election period. If one looks at who donated money to the party in 2007-2008 (since the election was held in January 2008, the fund was established in October 2007 and was abolished on 25 January 2008), one will see that 239 out of 240 legal entities made their donations precisely during the election period. They donated a total of GEL 8,647,837, or 94 percent of all donations received by the party from legal entities in 2007. Therefore, in reality, Mikheil Saakashvili's election campaign was funded by 377 legal entities.

All (23) individuals also made their donations (GEL 279,597) to the party during the election period.

It is difficult to control the donations made to the campaign fund by parties since the identification of donors only becomes possible after parties prepare annual financial reports and submit them to the CEC. These reports have to be submitted by the end of January of the following year, while the information about campaign funds becomes public shortly after the elections.

Interestingly, donations to the campaign funds of some of the electoral subjects were made after the election (*see Table 13*). According to the parties,<sup>71</sup> this is done in order to finance the commitments<sup>72</sup> made by the campaign funds which no longer have sufficient resources to fulfil them. According to the opposition parties, such donations are mainly made by parties themselves or their members.

The ruling party received a particularly large amount of donations after the elections. Of the 138 donating legal entities, 83 (over 60 percent) made their donations after the elections: a few days before the campaign fund was closed.<sup>73</sup> In monetary terms, these donations made up almost 65 percent of the total amount received from legal entities.

<sup>68</sup> See footnote 62.

<sup>69</sup> According to the campaign finance report, Levan Gachechiladze's campaign fund received approximately GEL 6.860 million in revenue, although, from this amount, GEL 6.123 million was the value of free advertising time allocated according to the requirements of the law.

<sup>70</sup> See footnote 66.

<sup>71</sup> The author's interviews with Zurab Abashidze, general secretary of the Alliance for Georgia bloc; Gigla Agulashvili, representative of the Republican Party; and a representative of the United National Movement.

<sup>72</sup> As representatives of the opposition parties have explained, parties often make overly optimistic estimates and spend more (on advertising, rent of billboards, etc) than they eventually receive in donations.

<sup>73</sup> The ruling party received these donations 9-11 January. The deadline for the submission of campaign fund reports was 13 January. According to Article 48, Paragraph 6 of the Georgian Electoral Code, the electoral subjects that receive the number of votes determined by the law must present campaign finance reports to the electoral commission within eight days from the election day. The reports must indicate the origin of the money transferred to the campaign fund. An auditor's report must be attached.

**Table 13. Donations made after the 2008 presidential election**

Subject	Individuals	Of those – party members <sup>74</sup>	Legal entities	Party	Total
David Gamkrelidze	0	0	0	0	0
Levan Gachechiladze	4	0	0	0	4
Mikheil Saakashvili	37	N/A <sup>75</sup>	83	0	121

\* *Source: Party reports received from CEC*

The share of donations received from physical and legal persons after the election in the total amount of donations was as follows: Levan Gachechiladze – 14 percent, while Mikheil Saakashvili – 33 percent. *See Table 14.*

**Table 14. The amount of donations made after the 2008 presidential election by contributor**

Subject	Individuals	Of those – party members <sup>76</sup>	Legal entities	Party	Total
David Gamkrelidze	–	–	–	–	–
Levan Gachechiladze	101 990.00	–	–	–	101 990.00
Mikheil Saakashvili	1 248 800.00	N/A <sup>77</sup>	6 479 975.00	–	7 728 775.00

\* *Source: Party reports received from CEC*

A campaign fund must contain information about the type of donations that an electoral subject received: whether they were monetary or not. Some parties provide detailed information about the types of donations (office space rent and so on) but in most cases they only provided indications as to whether the donations were “monetary” or “non-monetary”. For example, the report of Levan Gachechiladze’s campaign fund stated: “office space”, “office services”, “various services”, while other candidates’ reports only said “non-monetary”.

Party donations were mainly monetary. Davit Gamkrelidze did not receive any non-monetary donations. Levan Gachechiladze received nine such donations, which amounted to just two percent of all donations. Mikheil Saakashvili received a total of four non-monetary donations that amounted to 15 percent of all donations. *See Tables 15 and 16.*

<sup>74</sup> See footnote 62.

<sup>75</sup> See footnote 66.

<sup>76</sup> See footnote 62.

<sup>77</sup> See footnote 66.

**Table 15. Monetary and non-monetary donations for 2008 presidential election by donor<sup>78</sup>**

Subject	Monetary (individuals)	Non-monetary (individuals)	Monetary (legal entities)	Non-monetary (legal entities)	Total
David					
Gamkrelidze	20	0	1	0	21
Levan					
Gachechiladze	22	6	1	3	32
Mikheil					
Saakashvili	108	0	136	4	248

\* *Source: Party reports received from CEC*

**Table 16. Amount of monetary and non-monetary donations made during 2008 presidential election**

Subject	Monetary (individuals)	Non-monetary (individuals)	Monetary (legal entities)	Non-monetary (legal entities)	Total
David					
Gamkrelidze	145 000.00	–	7 500.00	–	152 500.00
Levan					
Gachechiladze	627 990.00	2 400.00	93 200.00	13 743.00	737 733.00
Mikheil					
Saakashvili	2 792 362.53	–	16 689 685.93	3 504 069.89	22 986 118.35

\* *Source: Party reports received from CEC*

### Campaign Fund Expenses

Campaign fund reporting is done according to the template established by the CEC.<sup>79</sup> It turned out that the electoral subjects had different expense priorities (see Tables 17 and 18).<sup>80</sup>

Over 50 percent of Mikheil Saakashvili's expenses were on TV advertisement. The opposition candidates mainly used the free advertising time allocated under the law to air their campaign videos. This is why their advertising expenses were close to none. These candidates spent a large part of their resources on the remuneration of party members and activists and producing printed campaign materials.

**Table 17. Campaign fund expenses during the 2008 presidential election (Part 1)**

Political alliance	Remuneration	Campaign videos (incl. production)	Advertisement in print media and billboards (incl. production)	Mass events
David				
Gamkrelidze	0.00	14 852.00	10 000.00	13 212.94
Levan				
Gachechiladze	300 071.00	292 586.00	0.00	0.00
Mikheil				
Saakashvili	967 533.00	12 469 530.00	2 322 552.00	3 601 174.00

\* *Source: Party reports received from CEC*

<sup>78</sup> The list suggests that the number of contributors could be overstated since some physical persons/legal entities or parties might have made both types of donations, resulting in duplicated entries in the list (however, in most cases, the party would transfer money and also provide office space, which is a non-monetary donation).

<sup>79</sup> A sample accounting form is provided in Table 1 in the Annex "Election Campaign Expenditures Form approved by CEC".

<sup>80</sup> For details see Figure 18 in the Annex "2008 Presidential Election Expenditures".



Table 18. Campaign fund expenses during the 2008 presidential election (Part 2)

Political alliance	Production of print campaign material	Surveys, consultations	Other expenses	Capital expenses	Total expenses
David Gamkrelidze	38 773.00	0.00	73 058.07	0.00	149 896.01
Levan Gachechiladze	35 750.00	0.00	92 699.00	0.00	721 106.00
Mikheil Saakashvili	1 832 991.00	143 257.00	1 643 054.00	5 990.00	22 986 081.42

\* Source: Party reports received from CEC

“Other expenses” in campaign funds were much smaller than in annual financial reports. One of the possible reasons for this is the fact that a form for submitting campaign fund reports is established in advance and funds are distributed accordingly. In the case of annual reports, there is no approved form and, as a result, many expenses are aggregated into “other expenses” category. See Figures 5-7.

Figure 5. Distribution of expenses in Davit Gamkrelidze’s campaign fund

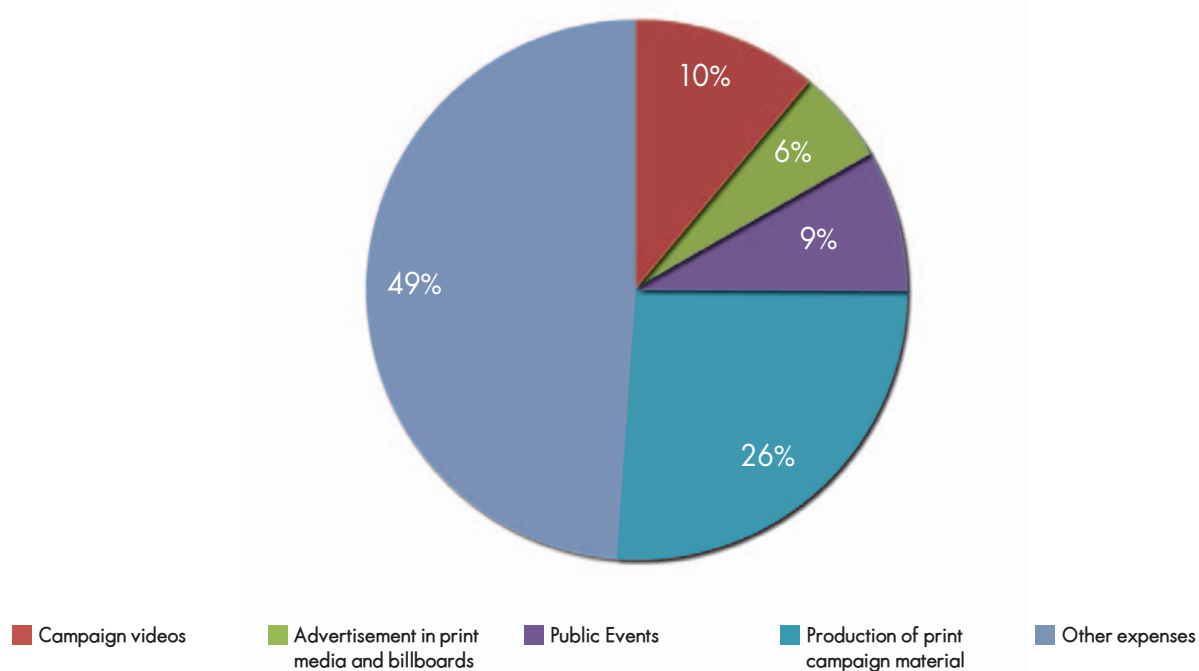


Figure 6. Distribution of expenses in Levan Gachechiladze's campaign fund

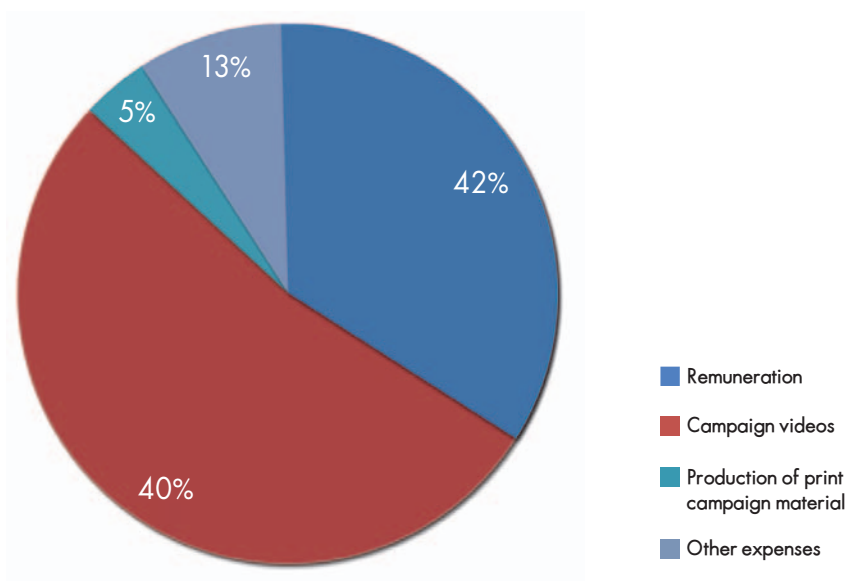
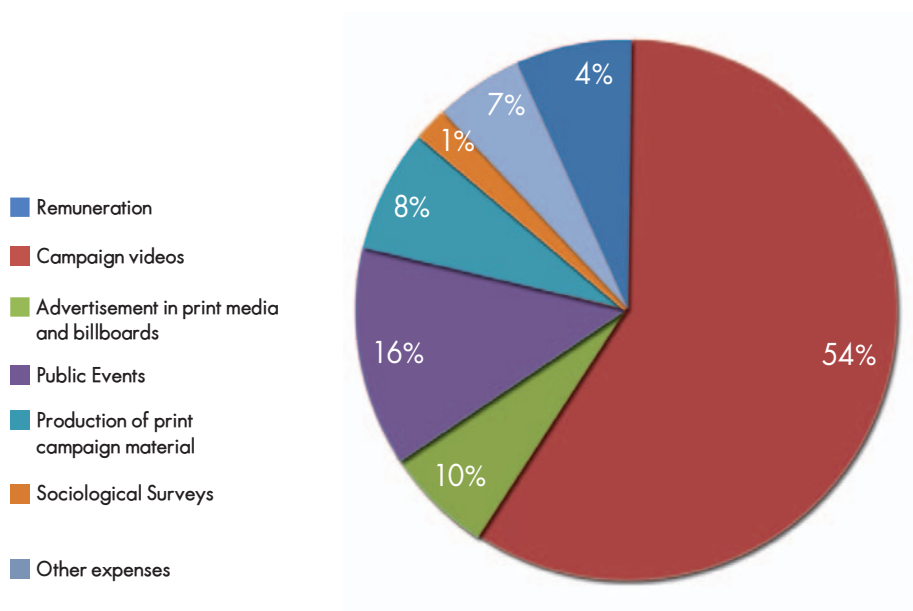


Figure 7. Distribution of expenses in Mikheil Saakashvili's campaign fund



### 21 May 2008 Parliamentary Election

Fourteen electoral subjects participated in the 21 May 2008 parliamentary election:

1. United Opposition bloc (National Council, New Rights)<sup>81</sup>
2. United National Movement
3. Freedom
4. Labour Party of Georgia
5. Movement for a United Georgia
6. Industry Will Save Georgia

<sup>81</sup> The United Opposition bloc included: New Rights, Freedom, Georgia's Way, We Ourselves, People's Party, Movement for a United Georgia, Kartuli Dasi, Georgian Forum.

7. Republican Party of Georgia
8. Sportsmen's Union
9. All-Georgia's National Party of Radical Democrats
10. Traditionalists - Our Georgia and Women's Party bloc
11. Georgian Politics
12. Christian-Democratic Movement
13. Christian-Democratic Alliance
14. Our Country

This report covers the issues of funding of only those electoral subjects that received mandates as a result of participating in the 2010 local self-government election. These are: the United Opposition bloc (National Council, New Rights); the United National Movement; Industry Will Save Georgia; the Republican Party of Georgia; the Christian-Democratic Movement.

### Campaign Fund Revenue

The structure of donors turned out to be different from party to party (*see Table 19*). During the parliamentary elections, the Republican Party had the largest number of individuals donating to the campaign fund (35 and almost half of them were members of the party), while the largest recipient of donations from legal entities (44) was, once again, the ruling party.

**Table 19. Number of donors for 2008 parliamentary election**

Political alliance	Individuals	Of those – party members <sup>82</sup>	Legal entities	Party	Total
United Opposition	24	15	0	0	24
United National Movement <sup>83</sup>	29	N/A <sup>84</sup>	44 <sup>85</sup>	1	74
Industry Will Save Georgia	6	1	2	1	10
Republican Party	35	16	5	1	41
Christian-Democratic Movement	13	8	0	0	20

\* *Source: Party reports received from CEC*

Opposition parties received a large share of their donations from individuals, while the ruling party received it from legal entities. The Republican Party of Georgia received relatively equal amount of donations from individuals and legal entities. Despite the fact that the largest number of individuals donated to the Republican Party, the United Opposition received a bigger amount from individual donations. At the same time, over 62 percent of donations received by the United Opposition from individuals were made by party members, while over 80 percent of donations received by the ruling party from legal entities constituted the funds transferred by the party. *See Table 20.*<sup>86</sup>

<sup>82</sup> See footnote 13.

<sup>83</sup> The United National Movement had omitted two legal entities in its list. For this reason, there is a discrepancy of GEL 150,000 between our data and that of the United National Movement. See on TI Georgia's website "United National Movement (2008 Parliamentary Elections - Donations from Legal Entities)".

<sup>84</sup> See footnote 66.

<sup>85</sup> Of the 44 legal entities, 41 (that donated a total of GEL 2,979,215 to the candidate) were large taxpayers as of 2010 (for explanation, see footnote 16).

<sup>86</sup> For a clearer picture, see Figures 19-20 in the Annex on Number of Donors and Amount of Donations for 2008 Parliament Elections.

**Table 20. Amount of donations for 2008 parliamentary election by donors**

Political alliance	Individuals	Of those – party members <sup>87</sup>	Legal entities	Party	Total
United Opposition	481 790.00	302 040.00	–	–	481 790.00
United National Movement	157 405.00	N/A <sup>88</sup>	2 287 427.00	9 496 965.68	11 941 797.68
Industry Will Save Georgia	43 013.00	11 000.00	14 650.00	46 784.45	104 447.45
Republican Party	329 998.44	136 804.36	301 760.00	50 626.31	682 384.75
Christian-Democratic Movement	241 569.40	180 234.40	–	–	241 569.40

\* *Source: Party reports received from CEC*

Compared with the previous elections (the presidential election), the United National Movement had fewer donors. The total amount of donations received by the opposition increased compared with the presidential election but, despite this, the ruling party's parliamentary election campaign fund was 17 times the size of the campaign fund of the next biggest recipient of donations (the Republican Party).

The ruling party transferred about four times as much to its own campaign fund as all of its other donors combined. In 2008, the party had 454 legal entity donors which donated about GEL 12 million to it. Of those 230 donated about GEL 6 million to the party between March<sup>89</sup> and June (when the campaign fund had already been established). During the same period, 40 individuals transferred GEL 558,000 to the campaign fund. A total of 52 individuals donated to the ruling party in 2008.

The donations made after the completion of the election and closing of the campaign funds amounted to the total of GEL 107,757<sup>90</sup>. The share of donations made after the election was as follows: the United Opposition – five percent, the Republican Party of Georgia – 11 percent, the Industry Will Save Georgia party – 28 percent. Other electoral subjects did not receive such donations. These donations were mostly made by members of the parties themselves.

Three political alliances received non-monetary donations.<sup>91</sup> The United National Movement received GEL 10,255 from two individuals and GEL 1.5 million from its own account. It was not specified in any of the cases what kind of services or goods the subject received. The Industry Will Save Georgia party received GEL 11,784 worth of non-monetary donations also from the party itself, specifically, in the form of office space and audit services. The Republican Party of Georgia received non-monetary donations from ten individuals, although it did not specify what kind of donations these were. Some of the donations received by the party from three legal entities were specified as follows: utilities, communication and information expenses, office rent and remuneration. The Republican Party of Georgia received GEL 56,264 worth of non-monetary donations from individuals and GEL 42,386 from legal entities.

### Campaign Fund Expenses

Similar to the previous (presidential) election, most of the funds spent during the run up to the parliamentary election were spent on advertisement.<sup>92</sup> Most of the opposition parties spent these funds on printed campaign materials, while the ruling party spent it on TV advertisements. Figures 8-12 present campaign fund expenses for each parties during this period.

<sup>87</sup> See footnote 62.

<sup>88</sup> See footnote 66.

<sup>89</sup> For detailed information, see on TI Georgia's website: "United National Movement (2008 Annual – Donations from Legal Entities)".

<sup>90</sup> For additional information, see Tables 2-3 in the Annex on Donors and Donation Amounts after 2008 May Parliament elections.

<sup>91</sup> For additional information, see Tables 4-5 in the Annex on Donors of and amounts of financial and non-financial donations on 2008 May Parliament.

<sup>92</sup> See Tables 6-7 in the Annex and Figure 21 in the Annex on 2008 May Parliament Election Campaign Expenditures.

Very small amounts are shown in the „remuneration”. A detailed analysis of expense report shows that parties put remuneration under *per diem* expenses. The likely reason for this is tax regulations; specifically, salaries are subject to 20 percent income tax, while *per diems*, if within the limits set by the Georgian finance minister (15 lari per day on the territory of Georgia)<sup>93</sup> – are not.

The amount of „other expenses” in the parliamentary election campaign funds is larger than it was during the presidential election. Such expenses amount to 41 percent of total expenses for the United Opposition, nine percent for the United National Movement, one percent for Industry Will Save Georgia, 72 percent for the Republican Party of Georgia and 66 percent for the Christian-Democratic Movement.

Figure 8. Break-down of expenses of the United Opposition in percentage shares

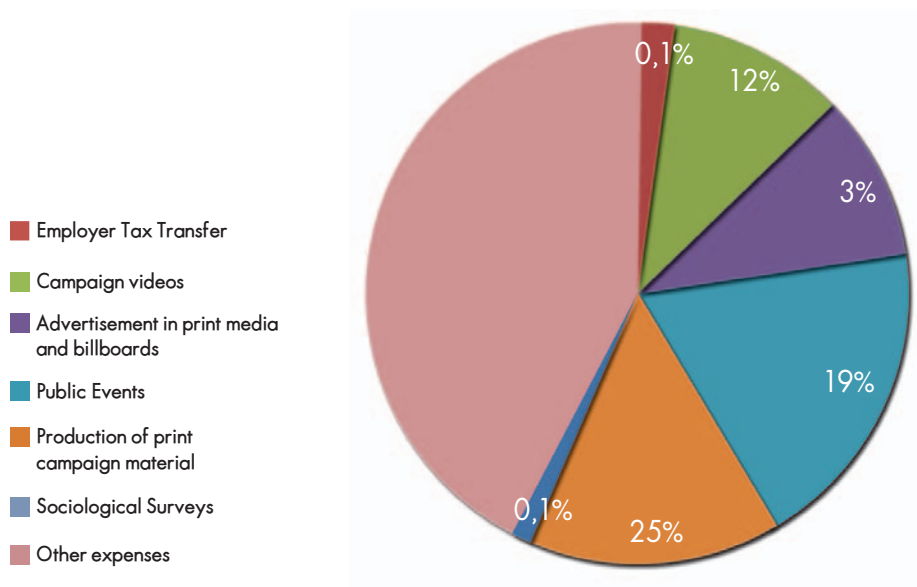
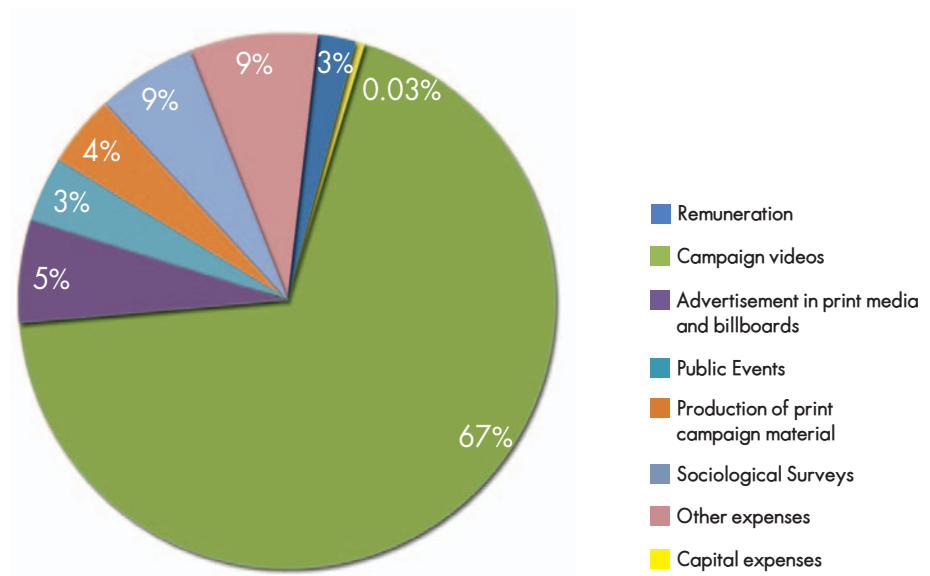


Figure 9. Break-down of expenses of the United National Movement in percentage shares



<sup>93</sup> See the finance minister's Order No 220 On Determining Pay Rates for Travel Expenses of Employees, 5 April 2005, Article 1, Sub-Paragraph "a".

Figure 10. Break-down of expenses of Industry Will Save Georgia in percentage shares

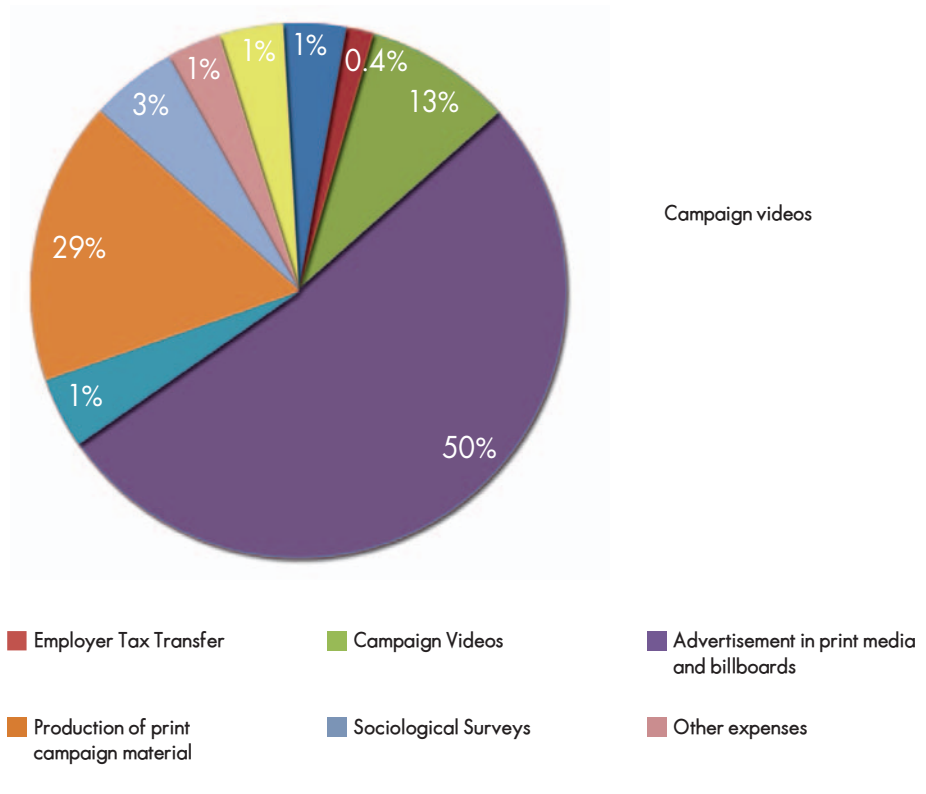


Figure 11. Break-down of expenses of the Christian-Democratic Movement in percentage shares

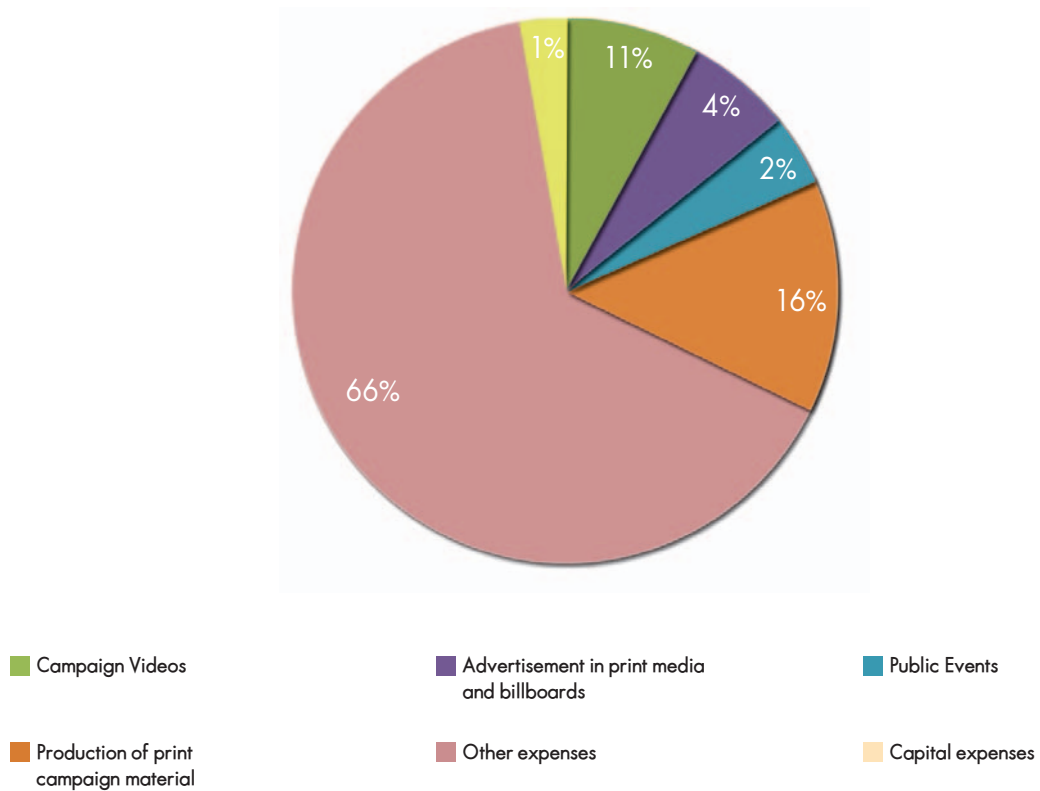
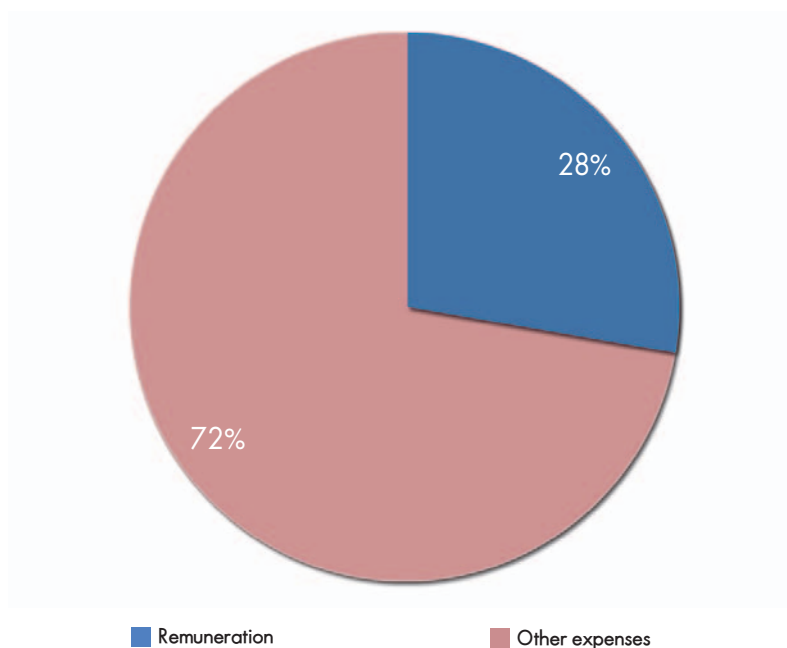


Figure 12. Break-down of expenses of the Republican Party in percentage shares.



### 30 May 2010 Local Self-Government Elections

The following electoral subjects participated in the 2010 local self-government elections:

1. Alliance for Georgia bloc (Irakli Alasania, Sozar Subari, Davit Usupashvili, Davit Gamkrelidze, Salome Zourabichvili)<sup>94</sup>
2. United National Movement
3. National Council bloc<sup>95</sup>
4. Freedom
5. Tortladze – Democratic Party
6. Topadze – Entrepreneurs<sup>96</sup>
7. Future Georgia
8. All-Georgia's National Party of Radical Democrats
9. Ivanishvili – People's Democrats
10. Solidarity
11. Georgian Sportsmen's Union
12. All-Georgian People's Alliance
13. Giorgi Targamadze, Inga Grigolia – Christian-Democratic Alliance bloc<sup>97</sup>
14. Our Country

<sup>94</sup> The bloc included: the Georgian Republican Party, New Rights, Our Georgia – Free Democrats, Georgia's Way.

<sup>95</sup> The bloc included: the Georgian Conservative Party, the People's Party, the Movement for a United Georgia.

<sup>96</sup> Industry Will Save Georgia participated in the 2010 elections as "Topadze – Industrialists". It is referred to as Industry Will Save Georgia throughout this report.

<sup>97</sup> The bloc included: the Christian-Democratic Movement, We Ourselves, the Christian-Democratic People's Party. The Christian-Democratic Movement was in charge of financial reporting, which is the reason why it is mentioned in the text.

As a result of the election, mandates were acquired by:

1. Alliance for Georgia bloc
2. United National Movement
3. Topadze – Entrepreneurs
4. Giorgi Targamadze, Inga Grigolia – Christian-Democratic Alliance bloc

### Campaign Fund Revenue

Unlike both elections of 2008, the ruling party (just like the opposition) did not receive too many donations to the campaign fund from legal entities during the local self-government elections of 2010. Opposition parties received a lot more donations from individuals than did the ruling party. There were fewer party members among donating individuals than during both of the previous elections. The Alliance for Georgia and the National Council received no donations from legal entities at all. See *Tables 21-22*.<sup>98</sup>

**Table 21. Number of donors for the 2010 local self-government election**

Political alliance	Individuals	Of those – party members <sup>99</sup>	Legal entities	Party	Total
Alliance for Georgia	70	8	0	3	73
United National Movement	2	N/A <sup>100</sup>	9 <sup>101</sup>	1	12
National Council	3	1	0	1	4
Industry Will Save Georgia	5	0	9 <sup>102</sup>	1	15
Christian-Democratic Movement	16	0	4 <sup>103</sup>	0	20

\* *Source: Party reports received from CEC*

The amount of donations made by individuals was quite small. The ruling party received a smaller amount of donations from legal entities than did Industry Will Save Georgia. However, in terms of campaign funding allocated by the party itself, the National Movement is leading the same way it did during the two previous elections. The ruling party donated GEL 13.5 million to its campaign fund, which constituted 96 percent of all donations. See *Table 22*.

<sup>98</sup> For a cleared picture, see Figures 22-23 in the Annex. on Number of Donors and Amount of Donations for 2010 Local Elections.

<sup>99</sup> See footnote 62.

<sup>100</sup> See footnote 66.

<sup>101</sup> Of the nine legal entities, five (that donated to the candidate a total of GEL 310,000) qualified as large taxpayers as of 2010. (for an explanation, see footnote 67)

<sup>102</sup> Of the nine legal entities, four (that donated to the candidate a total of GEL 400,000) qualified as large taxpayers as of 2010. (for an explanation, see footnote 67)

<sup>103</sup> Of the nine legal entities, two (that donated to the candidate a total of GEL 200,000) qualified as large taxpayers as of 2010. (for an explanation, see footnote 67)



**Table 22. Amount of donations for the 2010 local self-government elections.**

Political alliance	Individuals	Of those – party members	Legal entities	Party	Total
Alliance for Georgia	116 445.39	17 937.00	–	13 000.00	147 382.39
United National Movement	523.00	N/A <sup>104</sup>	600 000.00	13 512 888.80	14 113 411.80
National Council	58 895.00	22 528.50	–	94 985.00	176 408.50
Industry Will Save Georgia	101 177.00	–	849 930.00	7 000.00	958 107.00
Christian-Democratic Movement	246 631.00	–	400 000.00	–	646 631.00

\* *Source: Party reports received from CEC*

According to the annual financial reports, in 2009, only two parties, aside from the United National Movement, received donations: the Conservative Party (GEL 17,345) and the Christian-Democratic Movement (GEL 38,778). This is why, obviously, transfers that the parties made to campaign funds for the 2010 election were either from the remains of the funding received from the state budget in 2009 or funding received in 2010 (funds received from the budget and/or donations made by individuals and legal entities in 2010). Member parties of the Alliance for Georgia bloc said that the amount in question was part of the annual funding, including the amount received from the legal entity of public law (LEPL) – “Center of Electoral Systems Development, Reforms and Trainings”.<sup>105</sup> In the case of the National Council, a large part of donations came from the Movement for United Georgia political alliance. According to the party, this amount was mainly donated to the political alliance by its own members and it was then given to the campaign fund.<sup>106</sup> Representatives of Industry Will Save Georgia party also confirmed that the funds were donated by the party members.<sup>107</sup>

Transparency International Georgia acquired this information by interviewing party representatives. Additionally, it also asked the parties to present relevant documents. Specifically, Transparency International Georgia wanted to know where the money transferred to party campaign funds came from, what the exact amount of donations received in 2010 was and how many of the donating individuals were party members. Only the United National Movement refused to provide this information, citing the fact that the law did not require it to make such information public until February 2011. The letter sent by the party said: “As stipulated by Part 6 of Article 48 of the Georgian Electoral Code, the campaign fund of a political alliance submits to the Central Electoral Commission the report on the resources used for elections specifying the monetary transfers made to the fund in accordance with the form established by the CEC order”.<sup>108</sup> Correspondingly, the information became available<sup>109</sup> only in early February 2011.<sup>110</sup>

All electoral subjects except Industry Will Save Georgia political alliance received donations after the election. Such donations amounted to 18 percent of funds for the Alliance for Georgia bloc (nearly half was donated by party members), four percent for the United National Movement, 0.3 percent for the National Council (all donations were made by the party members) and ten percent for the Christian-Democratic Movement.<sup>111</sup>

<sup>104</sup> See footnote 66.

<sup>105</sup> The author’s interviews with Gigla Agulashvili, finance manager of the Republican Party, and Zurab Abashidze, general secretary of the Alliance for Georgia bloc.

<sup>106</sup> The author’s interview with the National Council representatives.

<sup>107</sup> The author’s interview with representatives of the Industry Will Save Georgia party.

<sup>108</sup> Letter No 02/1913, received from the United National Movement on 17 June 2010.

<sup>109</sup> The information about the contributors of political parties in 2010 is provided in the following sub-section: Donations to Political Parties Accounts in 2010.

<sup>110</sup> The Organic Law of Georgia On Political Unions of Citizens, Articles 32-33.

<sup>111</sup> For detailed information, see Tables 8-9 in the Annex on Donors and Donation Amounts after 2010 Local elections. <http://www.maestro.ge/?address=kviris5&id=3032&page=2>

## Donations to Political Party Accounts in 2010

Finance reports of political parties for 2010 were published in February 2011. An analysis of these reports showed that the United National Movement, the Georgian Republican Party, the Georgian Conservative Party and the Christian-Democratic Movement all received donations from physical persons in 2010. Of these parties, the Conservative Party received the smallest amount in donations: GEL 7,000. The identity of contributors is not provided in the report. The Republican Party received GEL 30,400 and all contributors were physical persons. No physical person donated more than GEL 4,000. Only the United National Movement and the Christian-Democratic Movement received donations from legal entities in 2010. The latter only received money (40,000) from one legal entity: LLC Schirnhoffer.

Transparency International Georgia checked the identity of several physical persons. The organization selected the individuals who had donated between GEL 20,000 and GEL 30,000 to political parties. Five of the 12 contributors were not home and their families did not know anything about the donations. In some cases, they said that the families did not have sufficient income to donate money to any political party. In four cases, no one was home. In two cases, the contributors were not registered at the addresses provided in the reports and the neighbours could not verify their identity either. Consequently, only one of the contributors visited by Transparency International Georgia confirmed having donated money to the ruling party.

Journalists also checked information regarding several individuals.<sup>112</sup> Two persons denied that they had donated money, while another one said that he had made the donation on someone else's request. The spouse of one of the contributors said that he had donated someone else's money on that person's request. See *Table 23*.

**Table 23. Visited individuals who had made donations**

Nº	First name, last name	Address	Recipient party	Amount (GEL)	Note
1	Roman Kokoladze	Tbilisi, D. Duramishvili St. 15 <sup>a</sup> , Apartment 7	United National Movement	30 000.00	R. Kokoladze does not live at this address, although he owns the apartment.
2	Lela Simsive	Tbilisi, D. Duramishvili St. 15 <sup>a</sup> , Apartment 12	United National Movement	30 000.00	There was no one at the address.
3	Tengiz Gamqrelidze	Tbilisi, V. Beridze St. #3/3	United National Movement	30 000.00	T. Gamqrelidze was not at home. His spouse said that she did not know anything about the donation.
4	Zurab Abramia	Tbilisi, Batumi St. 5, Apartment 36	United National Movement	30 000.00	There are was no one at the address. Neighbors confirmed that Z. Abramia does live there.
5	Vakhtang Arsenadze	Tbilisi, Sanzona, Building 25, Apartment 85	United National Movement	30 000.00	There was no one at the address.
6	Zurab Mazmishvili	Tbilisi, Gldanis Khevi, Building 10, Apartment 74	United National Movement	30 000.00	Z. Mazmishvili does not live at this address. The apartment is neither is actual place of residence, nor his property. According to the tenants, Mazmishvili did not live there before either.

<sup>112</sup> Studio GNS and Nana Lezhava, *Kviris Reportazhi* (06/03/11), <http://www.maestro.ge/?address=kviris5&id=3032&page=2>

Nº	First name, last name	Address	Receipient party	Amount (GEL)	Note
7	Paata Nozadze	Tbilisi, Buachidze St. 18, Apartment 9	United National Movement	10 000.00	Nozadze was not at home. His spouse said that she did not know anything about the donation, although she considered it possible that her husband made the transfer as part of his job.
8	Aleksandre Kishmareia	Batumi, Abashidze St. 116	United National Movement	20 000.00	A. Kishmareia confirmed that he had made the donation.
9	Tamar Gejadze	Tbilisi, Gogasheni St. 21	United National Movement	30 000.00	T. Gejadze no longer lives at this address (she got married). Her mother confirmed that she had made the transfer, although she did not know the exact amount.
10	Individual entrepreneur Otar Shamugia	Tbilisi, E. Pipia and V. Pipia St. (Voronin Alley) 9	United National Movement	30 000.00	O. Shamugia could not be found at this address. None of the neighbors had heard of him.
11	Gia Targamadze	Tbilisi, Gldani, 2nd Microdistrict, Building 24, Apartment 55	Christian-Democratic Movement	23 000.00	G. Targamadze was not at home. A family member confirmed that Targamadze was a member of the Christian-Democratic Movement, although the family member did not know anything about the donation.
12	Khatuna Sikharulidze	Tbilisi, Sanzona, Building 1-3, Apartment 27	Christian-Democratic Movement	17 300.00	Kh. Sikharulidze was not at home. Her husband did not know anything about the donation. Given the family's income, he ruled out the possibility that she would have donated this amount.
13	Giorgi Chankvetadze	Tbilisi, Mukhiani, 1st Microdistrict, Building 4, Apartment 77	United National Movement	20 000.00	According to Nana Lezhava's TV report, <sup>113</sup> G. Chankvetadze denied that he had made a donation to the United National Movement. He is a driver and did not have this kind of money to donate.

<sup>113</sup> Ibid.

Nº	First name, last name	Address	Receipient party	Amount (GEL)	Note
14	Levan Soziashvili	Tbilisi, Mukhiani 1st Microdistrict, Building 4, Apartment 7	United National Movement	20 000.00	Accoding to Nana Lezhava's TV report, <sup>114</sup> L. Soziashvili denied donating money to the United National Movement. According to his spouse, the family's annual income is less than GEL 20,000.
15	Inidividual entrepreneur Leri Geladze	Mtskheta, Saguramo Village	United National Movement	5 000.00	Accoding to Nana Lezhava's TV report, <sup>115</sup> L.Geladze's spouse said that Geladze had donated someone else's money to the United National Movement on the person's request.
16	Zviad Mokhevishvili	Mtskheta, Misaktsieli Village	United National Movement	30 000.00	Accoding to Nana Lezhava's TV report, <sup>116</sup> Z. Mokhevishvili confirmed donating money to the United National Movement.
17	Dariko Mkheidze	Kutaisi, Nikea St. 20, Apartment 33	United National Movement	25 000.00	Accoding to Nana Lezhava's TV report, <sup>117</sup> D. Mkheidze, who is the chief accountant of the Komforti construction company, <sup>118</sup> transferred money to the ruling party's account on Besik Bregadze's request, who is the director and 100-percent shareholder of the company. The latter is a member of the Kutaisi City Council from the United National Movement.

An analysis of 388 legal entities that had donated money to the United National Movement showed that companies had same founders in 60 cases. For example, the Aversi Ratsionali and Aversi Pharma companies donated a total of GEL 200,000 to the ruling party. The two companies have the same founders: Paata Kurtanidze and Nikoloz Kurtanidze. The Tegeta Truck and Bus, Tegeta Construction Equipment, Tegeta Logistics, Tegeta Motors, and Tegeta Motors Kutaisi companies donated a total of GEL 500,000 to the United National Movement. Three of these companies have the same founder – Temur Kokhodze – who is also among the shareholders of the other two companies. The same was the

<sup>114</sup> Ibid.

<sup>115</sup> Ibid.

<sup>116</sup> Ibid.

<sup>117</sup> Ibid.

<sup>118</sup> Legal entity Komforti made donations to the ruling party during almost every election. In 2010, the company donated GEL 36,500 to the United National Movement.

case of the Jaokeni and Jaokeni Motors companies, both of which were founded by Jemal Jaoshvili, Tamaz Kenchadze and Ioseb Jaoshvili. They donated a total of GEL 200,000 to the ruling party.

The law prohibits donations exceeding GEL 100,000 from a single legal entity but does not regulate the cases when several legal entities have the same owner, who donates more than GEL 100,000 through several companies without violating the law.

### Non-Monetary Donations

Similar to the two previous elections, non-monetary donations were made for the 2010 local self-government election as well. Several legal entities purchased advertisement time from various TV channels for Industry Will Save Georgia and the Christian-Democratic Movement.<sup>119</sup> Almost one-fourth of the donations made by individuals to the Alliance for Georgia were non-monetary (making a banner, renting office space, printing flyers, making T-shirts, publishing campaign materials, creating a website and so on). Other opposition parties received either a negligible amount in non-monetary donations or did not receive them at all.<sup>120</sup>

### Campaign Fund Expenses

Several electoral subjects spent a large part of their funds on advertising, specifically: the Alliance for Georgia bloc – 28 percent; the United National Movement – 72 percent; and the Christian-Democratic Movement – 61 percent. The National Council spent only 3 percent of the entire revenue on advertising. The Industry Will Save Georgia political alliance did not spend anything from the campaign fund on advertising but received GEL 400,000 worth of advertising time as a non-monetary donation, which constituted 192 percent of its total expenses.<sup>121</sup>

Most of the opposition parties spent more on printed campaign materials than on TV advertisement. Specifically, the Alliance for Georgia bloc spent 58 percent of its funds, while the National Council spent 57 percent on the production of print campaign materials.

Similarly to the two previous elections, a very small amount was spent on remuneration during these elections too, while the amount spent on *per diems* was not large either. The share of “other expenses” varies for different electoral subjects. Such expenses for the Alliance for Georgia bloc amounted to one percent, for the United National Movement they constituted eight percent, for the Christian-Democratic Movement – ten percent, for the National Council – 40 percent and for Industry Will Save Georgia – 69 percent.<sup>122</sup> The United National Movement had the largest share in “other expenses” – over GEL 1 million; in the rest of the cases the amount did not exceed GEL 150,000. Specifically, it was GEL 2,020 for the Alliance for Georgia bloc, GEL 103,417 for the National Council, GEL 143,330 for Industry Will Save Georgia and GEL 70,187 for the Christian-Democratic Movement.

Overall, the parties allocated their expenses as follows:

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<sup>119</sup> Detailed information is available on the website: “Christian-Democratic Movement (2010 Local Governmental Elections - Donations from Legal Entities)” and “Industry Will Save Georgia (2010 Local Governmental Elections – Donations from Legal Entities)”.

<sup>120</sup> For a clearer picture, see Tables 10-11 in the Annex on Donors of and amounts of financial and non-financial donations on 2010 May Local Elections.

<sup>121</sup> Total expenses of the Industry Will Save Georgia party amounted to GEL 208,000. Since the party itself did not spend any money on advertising, no such expenses were included in the report. If the value of advertising (GEL 400,000) were added to the expenses, it would amount to 66 percent of the total expenses.

<sup>122</sup> The campaign fund report of the Industry Will Save Georgia party contained an error. Specifically, “other goods and services” (which include several types of expenses) were not listed separately. However, both the auditor and the Financial Monitoring Group failed to notice this. Transparency International Georgia added the corresponding amount to other expenses since it was impossible to add it to any other type of expenses.

Figure 13. Expense distribution for the Alliance for Georgia (percentage shares)

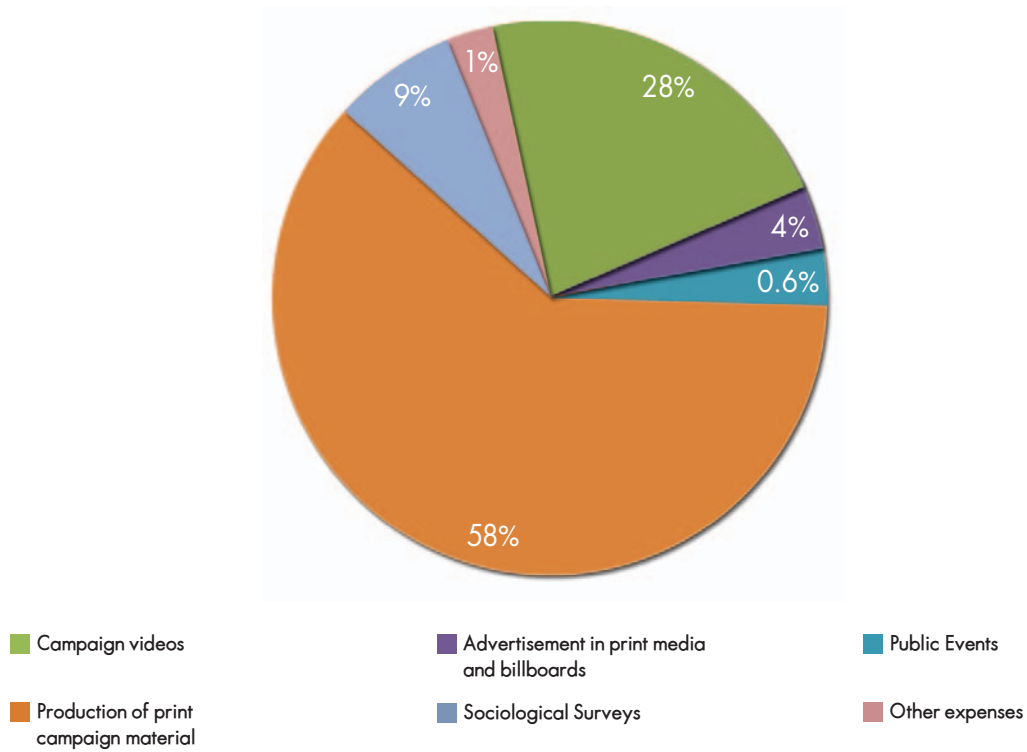


Figure 14. Expense distribution for the United National Movement (percentage shares)

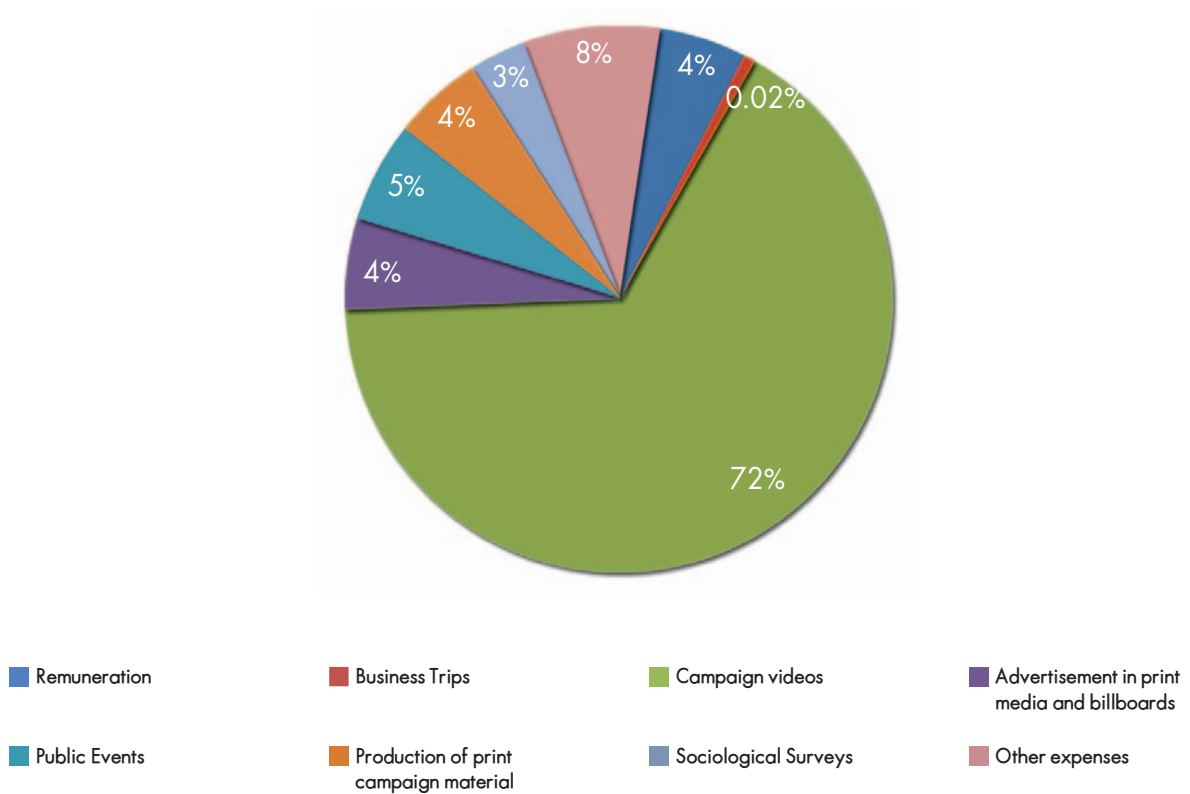


Figure 15. Expense distribution for the National Council (percentage shares)

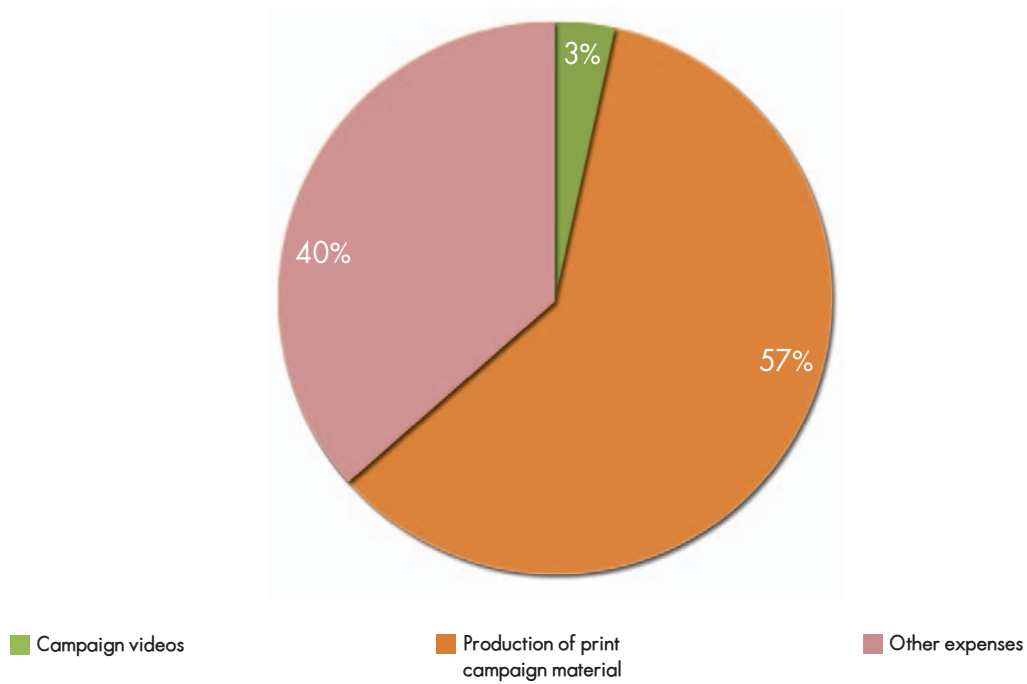


Figure 16. Expense distribution for Industry Will Save Georgia (percentage shares)

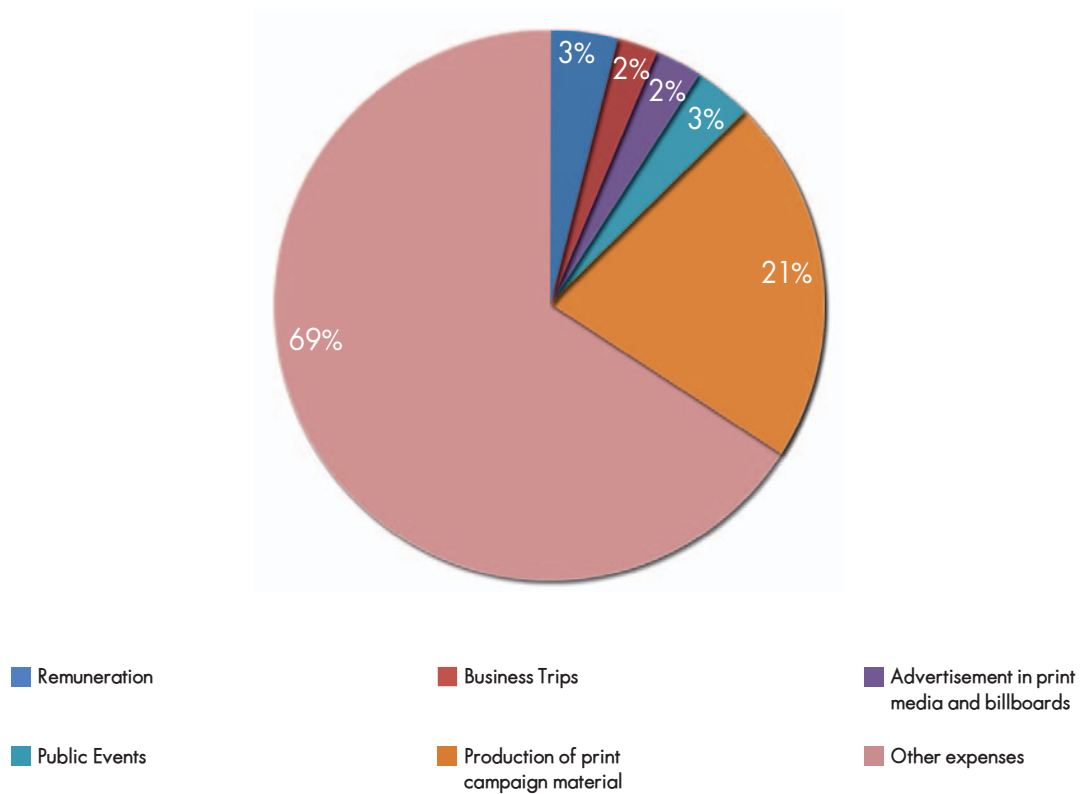
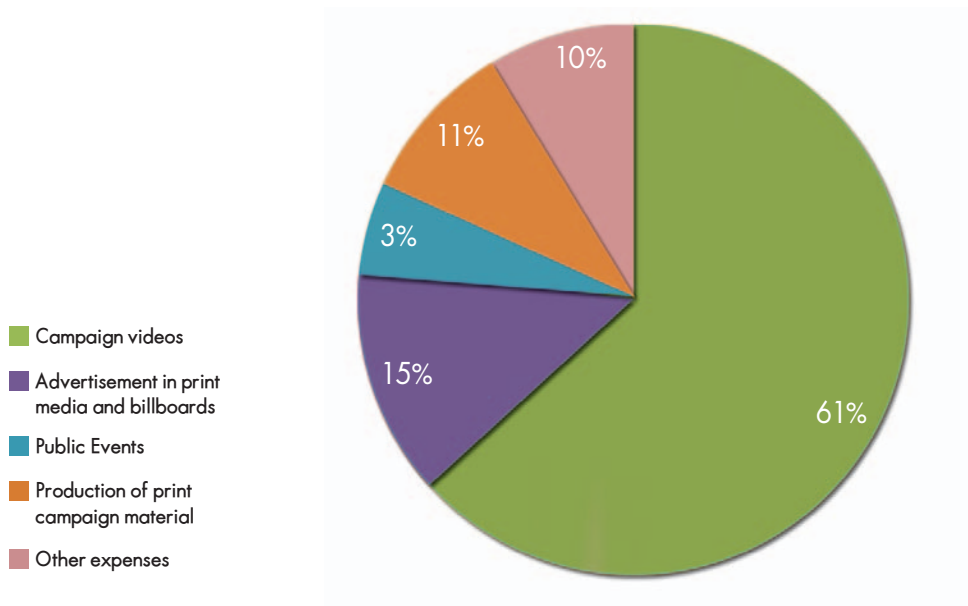


Figure 17. Expense distribution for the Christian-Democratic Movement (percentage shares)



### Involvement of Contributing Legal Entities in Public Procurement

Transparency International Georgia tried to determine whether there was any link between the donations made by companies to political parties before elections and their winning bids in public procurement. For this purpose, it was necessary to obtain information about all legal entities that donated money to political parties in 2007-2010 and also received state money through participation in public procurement.

The organization addressed the State Procurement Agency, in order to obtain information about the companies that had won public procurement contracts. However, the Agency did not have this information in a unified database,<sup>123</sup> while the analysis of primary documents would have required large amounts of time and human resources.

For this reason, Transparency International Georgia contacted the 27 largest procuring public agencies<sup>124</sup> and requested the lists of legal entities that had won public procurement contracts in 2007-2010. Only 19 procuring agencies provided the information.<sup>125</sup> Some of them only provided information about the companies contracted through price quotation and tenders (rather than single-source procurement), while eight agencies did not respond to the request at all.<sup>126</sup>

The documents provided by 19 procuring agencies contained information about thousands of legal entities that had won contracts. Transparency International Georgia only processed information about the contributors which had received over GEL 50,000 through procurement and also donated money to a political party during the same period of time. There were 45 such companies. All of these legal entities, except for one, had only donated money to the ruling party. The only exception was JSC Transmsheni which donated more than the allowed maximum amount to the United

<sup>123</sup> The information was stored in thousands of boxes in several rooms of the State Procurement Agency's office and was not systematized.

<sup>124</sup> There are 3,500-4,000 procuring public organizations in Georgia, including ministries and their subordinate agencies, theaters, universities, public schools, kindergartens and local self-government bodies.

<sup>125</sup> These organizations include: the Rustavi Mayor's Office; the Poti Mayor's Office; the Office of the Georgian Minister of State for Reintegration; the Office of the Georgian Minister of State for Diaspora Affairs; the Office of the Georgian Minister of State for European and Euro-Atlantic Integration Affairs; the National Bank of Georgia; the Georgian Ministry of Prisons, Probation and Legal Assistance; the Foreign Affairs Ministry; the Ministry of Labor, Health and Social Protection; the Finance Ministry; the Ministry of Environment Protection and Natural Resources; the Ministry of Energy; the Ministry of Economy and Sustained Development; the Ministry of Culture and Protection of Monuments; the Georgian Chamber of Control; the Georgian President's Administration; the Government of the Autonomous Republic of Ajaria; the Government of the Autonomous Republic of Abkhazia.

<sup>126</sup> These agencies include: the Georgian Ministry of Refugees and Accommodation; the Ministry of Internal Affairs; the Ministry of Justice; the Ministry of Defense; the Ministry of Agriculture; the Kutaisi Mayor's Office; the Tbilisi Mayor's Office; the Batumi Mayor's Office.



National Movement in 2008 (GEL 175,000),<sup>127</sup> while also donating GEL 50,000 to the campaign fund of the Industry Will Save Georgia party in 2010.<sup>128</sup> See Table 24.<sup>129</sup>

**Table 24. Legal entities that received revenues through public procurement in 2007-2010 and also made campaign donations**

Nº	Type	Name	Legal address	Amount donated in 2007-2010 (GEL)	Total amount received from public procurement in 2007-2010 (GEL) <sup>130</sup>
1	LLC	Aversi Pharma	Tbilisi, Davit Aghmashenebeli Avenue	148 200 000.00	823 997.46
2	LLC	Algoritmi	Tbilisi, Nutsbidze 1st Microdistrict, Building 3, Apartment 27	50 000.00	220 271.76
3	LLC	Aliansi	Tbilisi, Kavtaradze 25, Building 1, Apartment 81	30 000.00	2 037 178.62
4	LLC	Alta	Tbilisi, Saburtalo St. 35	65 000.00	356 696.88
5	LLC	Arsi	Tbilisi, Abuladze St. 21	50 000.00	237 278.95
6	LLC	Akhali Mtvare	Tbilisi, Tsereteli Avenue 126	130 000.00	899 292.81
7	LLC	Baz-Plastiki	Batumi, Gudishvili St. 28	25 000.00	199 100.00
8	LLC	Geografiki	Tbilisi, Gamsakhurdia Avenue 27	30 000.00	194 651.47
9	LLC	Geolori	Sagarejo District, Patardzeuli village	15 000.00	1 309 990.27
10	LLC	Gzamsheni-4	Tbilisi, Rustavi Highway 247	70 000.00	2 482 463.49
11	JSC	Gzis Mshenebeli 11	Samgori District, Lilo Station	70 000.00	3 283 588.89
12	JSC	Global Erti	Tbilisi, Kedia St. 4	40 000.00	868 539.72
13	LLC	Daviti	Tbilisi, Asatiani St. 40	10 000.00	450 805.70
14	LLC	Esabi	Tbilisi, Shavteli St. 5/7	20 000.00	2 334 091.13
15	LLC	Vanti	Gardabani Highway 42	20 000.00	624 797.00
16	LLC	Veli	Batumi, Qazbegi St. 15	40 000.00	222 044.00
17	LLC	Tbili Sakhli	Tbilisi, Kostava St. 75	100 000.00	800 446.73
18	JSC	Tbilisi Monolitmsheni	Tbilisi, Tsereteli Avenue 57	10 000.00	360 860.88
19	LLC	Tegeta Motors	Tbilisi, Dighomi District, Block 6, Building 22b	70 000.00	384 249.00
20	LLC	UGT	Tbilisi, Chavchavadze Avenue 26	5 000.00	9 750 751.59
21	LLC	Mshenservisi	Tbilisi, Poti St. 45	30 000.00	472 776.00
22	LLC	New Energy	Tbilisi, Chavchavadze Avenue 74	30 000.00	3 182 000.00
23	LLC	Nova	Tbilisi, Dighomi District, Block 2, Building 9a	70 000.00	1 328 642.00
24	LLC	Ornamenti	Tbilisi, Pipia St. 12	40 000.00	387 224.61
25	JSC	Populi	Tbilisi, B. Khmelnitski St. 48, Building 5	100 000.00	99 000.00
26	LLC	PSP Pharma	Dmanisi District, Tsurtaveli St. 54	200 000.00	141 044.49
27	JSC	Algagi BCI Insurance Companu	Tbilisi, Chavchavadze Avenue 62	75 000.00	122 789.37
28	LLC	Samsheneblo Tresti No 2	Tbilisi, Agladze St. 26	40 000.00	857 702.00
29	LLC	Sarke Consulting	Tbilisi, Kostava St. 54	114 837.00	745 906.83
30	JSC	Sakenergo-Remonti	Lanchkhuti District, Shukhuti village	35 000.00	3 980 291.00

<sup>127</sup> For further information, see footnote 49.

<sup>128</sup> JSC Transmsheni is a construction company that is currently building a customs office in Sarpi, several schools in the regions and a railroad line in Poti. It has carried out the following projects recently: the railroad station at the Tbilisi Airport, the central railroad station in Tbilisi, the Lokomotivi stadium in Tbilisi, the railroad station in Borjomi, the railroad station in Ureki and others.

<sup>129</sup> A detailed table with year on year data is available on the website: "Donor Legal Entities that received revenues through public procurement".

<sup>130</sup> In some cases, the money received from public procurement includes sums in USD. We calculated average exchange rate to provide total amount in GEL only: 2008 average rate 1 USD – 1.49 GEL, average rate 1 USD – 1.67 GEL, 2010 average rate 1 USD – 1.79 GEL.

31	JSC	People's Bank	Tbilisi, Chavchavadze Avenue 74	37 000.00	510 665.00
32	LLC	Serviskomi	Tbilisi, Gamsakhurdia Avenue 24	100 000.00	82 839.00
33	LLC	SSG Iberie	Tbilisi, Paster St. 1a	35 000.00	95 437.14
34	LLC	T.T.	Tbilisi, Kindzmarauli St. 13a	15 000.00	1 232 643.76
35	LLC	Toyota Center Tbilisi	Tbilisi, Davit Aghmashenebeli Alley, 20th km	100 000.00	2 515 426.26
36	JSC	Transsheni <sup>131</sup>	Tbilisi, Dolidze St. 2	225 000.00	60 081.55
37	JSC	Universali	Tbilisi, Eristavi St. 2	10 000.00	426 496.00
38	JSC	Universal-Servisi	Tbilisi, Agladze St. 37	8 000.00	203 000.00
39	LLC	Peri	Tbilisi, Chachava St. 8	40 000.00	847 815.00
40	LLC	Geocell	Tbilisi, Gotua St. 3	100 000.00	1 459 656.43
41	LLC	Jesco Group	Tbilisi, Chavchavadze Avenue 50	10 000.00	666 170.37
42	JSC	G and G	Tbilisi, Krilov St. 10	30 000.00	138 748.00
43	LLC	GT Group	Tbilisi, Choloqashvili St. 48	30 000.00	402 690.00
44	LLC	GPC	Tbilisi, Marjanishvili St. 26	175 000.00	61 847.65
45	JSC	Hyundai Auto Georgia	Tbilisi, Griboyedov St. 13	10 000.00	1 336 857.00

## Conclusion

Overall, the following picture can be drawn with regard to the financing of the 2008 and 2010 election campaigns:

- The funding of the ruling party was at least seven times<sup>132</sup> and at most 26 times larger than the combined funding of all other electoral subjects;
- Legal entities rarely fund opposition parties, if at all, while the majority of those financing the ruling party were legal entities;
- The ruling party spent a large part of its funds on TV advertisement, while opposition parties spent it on printed campaign materials, reimbursement of party members and activists and their *per diems*;
- Parties transferred large amounts of their own money to campaign funds and, because information about party funds becomes public not earlier than at the beginning of the following year, it is difficult to monitor campaign funds during the election period.

The legal provisions regulating campaign financing in Georgia are generally better than those regulating annual party financing. Specifically, an accounting template is established that must be used when a campaign fund report is submitted and a body responsible for monitoring and reviewing finance reports submitted to the CEC is identified. In spite of this, there are a number of shortcomings in the current law and practice:

- Parties are not required to file campaign finance reports frequently enough before the elections (they only have to do so once a month). Consequently, voters have to make their choice without comprehensive information about a party's revenues and expenses;
- The law makes it possible to receive unlimited donations from political organizations in the campaign fund. Subce the law does not require political organizations to make the origin of this money public during the campaign (unless the campaign happens to take place in late january when this information is to be published), voters make their choices without comprehensive information about the origin and legality of money spent by political organizations.
- The campaign fund accounting template established by the law is very scant and does not include all types of expenses. As a result, a large part of expenses is reported simply as "other expenses". Also, because of the lack of detailed rules, parties often fill out the forms incorrently and make multiple errors.

<sup>131</sup> For the 2010 local elections, JSC Transsheni donated GEL 50,000 to the Industry Will Save Georgia party. On every other occasion, donations were made to the United National Movement.

<sup>132</sup> The ruling party's financing was 25.8 times larger for the 2008 presidential election (excluding the free advertising allocated in accordance with the law and was not included in party finance reports at the time), 7.9 times larger for the 2008 parliamentary elections, and 7.3 times larger for the 2010 local elections.

- The law establishes a donation cap for a legal entity: GEL 100,000. In spite of this, the current wording of the law makes it possible for the same legal entity to donate a lot more to the same party either through its subsidiaries or through the legal entities owned by its shareholders;
- According to Article 27 of the Law on Political Unions of Citizens, the amount of financial and material donations received by a party from a single legal entity must not exceed GEL 100,000 per year. These “restrictions apply to all types of donations, including the services performed for the party or on its behalf.” In spite of this, in practice, there are cases when an enterprise’s donations to a party and its campaign fund exceed GEL 100,000 a year.<sup>133</sup> This happens when a legal entity makes separate donations to the party and to the campaign fund of the electoral subject registered by the party.
- The fact that the Financial Monitoring Group is established temporarily for every election and only operates for three or four months is also a problem. The group’s functions and the responsibilities of its members are very ambiguous, while its human and financial resources are insufficient for comprehensive monitoring. At the same time, political organizations are not required to present their accounting documents (money transfers, etc.) to the group. As a result, comprehensive monitoring does not take place in practice.
- In order to resolve these problems, a permanent and independent supervisory body must be established that would conduct comprehensive monitoring of party financing. At the same time, the issues of frequency of reporting and transparency of donations must be dealt with before the elections. Also, the law must establish clear rules regarding donations.

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<sup>133</sup> See footnote 49.

## ■ Part 3

### Voter List Monitoring

Improving voter lists becomes a topical issue prior to each election. In order to check the voter lists, both the state and the donors mobilize considerable financial and human resources. After the lists are checked, there is always talk about successes or failures with regard to making voter lists more accurate. Improving the lists becomes the priority before every election, and measures of quite a large scale are implemented again and again several months prior to the election.

In order to check the lists before the May 2010 election, quite an innovative initiative was carried out along with the usual procedures. Specifically, the 28 December 2009 amendment to the Organic Law of Georgia “The Electoral Code of Georgia” allowed political parties to monitor the voter lists.<sup>134</sup> To this end, GEL 1.2m was allocated to the parties from the state budget. The amount was distributed equally between the 12 parties that receive state funding and expressed readiness to participate in this process. Later on, one of them – the Movement for United Georgia – refused to carry out monitoring and returned the money. Correspondingly, the 11 political parties listed below conducted monitoring between 5 February and 10 April 2010:

1. New Rights
2. The United National Movement
3. The Freedom Party
4. The Conservative Party of Georgia
5. Industry Will Save Georgia
6. The Republican Party of Georgia
7. Georgia’s Way
8. Kartuli Dasi
9. The Christian-Democratic Party
10. We Ourselves
11. People’s Party

No detailed procedures were introduced for monitoring how the money allocated from the budget would be spent. The law did not define the mechanism of voter list monitoring implementation or the territory where the monitoring would be carried out. The parties determined both the monitoring methodology and its geographic scope independently. It is noteworthy that the Central Electoral Commission developed non-mandatory forms for individual irregularities and final reports which contained several key questions. The par-

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<sup>134</sup> The Organic Law of Georgia “The Electoral Code of Georgia” (2 August 2001, No 1047-RS; Published: Sakartvelos Sakanonmdeblo Matsne (Georgian Legal Messenger), No 25, 22 August 2008, Article 107), Article 129<sup>14</sup>.

ties could present the results of their monitoring to the CEC according to these forms. The majority of parties used the forms despite the fact that they were not mandatory.

It is noteworthy that neither the law nor the forms developed by the CEC require financial reports, although seven out of eleven parties presented their financial reports to the CEC.

To monitor the spending of the aforementioned funds Transparency International – Georgia carried out the following measures:

1. Requested that the parties provided final financial reports of the implemented voter list monitoring, in order to check how they spent the funds they had received;
2. Requested that the parties provided information about the methodology used for voter list monitoring; met with party representatives to establish whether the parties had action plans and expenditure plans;
3. Summed up the information about inaccuracies and shortcomings identified as a result of voter list monitoring conducted by the parties;<sup>135</sup> evaluated the role of the CEC in the process of checking the lists as well as the concrete results of the work conducted by the parties.

TI Georgia also used the information and documents received from the CEC.

### Financial Reports on Spending of the Funds Allocated for Monitoring

As mentioned above, GEL 1.2 million from the budget was given to 12 parties that, according to the law, were eligible to receive funds for monitoring. The Movement for United Georgia subsequently refused to conduct the monitoring and returned the money. This money (GEL 100,000) was to be distributed among the remaining 11 parties but, given that two parties – the United National Movement and We Ourselves - rejected additional funding, the money was distributed between nine parties.

The parties used the received amounts differently, depending on the methodology they had applied. Some parties spent most of the money on salaries (and, correspondingly, income taxes); others opted to reimburse travel expenses and to purchase goods and services. The reason for this is possibly the fact that the door-to-door checking of the lists was performed by numerous party activists whose travel expenses were covered. This made it possible to save the money that would otherwise have been paid as income taxes.<sup>136</sup> Capital expenses (purchase of primary means) were incurred by the parties that used computer programs or carried out data analysis, which involved purchasing corresponding equipment and relevant programs. It is noteworthy that “miscellaneous expenses” are usually from two up to five percent (only one party has a little over eight percent in this category) which is a welcome trend in terms of transparency as this is an unspecified expense. *See also Table 25 and Figure 18-24.*<sup>137</sup>

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<sup>135</sup> Only the parties that won seats in the 2010 local elections were selected.

<sup>136</sup> According to the Georgian Tax Code, travel expenses and goods and services expenses are not taxable within an established limit.

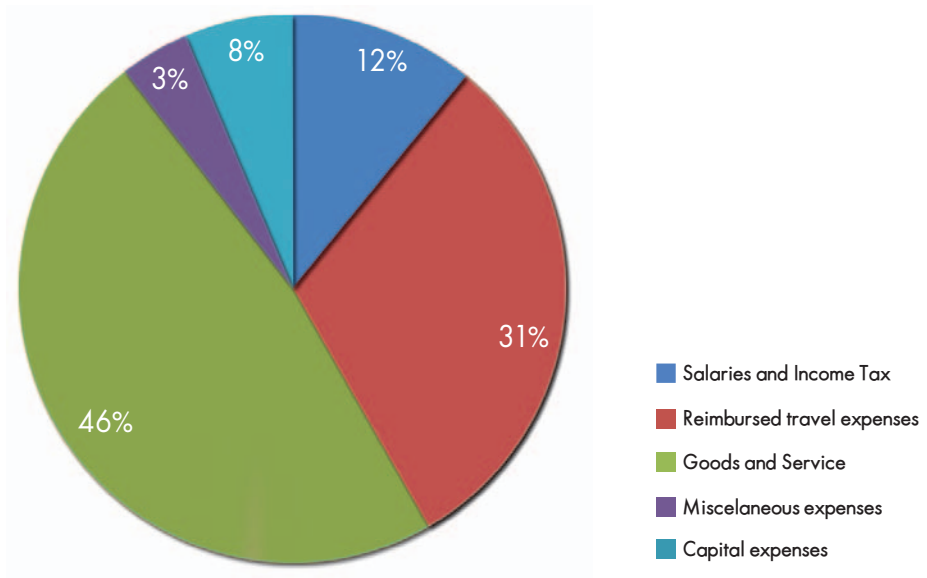
<sup>137</sup> See Figure 25 in the Annex “Spending of State Funding for Voters List Monitoring by Parties”.

**Table 25. Expenditure reports presented by political parties for the money allocated from the state budget**

Political Union <sup>138</sup>	Salaries and taxes paid to budget <sup>139</sup>	Reimbursed travel expenses	Goods and services <sup>140</sup>	Miscellaneous expenses	Capital expenses <sup>141</sup>	Total	Balance
New Rights	13 000.00	34 740.00	51 594.00	3 334.00	8 358.00	111 026.00	85.00
United National Movement	92 110.00	0.00	3 199.00	4 691.00	0.00	100 000.00	0.00
Republican Party	18 355.00	24 270.00	68 277.00	415.00	0.00	111 317.00	-206.00
Georgia's Way	63 364.00	19 250.00	14 584.00	4 641.00	9 265.00	111 104.00	7.00
Kartuli Dasi	0.00	81 630.00	7 593.00	8 652.00	13 154.00	111 029.00	82.00
Christian-Democratic Party	36 088.00	0.00	50 736.00	2 157.00	22 110.00	111 091.00	20.00
We Ourselves	35 250.00	0.00	64 556.00	187.00	0.00	99 993.00	7.00

\* *Source: Information received from the CEC and political parties*

**Figure 18. Indicators of distribution of expenses by New Rights**



\* *Source: Information received from the CEC and political parties*

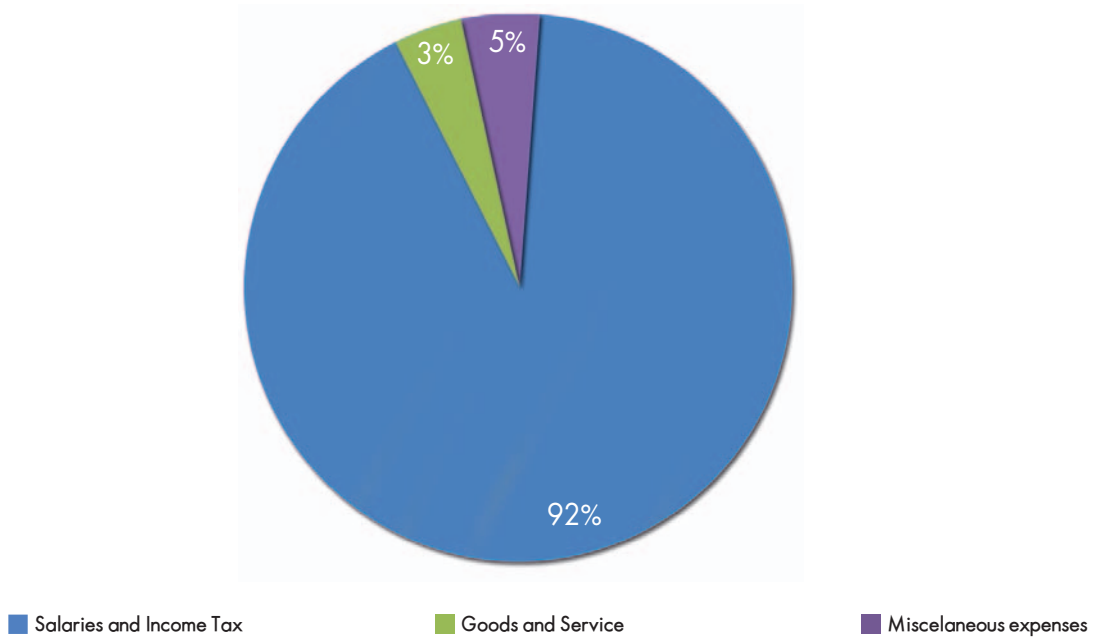
<sup>138</sup> The following political unions did not submit a report: the Freedom Party, the Conservative Party of Georgia, Industry Will Save Georgia, People's Party.

<sup>139</sup> "Salaries and taxes paid to budget" include the following expenses: salaries; taxes deducted from salaries and transferred to the budget; payments to temporary employees and related taxes.

<sup>140</sup> "Goods and services" include the following expenses: communications; utilities; fuel; transport; printing; office rent; office supplies.

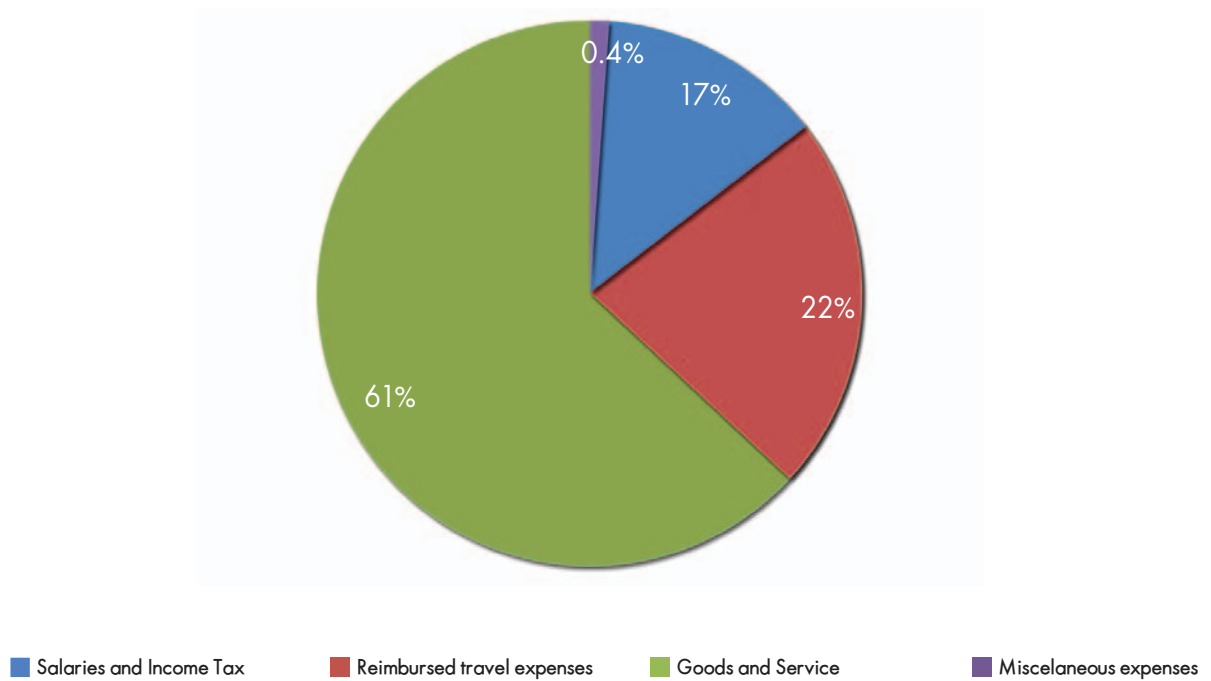
<sup>141</sup> "Capital expenses", in this case, only includes the expenses related to the purchase of primary means.

Figure 19. Indicators of distribution of expenses by United National Movement



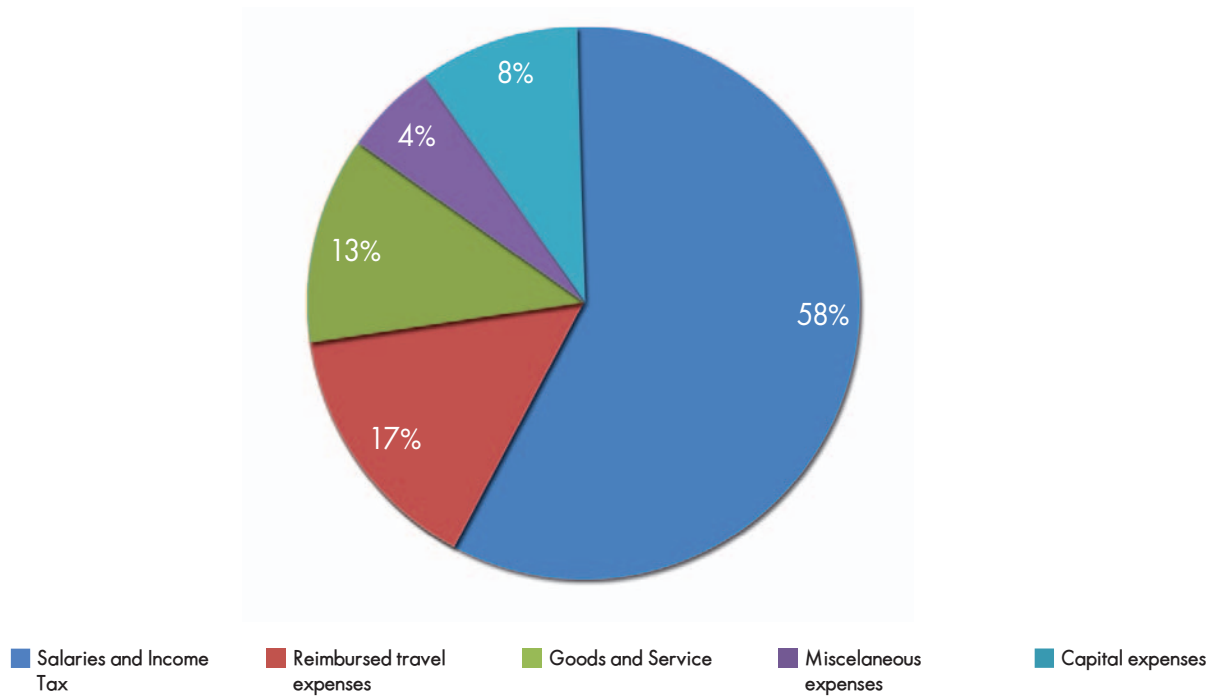
\* Source: Information received from the CEC and political parties

Figure 20. Indicators of distribution of expenses by Republican Party



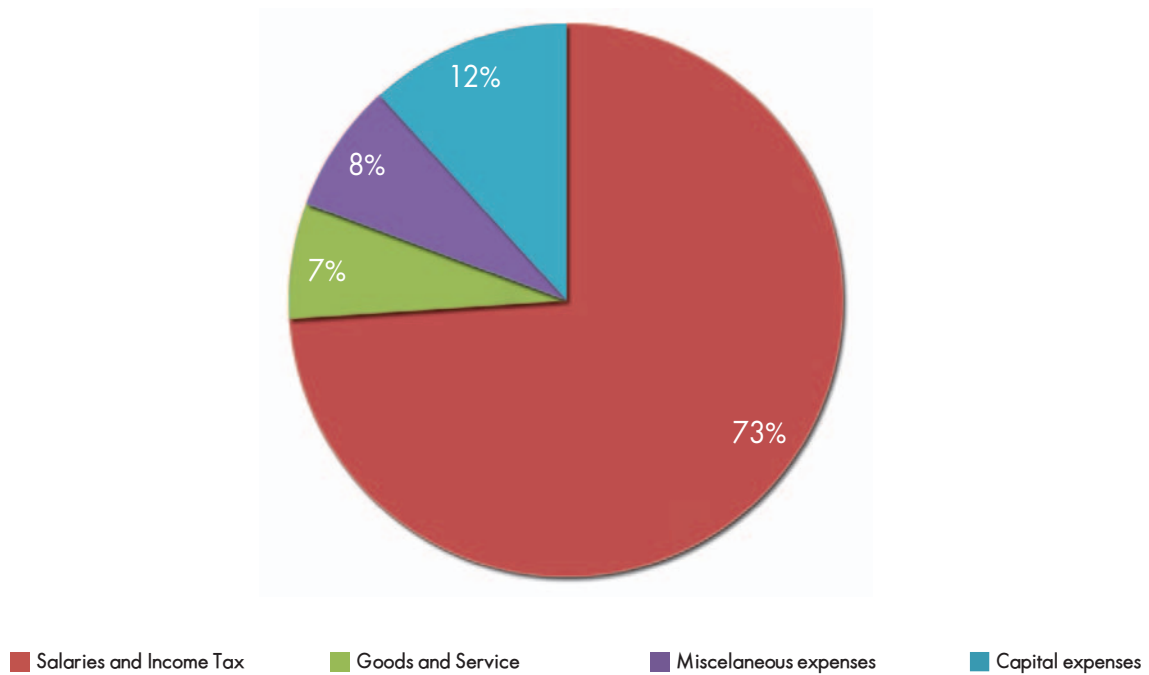
\* Source: Information received from the CEC and political parties

Figure 21. Indicators of distribution of expenses by Way of Georgia



\* Source: Information received from the CEC and political parties

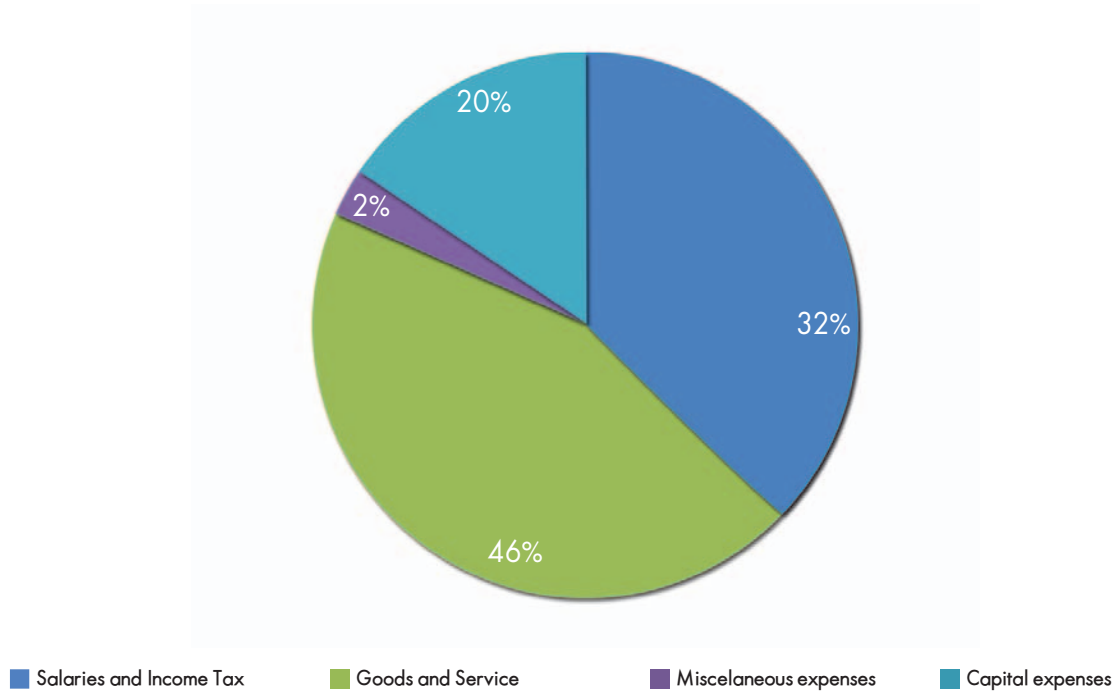
Figure 22. Indicators of distribution of expenses by Kartuli Dasi



\* Source: Information received from the CEC and political parties

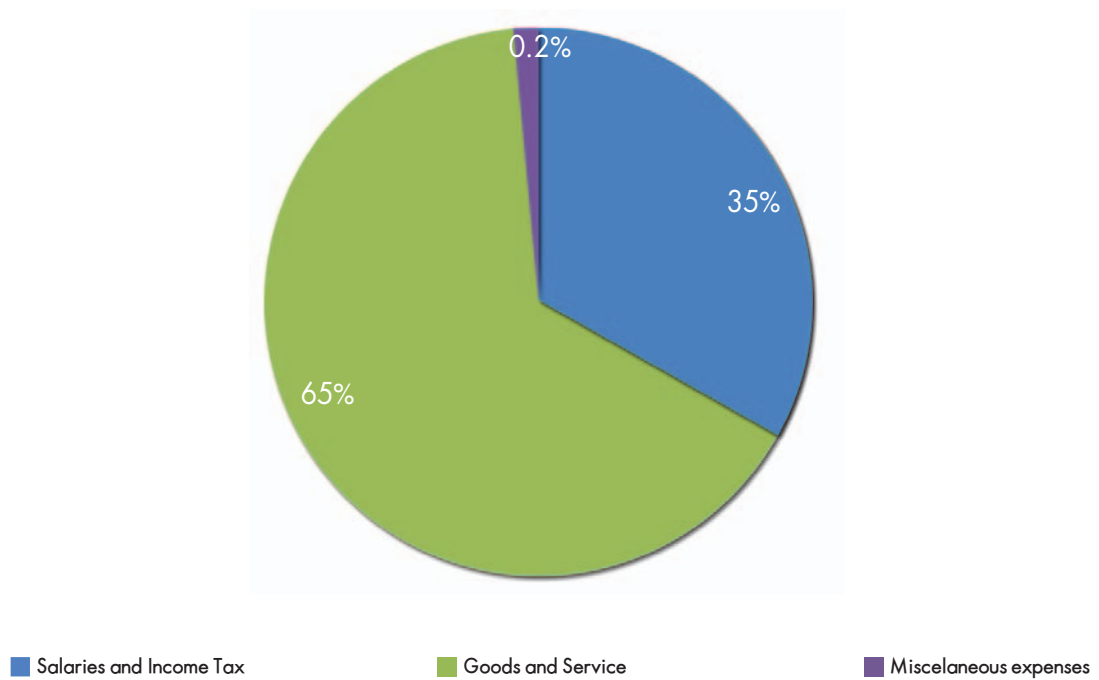


Figure 23. Indicators of distribution of expenses by Christian-Democratic Movement



\* Source: Information received from the CEC and political parties

Figure 24. Indicators of distribution of expenses by We Ourselves



\* Source: Information received from the CEC and political parties

During meetings, all parties<sup>142</sup> stated that the allocated amount was not sufficient for checking the voter lists properly. It is noteworthy that the law did not require political parties to present financial reports. Seven parties presented their financial reports to the CEC despite the absence of such an obligation. Several parties provided reports to TI Georgia upon request.<sup>143</sup>

As for the financial reporting, since there was no special form for submitting a report, some parties used standard accounting tables, while others used the financial reporting form that the parties use for their annual reports. Therefore, the reports differed from each other. Some parties presented detailed accounts of their expenses, while others had them categorized in various ways and, correspondingly, presented more general accounts.<sup>144</sup>

Out of four parties that did not present their financial reports upon finalizing the monitoring, one – the People's Party – included a detailed account of expenditures in its annual report for 2010.<sup>145</sup> All other parties indicated the total sum of money, as total targeted financing and total targeted expense, and some did not even separate them from other finances.

The absence of a unified, mandatory form for recording monitoring results, as well as the fact that submitting financial reports was not obligatory, made the spending of the state budget funds by many parties participating in the monitoring uncontrolled and opaque. It also made the analysis of financial and program reports presented by some of the parties more difficult, since it was hard to put all of them in one format and make a comparison.

### Monitoring Geography and Methodology

The CEC provided the parties with voter lists as of 1 February 2010 for monitoring. Two kinds of data were added to the public version of the lists:<sup>146</sup> the date of issue of the identification document and polling stations as of 2008 parliamentary election.

The parties conducted voter list monitoring mainly by means of door-to-door visits. Some parties also used a hotline, data analysis by a special computer program or without such programs (in order to identify duplicates) and data analysis through comparison (the 2008 voter lists and the information received from the Statistics Department were used for comparison). Some parties did not indicate their monitoring methodology at all (even though the question was included in the form suggested by the CEC).<sup>147</sup>

As we mentioned above, the majority of parties used their activists for door-to-door checking of the lists. Some parties provided separate numbers for activists who worked in Tbilisi and for those who worked outside the capital, while other parties did not supply this information in their reports.<sup>148</sup>

As for the geographic scope of monitoring, it is noteworthy that most of the parties conducted monitoring mainly in Tbilisi (as the parties explained, the decision stemmed from the possibility of resource mobilization and the attempt to focus on the Tbilisi Mayor's election) and, more rarely, in the regions. Some of them monitored a number of randomly selected polling stations in various municipalities, thus covering almost the entire Georgia.<sup>149</sup>

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<sup>142</sup> Transparency International – Georgia spoke to the following political unions about these issues: New Rights, the Republican Party of Georgia, Georgia's Way, the Christian-Democratic Party, Industry Will Save Georgia.

<sup>143</sup> The following political unions presented reports to the organization: We Ourselves, Georgia's Way, New Rights, the Republican Party of Georgia.

<sup>144</sup> See website for detailed table of expenses: "2010 Voters Lists Monitoring Comparative Data – Finances".

<sup>145</sup> See website for details: "People's Party (2010 Annual - Incomes and Expenditures)".

<sup>146</sup> The public version of the unified voter list contains the following data: Last name, first name, date of birth, place of registration, for internally displaced persons – actual place of residence (Paragraph 4 of Article 9 of the Organic Law of Georgia "The Electoral Code of Georgia").

<sup>147</sup> For detailed information, see Table 14 of the Annex "Methodology selected by Parties for Monitoring".

<sup>148</sup> For detailed information, see Table 15 of the Annex "Number of Activists Involved by Parties in Monitoring".

<sup>149</sup> For detailed information, see Tables 16 and 17 of the Annex "Geography of Monitoring Selected by Parties".

During the monitoring, New Rights, the Republican Party of Georgia, Kartuli Dasi and the Conservative Party of Georgia covered the largest territory. The United National Movement checked the largest number of voters (over 500 thousand million).

Overall, there was no coordination among the parties to determine tasks and geographic scope. Even though the parties met regularly in the run up to the election in the presence of the CEC and NGO representatives, and information on discovered irregularities was being exchanged, these meetings did not imply any planning of activities or coordination of effort in the process of work. The political parties did not spend much time choosing their methodology either: they developed methodology independently and according to their own views.

### Irregularities Discovered During Monitoring and Cec's Response

As mentioned earlier, the CEC developed unofficial non-mandatory forms<sup>150</sup> for recording individual irregularities. The forms contained the following fields: geographic scope of monitoring, number of activists involved, total number of irregularities discovered, several types of irregularities (for example, total number of deceased voters, total number of omitted voters and so on). The forms suggested to the parties also contained the question about the number of voters whose information they had checked. Only few of parties provided this information.<sup>151</sup>

The parties submitted the reports on the work they conducted to the CEC in different formats: electronically (MS Access or MS Excel formats), in printed or handwritten formats (even though the Electoral Code of Georgia requires that voter list monitoring results be presented in both electronic and written formats),<sup>152</sup> or in the form of regular reports or letters. The CEC completed the analysis of the data submitted electronically much faster, informing the public about its results as early as in April 2010, while the final report was presented on 25 May.

According to the reports and letters submitted to the CEC, the parties presented information about the following irregularities in the voter lists:

1. Voter has a duplicate
2. Voter is deceased
3. Voter is omitted in the list
4. Voter is abroad (and was not included in the list available to the party)
5. Voter is imprisoned (and was not included in the list available to the party)
6. Voter is in military/paramilitary service (and was not included in the list available to the party)
7. Voter is added to the list by hand
8. Voter has a different address
9. There is a technical error in the list (e. g. a letter is omitted in the first or the last name)
10. Voter's address is incorrect (e. g. letters or digits are omitted)
11. Multiple voters are registered at the same address
12. Voter has no address<sup>153</sup>

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<sup>150</sup> [http://www.cec.gov.ge/index.php?lang\\_id=GEO&sec\\_id=13&info\\_id=5407](http://www.cec.gov.ge/index.php?lang_id=GEO&sec_id=13&info_id=5407)

<sup>151</sup> For detailed information, see Table 18 of the Annex "Number of Voters Reviewed by Parties".

<sup>152</sup> The Organic Law of Georgia "The Electoral Code of Georgia, Paragraph 3 of Article 129"<sup>14</sup>.

<sup>153</sup> The existence of voters without an address is not considered a violation since they are registered as such ("without address") in accordance with the Georgian legislation and vote at a designated polling station. Despite this, several parties nonetheless indicated this as an error. For example, Kartuli Dasi submitted a list of 49,441 such voters to the CEC. The same party underscored the problem of indicating addresses (inaccurate addresses, such as old numbers mixed up with the new ones, mixed up buildings and entrances, absence of exact addresses (streets) in villages). Such information for 24,589 voters was submitted to the relevant bodies since settling this issue falls beyond the scope of the CEC's authority. New Rights and the Republican Party of Georgia also touched on the problem of address accuracy. The Freedom Party only mentioned the problem of inaccurate addresses in the city of Rustavi in its report.

Analysis of the reports made it possible to sum up the irregularities discovered by the parties. In some cases, the parties separated the errors discovered in Tbilisi from those recorded in the regions, but in other cases only a total number was provided in the reports.<sup>154</sup>

The total number of errors discovered by the parties amounted between six and seven percent of the number of voters they checked. A large portion of the errors was discovered in Tbilisi. This is mainly due to the fact that the parties checked a much smaller number of voters in the regions. See Table 25 below.

**Table 25. Irregularities as percentage points vis-a-vis the number of voters checked**

Political Union	% Outside Tbilisi	% Within Tbilisi	% Total
New Rights	3.59%	12.59%	7.79%
United National Movement	did not check	7.16%	7.16%
Freedom	– <sup>155</sup>	did not check	–
Conservative Party	–	–	–
Industry Will Save Georgia	–	–	–
Republican Party	–	21.07%	21.07%
Georgia's Way	28.07%	3.37%	4.60%
Kartuli Dasi	–	–	0.27%
Christian-Democratic Party	–	–	–
We Ourselves	–	–	2.39%
People's Party	–	–	4.10%

\* Source: CEC website

The CEC occasionally informed the public about discovered irregularities and its response to them. A presentation of one of the comprehensive reports was held on 12 April 2010 at the Tbilisi Marriott Hotel in front of the representatives of local and international organizations, political parties, media and diplomatic missions. The final report was presented on 25 May at the CEC.<sup>156</sup>

According to the CEC analysis, 17-18 percent of irregularities discovered by the parties were rectified, while some 37 percent<sup>157</sup> of the information submitted by the parties turned out to be incorrect (as it was based on incorrect data). The CEC did not consider the rest of the cases to be irregularities (mainly mistakes in addresses and presence of voters without addresses). See Table 26 below for details.

<sup>154</sup> See Table 19 of the Annex for clarity "Errors Discovered by Parties in Tbilisi and Elsewhere". See on our website "2010 Voters Lists Monitoring Comparative Data – Errors".

<sup>155</sup> The "dash" in the table means that a party did not submit information regarding the number of voters checked and irregularities discovered. Correspondingly, it is impossible to calculate percentage points.

<sup>156</sup> See Table 20 of the Annex for the information on the CEC response (based on the final report presented by the CEC).

<sup>157</sup> This indicator does not include the information provided by the Freedom Party since it only covered mistakes in addresses in the city of Rustavi. According to the CEC, the Rustavi District Electoral Commission took this into consideration although we are not aware of the extent to which this was done.

**Table 26. Irregularities verified or unverified by the CEC as percentage points of the number of errors indicated by the parties.**

Political Union	Verified errors <sup>158</sup>	Unverified errors <sup>159</sup>
New Rights	Aggregated with the Republican Party data	
United National Movement	29.61%	62.48% <sup>160</sup>
Freedom Party	Results unknown <sup>161</sup>	
Conservative Party	25.40%	31.58%
Industry Will Save Georgia	7.51%	12.36%
Republican Party	12.88%	30.29%
Georgia's Way	18.33%	29.99%
Kartuli Dasi	5.13%	3.02%
Christian-Democratic Party	20.02%	66.52%
We Ourselves	27.44%	24.90%
People's Party	10.71%	3338%

\* Source: CEC website

## Conclusion

The initiative carried out in the run up to the 2010 elections – the involvement of political parties in voter list monitoring – facilitated more active cooperation between the CEC and political parties, while also allowing the parties to better familiarize themselves with the problems related to the registration of voters. As a result of this innovation, parties were directly involved in the administration of the elections.

However, along with the aforementioned positive aspects, the process of checking the lists also has a number of flaws. Specifically:

1. The parties did not have enough time to check the lists properly (the process started about two months before the work on the lists was completed);
2. The amount of money allocated to the parties was not sufficient for checking the lists properly;
3. Due to the lack of an obligation to submit financial reports and of corresponding report forms to this end, it was difficult and, in some cases, impossible to assess the efficiency and expediency of spending the money allocated from the budget;
4. The parties were not fully prepared to develop effective monitoring methodologies in consultation with local or foreign experts (limited time is one of the likely reasons for it);
5. Cooperation between the parties was not common, which prevented them from dividing the tasks and territory and working in a coordinated fashion.

Most importantly, this kind of monitoring alone is not sufficient for improving the lists. First and foremost, coordination between the state agencies responsible for compiling the lists must be improved: their electronic databases have to be made mutually compatible so that a change in one of the databases is reflected in other databases as well. It is also necessary to give voters, political parties and other interested groups or individuals constant access to the voter lists so that they can check them at any moment and address the Central Electoral Commission with the request to make necessary corrections. Detailed procedures and established forms (applications) of addressing the commission should be in place to this end.

<sup>158</sup> Errors indicated in the reports of Political Parties considered as such by the CEC.

<sup>159</sup> Errors indicated in the reports of Political Parties not considered as erroneous data by CEC (e.g. voter was deceased or outside the country according to the information provided by the Party, but this information was not confirmed by the review conducted by CEC).

<sup>160</sup> "Verified" and "unverified" errors do not add up to 100 percent. The missing number mainly reflects the data which is not considered to be an error in the voter list (mistakes related to addresses and voters without an address).

<sup>161</sup> Only mistakes in addresses were indicated. We have not been able to acquire any information regarding the response to them.

# Part 4

## Recommendations

(Based on analysis of existing legislation and international and local experience, as well as recommendations of international organizations)

### Introduction

The financing of political parties in Georgia is regulated by two normative acts: the Georgian Electoral Code and the Organic Law on Political Unions of Citizens. These laws include provisions concerning both state and non-state sources of funding (membership fees, donations, etc) and the financing of election campaigns. Getting the legal regulation of party financing right is extremely important for ensuring their transparency and accountability. Georgian legislation contains provisions (disclosure of campaign funds, prohibition of anonymous donations) that facilitate enhancement of transparency and accountability to a significant extent though it undoubtedly requires further improvement in this respect, while several additional provisions also need to be introduced. The following analysis highlights the problems identified by Transparency International Georgia through the analysis of its own experience, international recommendations and the Georgian legislation and offers recommendations for their resolution.

### Oversight Mechanism

#### Special Independent Body of Control

The mechanisms for overseeing lawfulness of political party financing currently present in the Georgian law are incomplete: there is no designated body responsible for a comprehensive control of legality of financing and it is not clear who has the power to review the financial declarations published by parties annually. In the Report on the Financing of Political Parties (which is based on the opinions concerning the laws of different countries), the European Commission for Democracy Through Law (Venice Commission)<sup>162</sup> notes that Georgian legislation provides no mechanisms for overseeing the financing of political parties.<sup>163</sup>

Under the Georgian law, the annual audit of party financing, as well as the audit of a party's election campaign fund, is to be conducted by an independent private auditor selected by the party itself. Transparency International Georgia believes that private firms should be required to conduct political party finance audits in line with international standards.

As stipulated in Article 48, Paragraph 10 (1) of the Georgian Electoral Code, a financial monitoring group is established before every election. The powers of the financial monitoring group are quite ambiguous and it only operates for a few months. The remuneration of the group members is under GEL 500.

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<sup>162</sup> The Council of Europe's consultative body on constitutional matters.

<sup>163</sup> The European Commission for Democracy Through Law (Venice Commission), the Report on the Financing of Political Parties, Strasbourg, 26 May 2000, Part 1, Paragraph B.

Transparency International Georgia shares the opinion of international organizations that have suggested that the group has been ineffective.<sup>164</sup> The Venice Commission and the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR) have identified the lack of provisions establishing the financial monitoring group's powers in the Electoral Code as one of the reasons for this.<sup>165</sup> Indeed, the Code does not specify the mandate and the authority of the group. It conducts superficial reviews since the Code does not ensure the group's access to primary documentation (invoices for expenditures and the documents concerning bank transfers). Obtaining this kind of information from parties depends on their goodwill. The monitoring group did not review the primary documentation in 2008 and 2010, even though it found multiple irregularities and inconsistencies in the financial reports submitted by parties.<sup>166</sup> Since the Georgian law does not establish the manner of reacting to detected irregularities and inaccuracies or the measures of responsibility, there was no follow-up to the findings of the monitoring group.

**Georgian law requires improvement in terms of oversight mechanisms for the financial activities of political parties, especially during elections. In order to address the problem, it is advisable to establish a special independent body responsible for conducting comprehensive reviews of the regular (annual) and election campaign funding of political parties, introducing better rules of financial accounting for parties, reviewing financial reports of parties and providing the public with the relevant public information.**

The existence of such a body is fully in line with international standards. Specifically, the Venice Commission has stated in its Guidelines for Financing of Political Parties that compliance and lawfulness of state financing of political parties must be controlled by a dedicated state body.<sup>167</sup> According to Article 14 of the Recommendation Rec (2003)4 of the Committee of Ministers of the Council of Europe, the state must ensure independent monitoring of political party and election campaign financing, including the monitoring of political party accounts and election campaign expenses.<sup>168</sup>

In many European countries, the body responsible for the control of party financing is independent or subordinated to a state agency. According to GRECO's<sup>169</sup> Political Financing report, the independence of such bodies is questionable when they are subordinated to the legislature or the executive branch.<sup>170</sup> From the Georgian perspective, the examples of France, Ireland and Poland might be of interest where the bodies in charge of reviewing party financing are completely independent from the authorities.<sup>171</sup> During electoral periods, the French body for monitoring of campaign accounts and political finances hires, in addition to its permanent staff of 33, hires 170 temporary employees who follow newspapers and other media in order to detect campaign expenditures not accounted for in political party reports.<sup>172</sup>

Transparency International Georgia believes that seven conditions must be met, in order to ensure independence and effectiveness of the financial monitoring body:

1. The financial monitoring body must be a permanent one;
2. Its members must be elected by Parliament, while the staff must be appointed by the body itself.
3. Members of the body must be appointed for a fixed term: for example, for five to seven years. Members of the body should be barred from being reappointed. This would reduce the risk of the members acting in a biased manner in order to retain their positions.

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<sup>164</sup> The reports of the Financial Monitoring Group tend to be quite superficial. It is usually difficult to learn about the actual state of affairs from these reports. At the same time, there have been no examples of reaction to the irregularities detected by the Group.

<sup>165</sup> European Commission for Democracy Through Law (Venice Commission) and the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *Joint Opinion on the Election Code of Georgia* (Strasbourg/Warsaw: 9 June 2010), Paragraph 55. [http://www.venice.coe.int/docs/2010/CDL-AD\(2010\)013-e.pdf](http://www.venice.coe.int/docs/2010/CDL-AD(2010)013-e.pdf)

<sup>166</sup> The author's interview with incumbent Central Electoral Commission Chairman Zurab Kharatishvili, who was a member of the Financial Monitoring Group during the 2008 elections.

<sup>167</sup> European Commission for Democracy Through Law (Venice Commission), *Guidelines for Financing of Political Parties* (Strasbourg: 6 December 2000), Paragraph 13. [http://www.venice.coe.int/docs/2000/CDL-PP\(2000\)006-e.pdf](http://www.venice.coe.int/docs/2000/CDL-PP(2000)006-e.pdf)

<sup>168</sup> Council of Europe Committee of Ministers, Recommendation Rec(2003)4 of 8 April 2003. <https://wcd.coe.int/ViewDoc.jsp?id=2183&BackColorInternet=9999CC&BackColorIntranet=FFBB55&BackColorLogged=FFAC75>

<sup>169</sup> The Group of States against Corruption was established by the Council of Europe in 1999 in order to monitor the adherence of states to the Council of Europe anti-corruption standards and the compliance of their actions with these standards

<sup>170</sup> GRECO, *Political Financing, Third Evaluation Round* (19 May 2010), Paragraph 73. [http://www.coe.int/t/dghl/monitoring/greco/documents/2010/Greco\(2010\)8\\_RapportYVDoublet\\_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/documents/2010/Greco(2010)8_RapportYVDoublet_EN.pdf)

<sup>171</sup> *Ibid.*, Paragraph 72

<sup>172</sup> *Ibid.*

4. The body's adequate funding and technical resources should be guaranteed.<sup>173</sup>
5. Along with being independent, it is most important that the body be granted sufficient legal powers to exercise real control. The body should be able to conduct state audit of political parties and to verify that the real expenses of parties are consistent with the data they have published, in order to ensure that no illicit spending takes place.
6. The body in charge of controlling party financing must operate in a highly transparent manner. It must have a legal obligation to publicize party finance reports and other information of public interest regarding their activities in a timely manner.<sup>174</sup>
7. In order to ensure transparency, the body itself must be subject to control. It should be accountable to Parliament and present annual written reports on its activities to the legislature.<sup>175</sup>

Either the Chamber of Control or the Central Electoral Commission can perform this role, although, before a decision is made, it is necessary to: (a) strengthen public trust in the agency that is selected and (b) to ensure that the agency meets the seven conditions listed above.

### System of Accountability

In order to render political party financing more transparent, it is necessary to improve some technical details concerning accountability. The Georgian Central Electoral Commissions decree No 58/2003 of 4 October 2003 established the template used for election campaign accounting. It is in line with this template that election campaign fund reports are submitted to the electoral commission after every election. As for the template of annual financial reports of political parties, it is not regulated by any normative act at all. The analysis of the annual reports and election campaign fund reports of political parties obtained by Transparency International Georgia clearly shows that the reports they submit for election campaign funds are much more detailed and comprehensible than the annual reports. The annual reports of political parties are not uniform, while the classification of expenses is diverse, which makes it difficult to read the reports and get a clear picture of expenditures and revenues.

However, there are problems with the election campaign accounting template too. The template is too general. For example, it contains a general item like "other expenses" which, in many cases, constitutes over 50 percent of the party's total expenditures and it remains unclear what the money was spent on. Quite often, the reports are filled out incorrectly. A comprehensive list of possible expenses must be drawn up, while the section of "other expenses" should include descriptions of expenses (unless it is provided elsewhere).

It is advisable to develop a uniform template for the financial reporting of political parties that would provide as much detail about a party's revenues and expenses as possible. Ideally, it should be possible to fill out this form electronically and the reports should be permanently accessible to the public through the website of the body responsible for the control of political party financing, as is the case with the asset declarations of public officials (see: [www.declaration.ge](http://www.declaration.ge)). It is also important to ensure that party finance reports are posted in a database in a way that makes it easier to find, sort and analyze the required information.<sup>176</sup>

GRECO supports the introduction of a uniform electronic template of accounting too. In its Political Financing report, the organization has opined positively about the use of standardized electronic formats by parties in Luxembourg, Ireland, Norway, the Netherlands, the United Kingdom and Slovakia.<sup>177</sup> This makes it possible to compare reports submitted by different parties at different times.

<sup>173</sup> TI Policy Position No. 2/2005, Political Finance Regulations: Bridging The Enforcement Gap, Part 6. [http://www.transparency.org/content/download/1920/11242/file/02policy\\_brief\\_political\\_finance\\_regulations.pdf](http://www.transparency.org/content/download/1920/11242/file/02policy_brief_political_finance_regulations.pdf)

<sup>174</sup> Ibid., Part 10.

<sup>175</sup> Ibid., Part 9.

<sup>176</sup> A blog post by TI Georgia analyst Derek Dohler. <http://transparency.ge/blog/psamtavrobo-monatsemebi-tvalsachino-ar-aris-qoveltvis-gamosadegarip>

<sup>177</sup> GRECO, *Political Financing, Third Evaluation Round* (19 May 2010), Paragraph 35. [http://www.coe.int/t/dghl/monitoring/greco/documents/2010/Greco\(2010\)8\\_RapportYVDoulet\\_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/documents/2010/Greco(2010)8_RapportYVDoulet_EN.pdf)



In order to increase the level of transparency, it is advisable to make party finance reports and financial accounting of electoral subjects, as well as their financial documents, open and public information, rather than the type of information that is classified under the law. In this case, it will be accessible to all interested individuals who request it in line with the requirements of the law.

It is important that the aforementioned body have a legal obligation to store the received documents for a specific period of time (for example, five or six years), so that it would be possible to review the old reports of parties if necessary.

### Election Campaign Fund Transparency and Accountability

In Georgia, election campaign financing is regulated by Articles 46-48 of the Georgian Electoral Code. Specifically, electoral subjects are required to set up an election campaign fund that will reflect all campaign donations and expenses. Electoral subjects are to submit reports on campaign financing within a month from the announcement of final election results. The information is accessible to any interested individual. Once the election campaign fund is set up, its manager is required to submit information regarding the donations received to the relevant electoral commission on a monthly basis. These regulatory norms are a significant improvement in terms of campaign finance transparency though they do have certain shortcomings. Addressing these would raise the degree of transparency and accountability considerably.

#### Transparency of Funds Transferred by Party

Best standards of democracy require that the information regarding campaign expenses and donations be made available to the public within the shortest possible time. For this reason, electoral subjects are required to publicize the information about donations and expenses within a month from the announcement of final election results (the electoral subject that is declared the winner according to the preliminary results is required to do so within eight days from the election day). At the same time, a political party is only required to make its financial report public once a year (by 1 February of every year). Under this regulation, a political party can make unlimited donations to an election campaign fund, which results in a situation where the origin of a considerable amount of money transferred to the campaign fund is not disclosed during the publication of the campaign fund report because the party is identified as the contributor instead of the individual or the legal entity that actually donated the money. This led to problems during the 2008 and 2010 elections<sup>178</sup> since one has to wait until February of the next year in order to determine the origin of the money donated to the campaign fund. Such a long delay renders the information less useful.

It is therefore advisable to improve Article 47, Paragraph 3 (3) of the Georgian Electoral Code. A Political Party should only be allowed to make transfers to its own election campaign fund if it discloses the origin of the transferred money in the campaign fund's general report. Thus, a political party that would transfer money to its own campaign fund would publish a report on its revenues for the election year along with the campaign fund reports (both pre-election and post-election reports).

#### Frequency of Publishing Reports

Publishing of the information about election campaign donations and expenses is aimed at verifying lawfulness of political party financing though this is not the sole objective. The information makes it possible for voters to learn more about a party's activities, helping them make an informed choice.

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<sup>178</sup> The United National Movement candidate's campaign fund for the 2008 presidential election was approximately GEL 23 million. About 45 percent of the sum had been donated to the fund by the United National Movement itself. During the parliamentary elections held the same year, the ruling party provided approximately 80 percent of the campaign fund's total of GEL 11.9 million, while the Industry Will Save Georgia party provided 45 percent of its total campaign fund of GEL 0.104 million. For the 2010 local elections, the United National Movement donated 96 percent of the total campaign fund of GEL 14.1 million, while the National Council bloc provided 54 percent of its own total campaign fund of GEL 0.176 million. Transparency International Georgia officially requested information regarding the donations made to party accounts wherever it was available. All parties except for the United National Movement provided the information.

It is therefore particularly important that the campaign fund report (current information) be published not only after the elections but also a few days before the elections (for example, five to 10 days in advance),<sup>179</sup> so that the voters are supplied with the necessary information about an electoral subject's activities before making a choice.

At the same time, according to the joint opinion of the Venice Commission and the OSCE, submission of the information regarding donations to the electoral commission a month after the establishment of the campaign fund is inadequate.<sup>180</sup> Considering the fact that the campaign only continues for two months and the fund is set up within five days from an electoral subject's registration, the fund manager only has to provide this information to the electoral commission once during the campaign.

It is advisable to have the information regarding the donations and expenses of the election campaign fund submitted to the body responsible for party financing control repeatedly (for example, once a week) and to stipulate the openness of the information in the law. In the long run, it is advisable to introduce an electronic system that would make it possible to automatically update the information regarding party donations and expenses on the relevant website.

### Streamlining of Information

According to Article 48, Paragraph 4 of the Georgian Electoral Code, an electoral subject is to submit the campaign fund report and the monthly information on donations to the relevant electoral commission. This means that an electoral subject registered in an electoral district is to submit this information to the District Electoral Commission, while a subject registered at the Central Electoral Commission is to present it to the Central Electoral Commission.<sup>181</sup> As a result, information about campaign financing is scattered across different bodies, which makes it less accessible.

It would be advisable to have a legal norm whereby financing information would be gathered at the body responsible for party financing control.

The Venice Commission and the OSCE have also spoken in favor of collecting such information within a single body. It is noted in their joint opinion that it would be better to require parties to submit the information to the Central Electoral Commission rather than the relevant electoral commission.<sup>182</sup> This can be achieved by requiring the District Electoral Commissions to forward the reports and other related information to the Central Electoral Commission within an established deadline. Electronic reporting discussed above would solve the problem of information streamlining automatically.

## Donations

### Eliminating Inconsistencies in Law

Campaign donations made by individuals are a significant part of political party financing. It is therefore important to have the right kind of regulations for such donations. Donations to parties are regulated by the Georgian Law on Political Unions of Citizens, while donations to the campaign funds of electoral subjects are regulated by the Georgian Electoral Code. A political party can transfer an unlimited amount of money to its own campaign fund. Consequently, the separation of the election campaign fund from the donations received during non-electoral periods is a mere formality.

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<sup>179</sup> Considering the fact that it can take some time to have the expenses of district campaign staff reflected in the campaign fund, it might be reasonable to require electoral subjects to publish, five days before the election, a campaign fund financial report as of 10 days prior to the election.

<sup>180</sup> European Commission for Democracy Through Law (Venice Commission) and the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *Joint Opinion on the Election Code of Georgia* (Strasbourg/Warsaw: 9 June 2010), Paragraph 52. [http://www.venice.coe.int/docs/2010/CDL-AD\(2010\)013-e.pdf](http://www.venice.coe.int/docs/2010/CDL-AD(2010)013-e.pdf)

<sup>181</sup> For example, a candidate for a majoritarian parliamentary seat is to submit his/her campaign fund report to the relevant district electoral commission, rather than the CEC.

<sup>182</sup> European Commission for Democracy Through Law (Venice Commission) and the OSCE Office for Democratic Institutions and Human Rights (OSCE/ODIHR), *Joint Opinion on the Election Code of Georgia* (Strasbourg: 9 January 2010), Paragraph, 81. [http://www.venice.coe.int/docs/2009/CDL-AD\(2009\)001-e.asp](http://www.venice.coe.int/docs/2009/CDL-AD(2009)001-e.asp)

There are a number of flaws and inconsistencies in the law in this respect. For example, the Law on Political Unions of Citizens (Article 26, Paragraph 4) allows political parties to raise donations through public events, even though there is no such provision in the electoral code. At the same time, Law on Political Unions of Citizens (Article 26, Paragraph 1, Sub-Paragraph b) prohibits accepting donations from enterprises where state ownership exceeds ten percent, while the Electoral Code (Article 47, Paragraph 5, Sub-Paragraph f) prohibits accepting donations from the enterprises with any degree of state ownership.

**The restrictions on donations to the party's own account and to the election campaign fund must be identical. The Electoral Code and the Law on Political Unions of Citizens must be amended in order to be consistent in terms of the restrictions on political party donations.<sup>183</sup>**

### Donations from Business

Regulation of donations made by commercial entities is different in different countries. Some European countries prohibit such donations altogether, while others only establish restrictions on certain types of enterprises. Such restrictions are usually aimed at preventing corruption and protecting the rights of shareholders. Profit is the primary objective of any commercial enterprise. For this reason, there is always a danger that a business making a donation aims to develop close ties with politicians and gain an unlawful advantage. Financing of politics by business always involves the risk of corruption, which makes it necessary to have proper legal regulation of donations. The only restriction imposed by the Georgian law is that there is a cap on the maximum amount that a single legal entity can donate to a party. It should also be noted that the provision establishing a cap on donations from a single source has shortcomings. Specifically, according to Article 27 of the Law on Political Unions of Citizens, "the annual amount of financial and material donations received by a party must not exceed: a) GEL 30 000 from each physical person; b) GEL 100 000 from each legal entity". The restriction "applies to all types of donations, including the services rendered in order to meet a party's goals and on its behalf." In spite of this, there have been cases in practice where annual donations made by an enterprise to a party and its campaign fund exceeded GEL 100 000.<sup>184</sup>

**It is therefore important to have it clearly stated in the law that the cap on donations from a single source applies to the sum of the money donated to the party and the money donated to its campaign fund.**

There are also cases of legal entities owned by the same shareholder making donations independently from one another. For the 2010 local elections, five companies (Tegeta Truck and Bus, Tegeta Construction Equipment, Tegeta Logistic, Tegeta Motors, and Tegeta Motors Kutaisi) donated a total of GEL 500,000 to the United National Movement. Temur Kokhodze is a shareholder of three of these companies. Tegeta Motors owns the other two and Temur Kokhodze is also among the Tegeta Motors shareholders.<sup>185</sup>

**It is therefore necessary to formulate the law in a way that would prevent the same individual from donating over GEL 100,000 to a single party through different legal entities that he /she owns.**

Moreover, in line with Article 5 of the Recommendation Rec(2003)4 adopted by the Council of Europe's Committee of Ministers on 8 April 2003, the state must limit or prohibit donations not only from the enterprises where it owns shares but also from enterprises that sell goods or offer services to any public agency.<sup>186</sup>

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<sup>183</sup> European Commission for Democracy Through Law (Venice Commission), *Opinion on Changes and Additions to the Organic Law of Georgia on Political Unions of Citizens* (Strasbourg: 16 June 2009), Paragraph 11. [http://www.venice.coe.int/docs/2009/CDL-AD\(2009\)033-e.asp](http://www.venice.coe.int/docs/2009/CDL-AD(2009)033-e.asp)

<sup>184</sup> For example, a legal entity – the Transsheni JSC (registered at 2 Dolidze St.) – donated GEL 100,000 to the campaign fund of United National Movement candidate Mikheil Saakashvili in 2008 (on 11 January, i.e. before the fund was closed). On 10 March of the same year, it donated GEL 75,000 to the same political party. Thus, it donated a total of GEL 175,000 to the party in a single year, which exceeds the maximum permissible amount established by the law.

<sup>185</sup> See sub-chapter: "Donations To Political Party Accounts In 2010".

<sup>186</sup> Council of Europe Committee of Ministers, Recommendation Rec(2003)4 of 8 April 2003. <https://wcd.coe.int/ViewDoc.jsp?id=2183&BackColorInternet=9999CC&BackColorIntranet=FFBB55&BackColorLogged=FFAC75>

**In order to reduce the risk of corruption, it is advisable to bar the enterprises that have won public procurement contracts during the election year and the preceding year from making donations and to prohibit the enterprises that finance political parties from participating in public procurement during the election year and the next year.**

The reason for this is that such enterprises have a direct financial link with the state, which creates the risk of an unlawful deal between a political party and a business whereby the latter would offer a donation in return for winning a procurement contract, or would be offered assistance in winning procurement in return for donation.

## Expenses

### Setting the Ceiling for Expenses

Georgian law does not provide for control of political party expenses. There are no restrictions either in terms of the amount or the purpose of spending (except for the prohibition of voter bribing). However, according to Article 9 the Recommendation Rec(2003)4 adopted by the Council of Europe's Committee of Ministers on 8 April 2003, the state must prevent excessive funding needs of political parties by adopting measures such as establishing limits on election campaign expenditure.<sup>187</sup> The Code of Good Practice in the Field of Political Parties, elaborated by the Venice Commission, also highlights the need for a campaign expenses cap,<sup>188</sup> noting that it can be established according to various criteria. For example, in Hungary and Ireland, the cap is established by candidate and by election, while in Italy there are additional restrictions for candidates that have representatives in the body in question. In some countries, a specific amount of money is set as the cap (for example, in Portugal it is EUR 3 million for any electoral cycle), while other countries link the cap to some variable (in France and Latvia, it is the number of residents or voters, while in Lithuania it is the minimum wage).<sup>189</sup>

Large amounts of money are spent on election campaigns in Georgia. In addition to the money spent from the state budget on organizing elections, the resources spent on campaigns increase considerably through the funds raised by parties from resident individuals and legal entities. The ruling party usually stands out in this respect.

A comparison of the ruling party's financing with that of the opposition parties during the 2008 and 2010 elections proves the point. During the 2008 presidential election, the amount spent from Mikheil Saakashvili's campaign fund was 31 times higher than the amount spent by the opposition candidate with the highest revenue – Levan Gachechiladze (the figures exclude free political advertising). During the parliamentary elections held the same year, the ruling party's campaign fund was 17.5 times larger than that of the opposition party with the biggest financing (the Georgian Republican Party). For the 2010 local elections, the United National Movement's fund was 14.7 times larger than the fund of the political party with the most financing (Industry Will Save Georgia).

**It is advisable to limit election campaign spending through the introduction of a cap. The government, the opposition and the civil groups need to engage in a discussion in order to determine the kind of a criterion for a campaign expenses cap that would ensure a fairer electoral environment in Georgia.**

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<sup>187</sup> Council of Europe Committee of Ministers, Recommendation Rec(2003)4 of 8 April 2003. <https://wcd.coe.int/ViewDoc.jsp?id=2183&BackColorInternet=9999CC&BackColorIntranet=FFBB55&BackColorLogged=FFAC75>

<sup>188</sup> A Code of Good Practice in the Field of Political Parties. [http://www.venice.coe.int/docs/2006/CDL-EL\(2006\)035rev-e.asp?PrintVersion=True](http://www.venice.coe.int/docs/2006/CDL-EL(2006)035rev-e.asp?PrintVersion=True)

<sup>189</sup> For detailed information, see Table 21 in the Annex "Political Finance Regulation: The Global Experience", maximal amount of Election Campaign expenses in different countries".

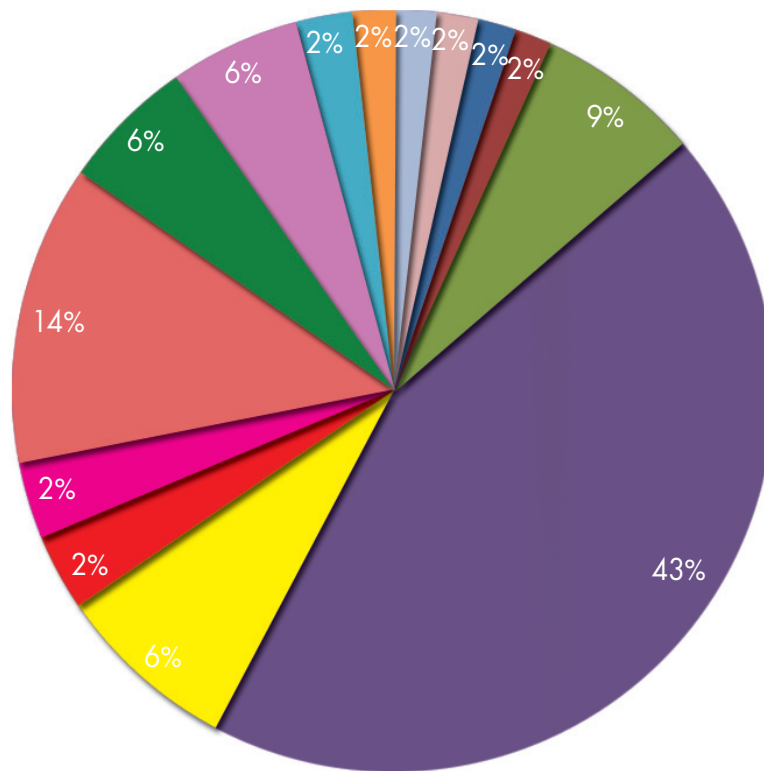


დანართი  
Annex



## პარტიების ყოველწლიური დაფინანსება Annual Party Finance

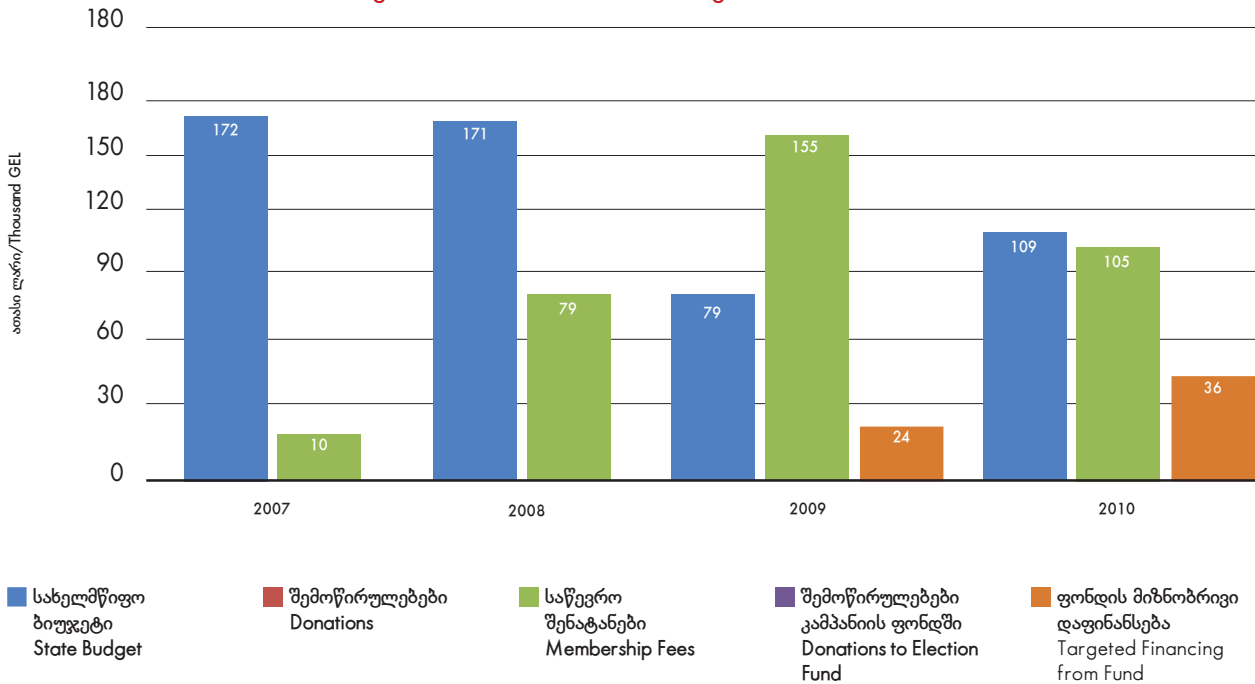
დიაგრამა №1: სახელმწიფო ბიუჯეტიდან პარტიათა პირდაპირი დაფინანსების განაწილება, 2009 წელი  
Figure No.1: Percentage Indicators for Direct Party Financing from State Budget.



- |  |  |  |  |  |   |  |
|--|--|--|--|--|---|--|
| <span style="color: blue;">■</span> ახალი მემარჯვენეები<br>New Rights                      | <span style="color: red;">■</span> თავისუფლება<br>Freedom  | <span style="color: green;">■</span> საქართველოს ლეიბორისტული პარტია<br>Georgian Labour Party    | <span style="color: purple;">■</span> ერთიანი ნაციონალური მოძრაობა<br>United National Movement | <span style="color: teal;">■</span> საქართველოს კონსერვატიული პარტია<br>Georgian Conservative Party    | <span style="color: orange;">■</span> ქართული დასი<br>Kartuli Dasi      | <span style="color: lightblue;">■</span> ჩვენ თვითონ<br>We Ourselves |
| <span style="color: brown;">■</span> ქრისტიან დემოკრატები<br>Christian-Democratic Movement | <span style="color: darkgreen;">■</span> მრეწველობა გადაარჩენს საქართველოს<br>Industry Will Save Georgia | <span style="color: pink;">■</span> საქართველოს რესპუბლიკური პარტია<br>Georgian Republican Party | <span style="color: magenta;">■</span> ეროვნული საბჭო<br>National Council                      | <span style="color: darkred;">■</span> მოძრაობა ერთიანი საქართველოსთვის<br>Movement for United Georgia | <span style="color: yellow;">■</span> საქართველოს გზა<br>Way of Georgia | <span style="color: grey;">■</span> ნალხის პარტია<br>People's Party  |

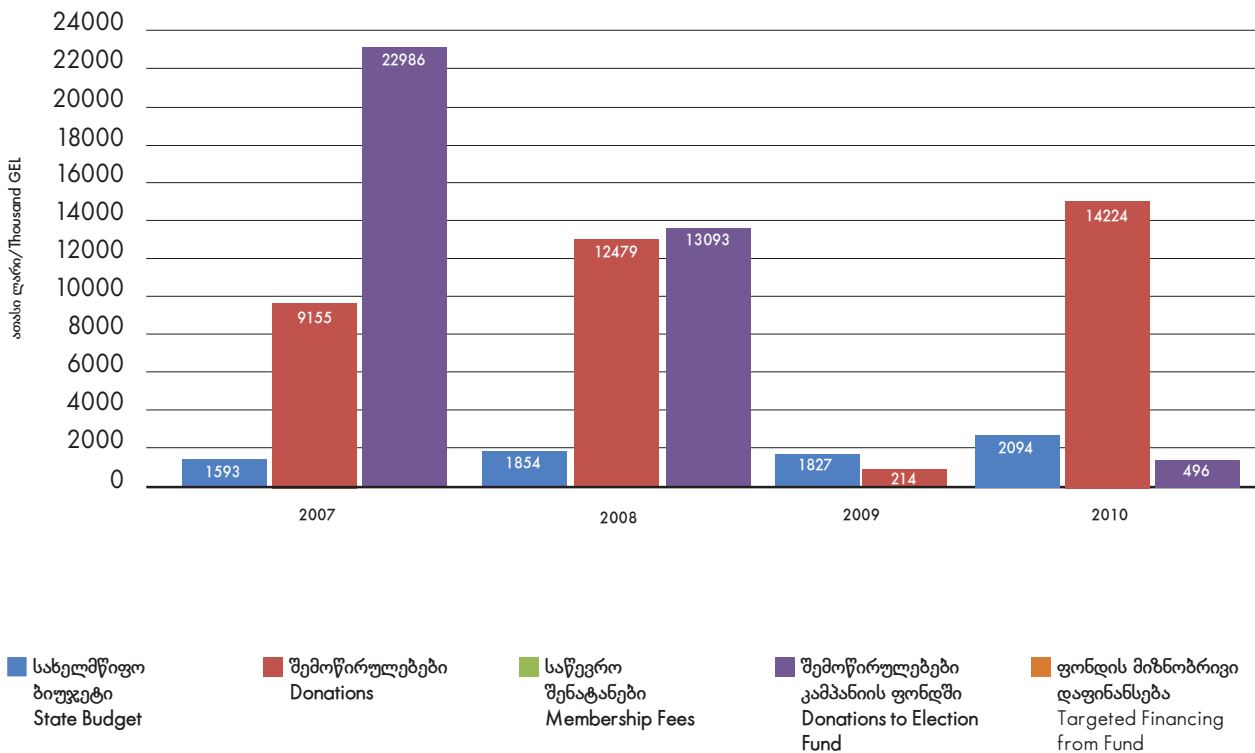
დიაგრამა №2. ახალი მემარჯვენეების შემოსავლები 2007-2010 წწ.

Figure No.2: Revenues of New Right in 2007-2010



დიაგრამა №3. ერთიანი ნაციონალური მოძრაობის შემოსავლები 2007-2010 წწ.

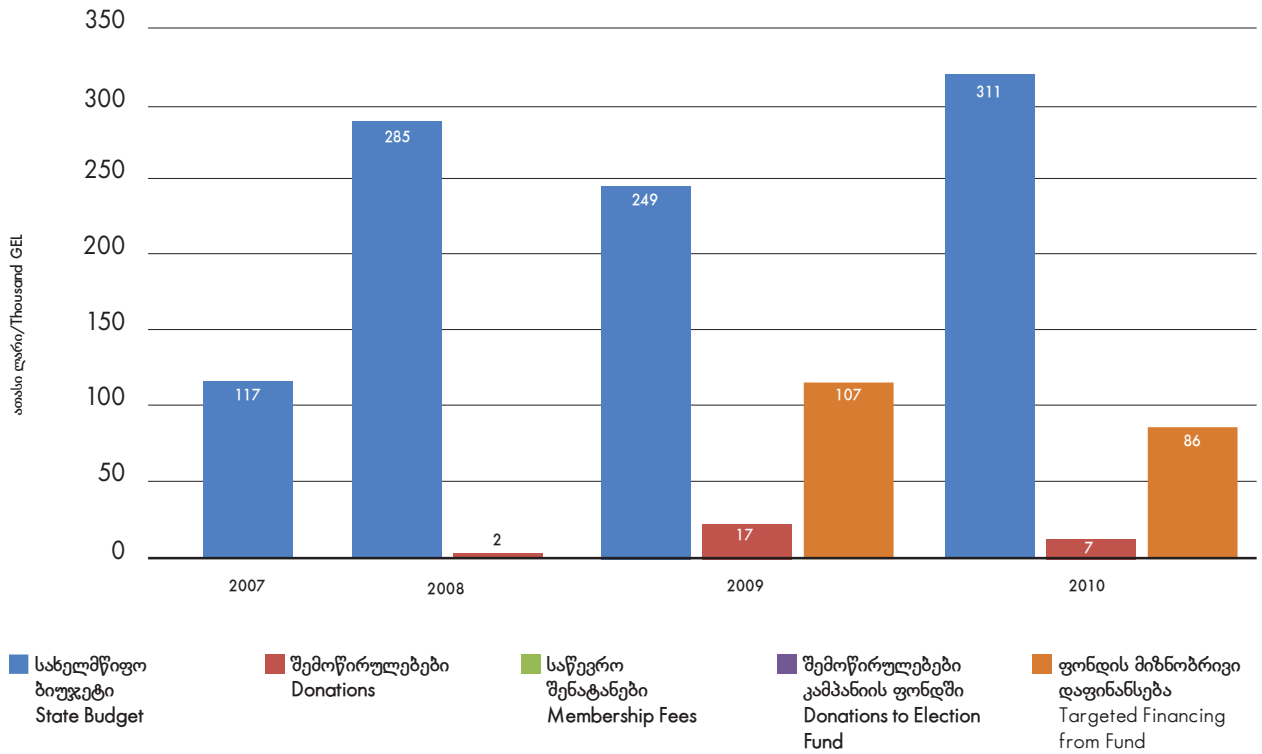
Figure No.3: Revenues of United National Movement in 2007-2010





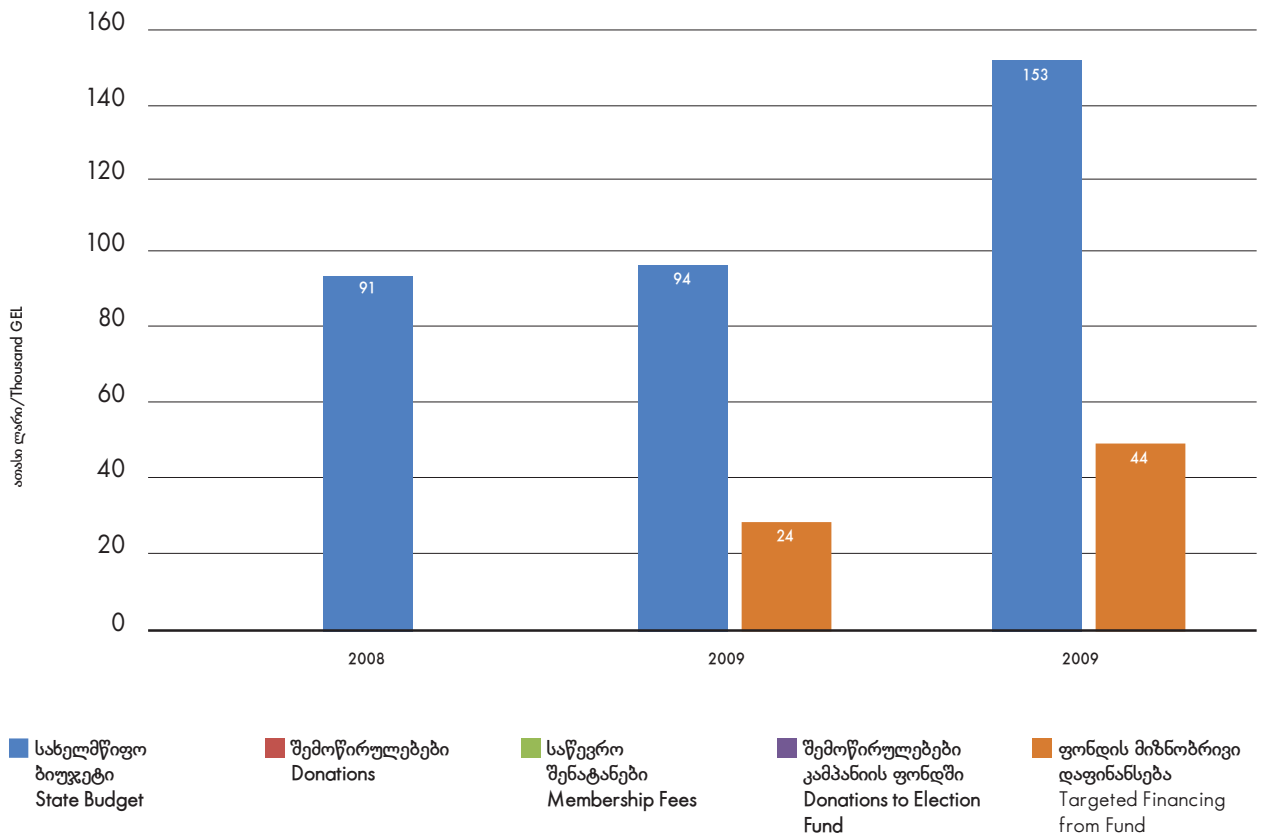
დიაგრამა №4. კონსერვატიული პარტიის შემოსავლები 2007-2010 წწ.

Figure No.4: Revenues of Conservative Party in 2007-2010



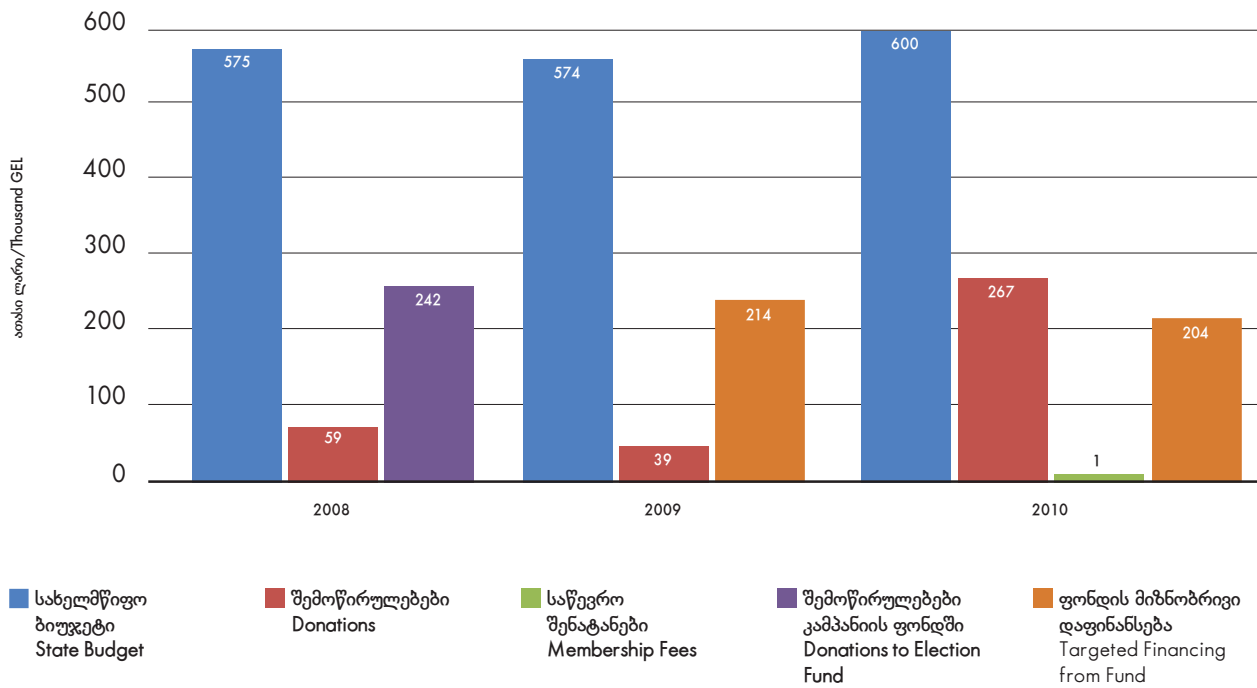
დიაგრამა №5. ჩვენ თვითონ შემოსავლები 2007-2010 წწ.

Figure No.5: Revenues of We Ourselves in 2007-2010



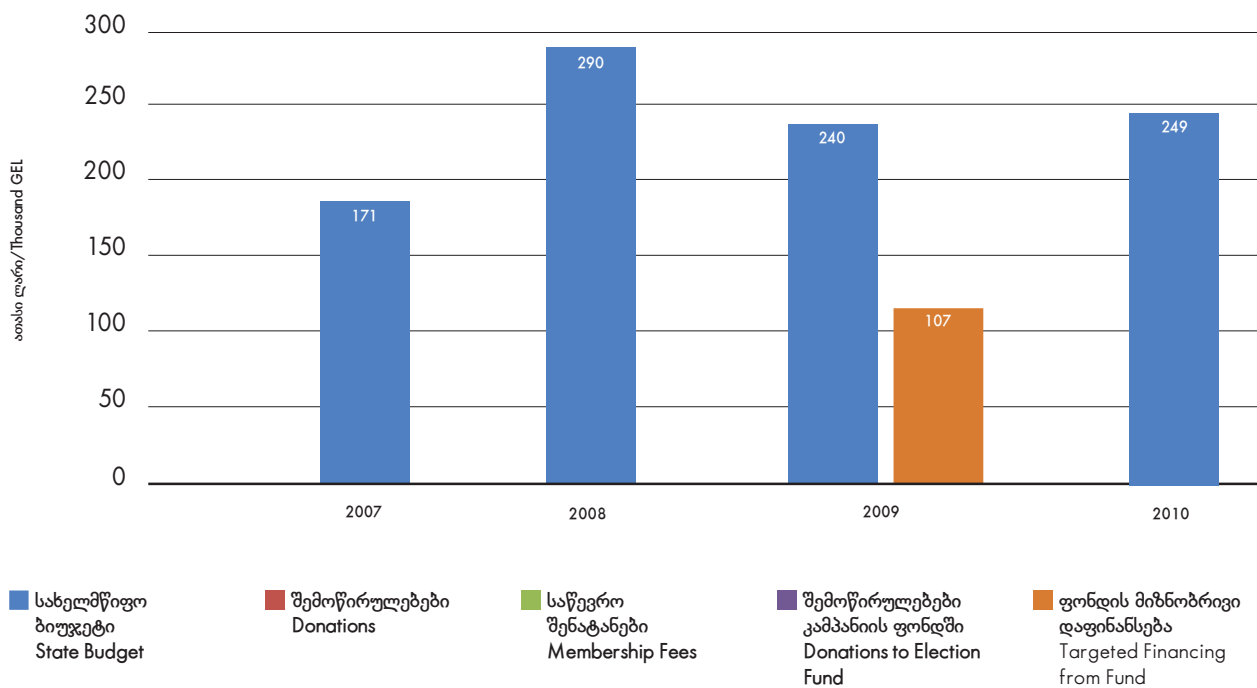
დიაგრამა №6. ქრისტიან დემოკრატიული პარტიის შემოსავლები 2007-2010 წწ.

Figure No.6: Revenues of Christian-Democratic Movement in 2007-2010



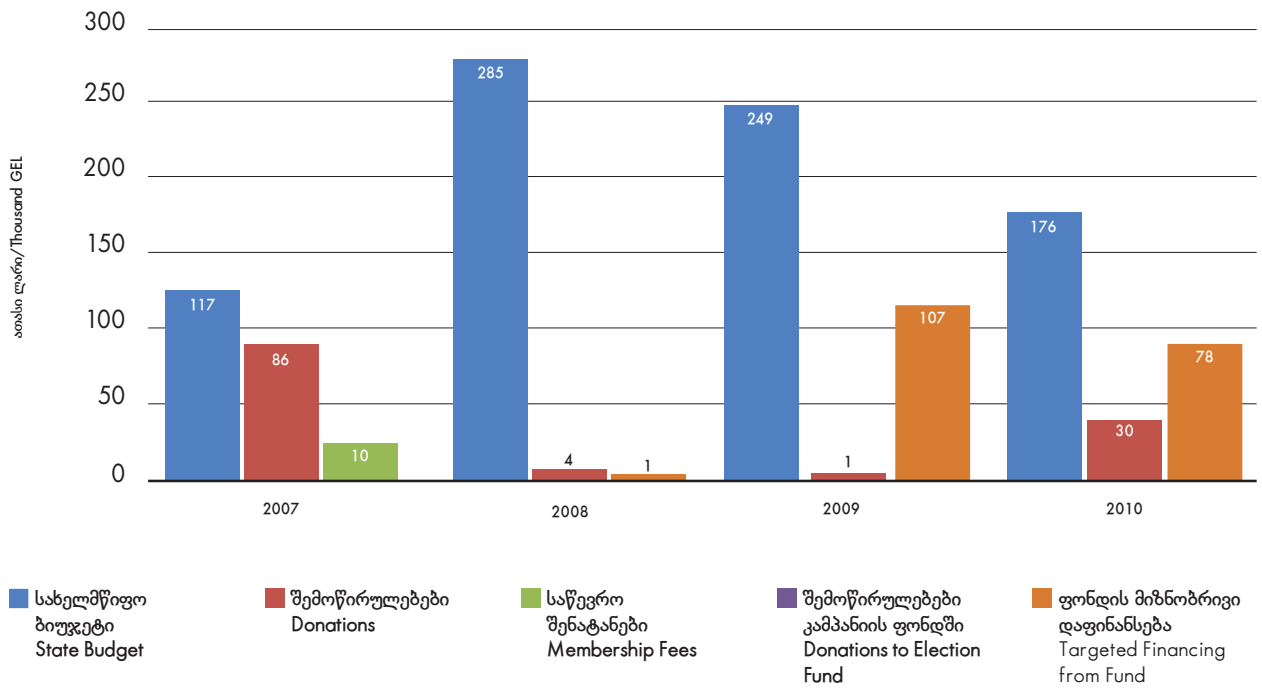
დიაგრამა №7. მრეწველობა გადაარჩენს საქართველოს შემოსავლები 2007-2010 წწ.

Figure No.7: Revenues of Industry Will Save Georgia in 2007-2010



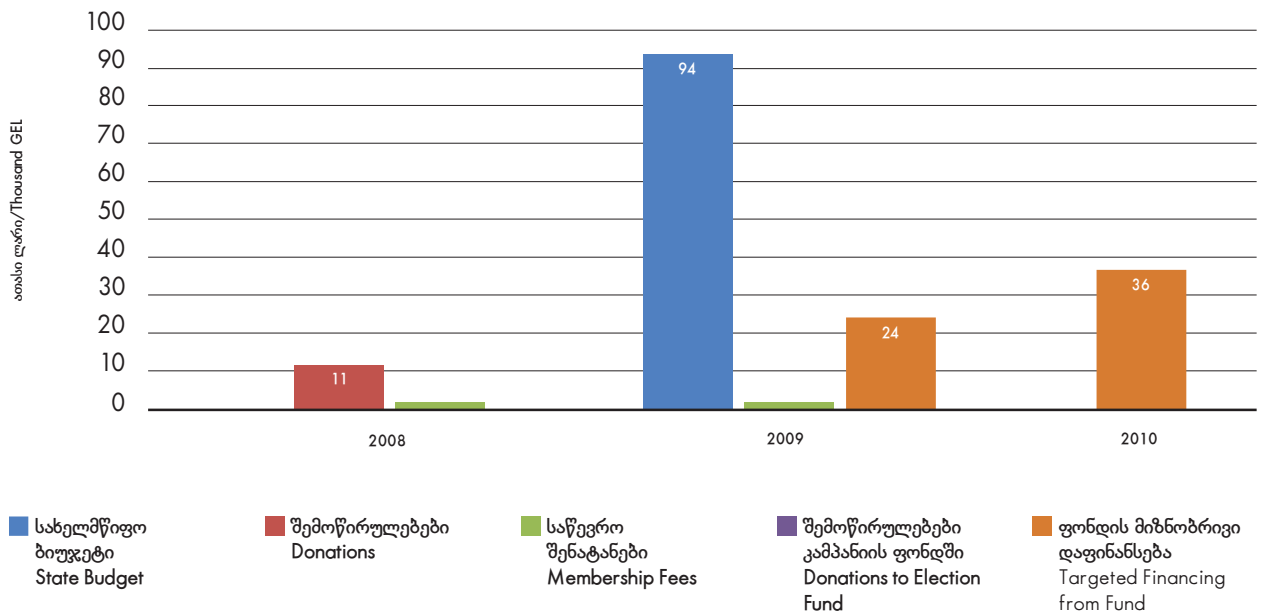
დიაგრამა №8. რესპუბლიკური პარტიის შემოსავლები 2007-2010 წწ.

Figure No.8. Revenues of Republican Party in 2007-2010

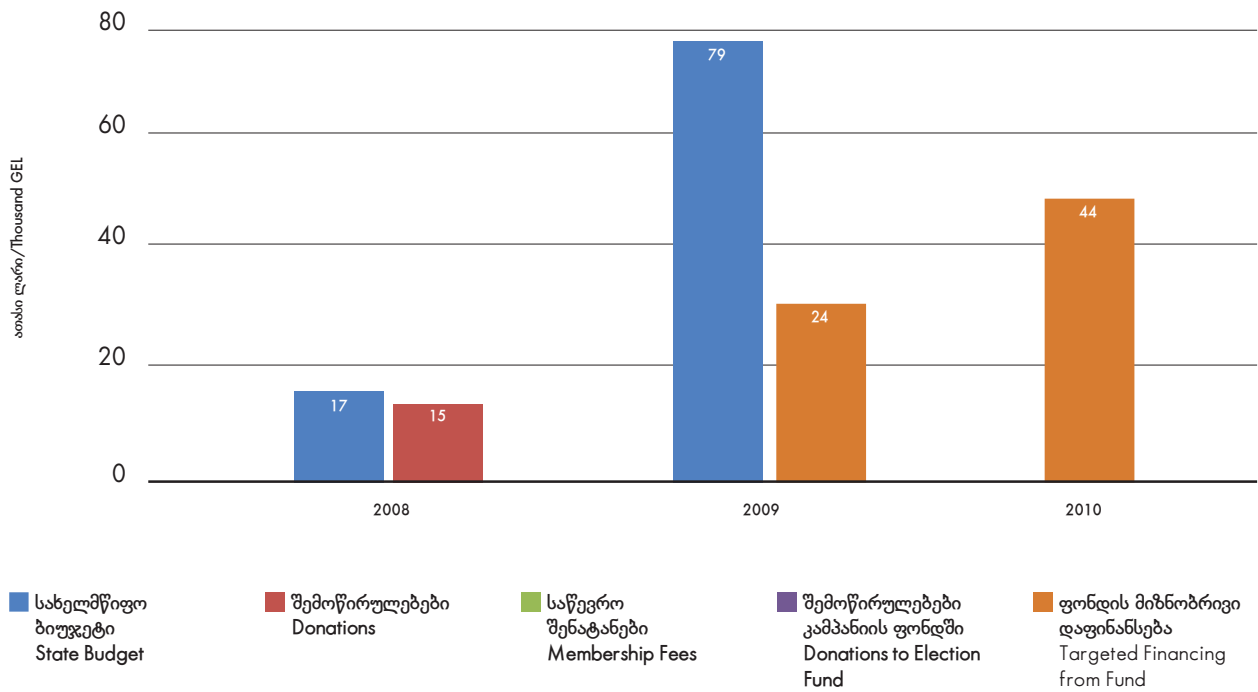


დიაგრამა №9. საქართველოს გზის შემოსავლები 2007-2010 წწ.

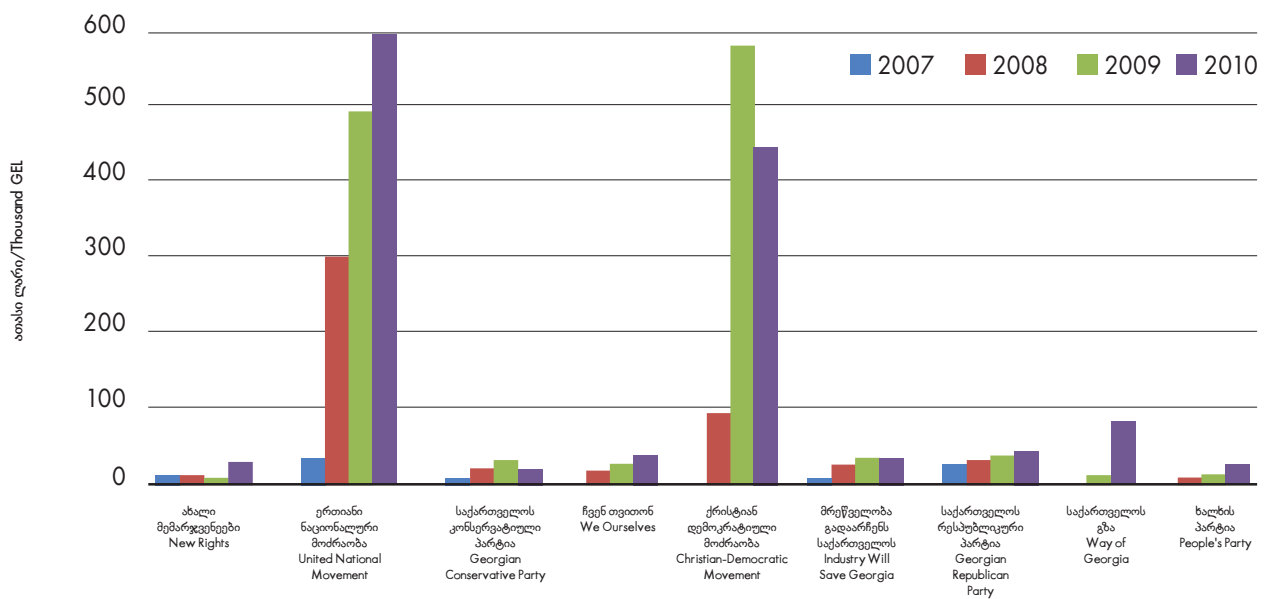
Figure No.9: Revenues of Georgia's Way in 2007-2010



დიაგრამა №10. ხალხის პარტიის შემოსავლები 2007-2010 წწ.  
Figure No.10: Revenues of People's Party in 2007-2010

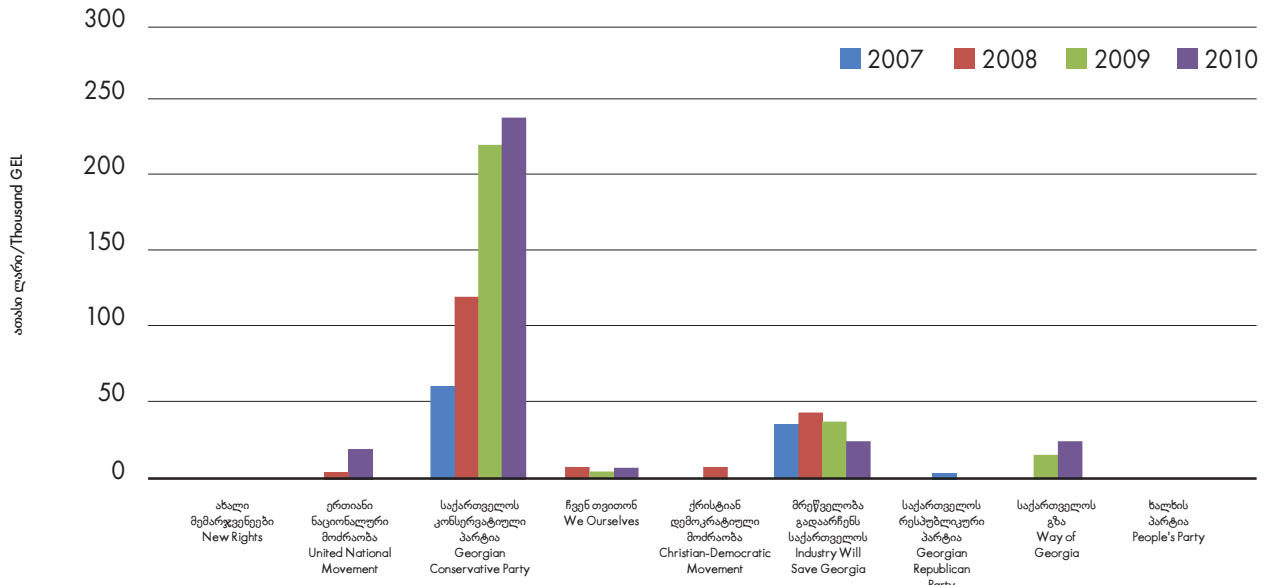


დიაგრამა №11: პარტიების მიერ გაწეული ხარჯი შრომის ანაზღაურებაზე 2007-2010 წწ.  
Figure No.11: Salary Expenses of Parties in 2007-2010



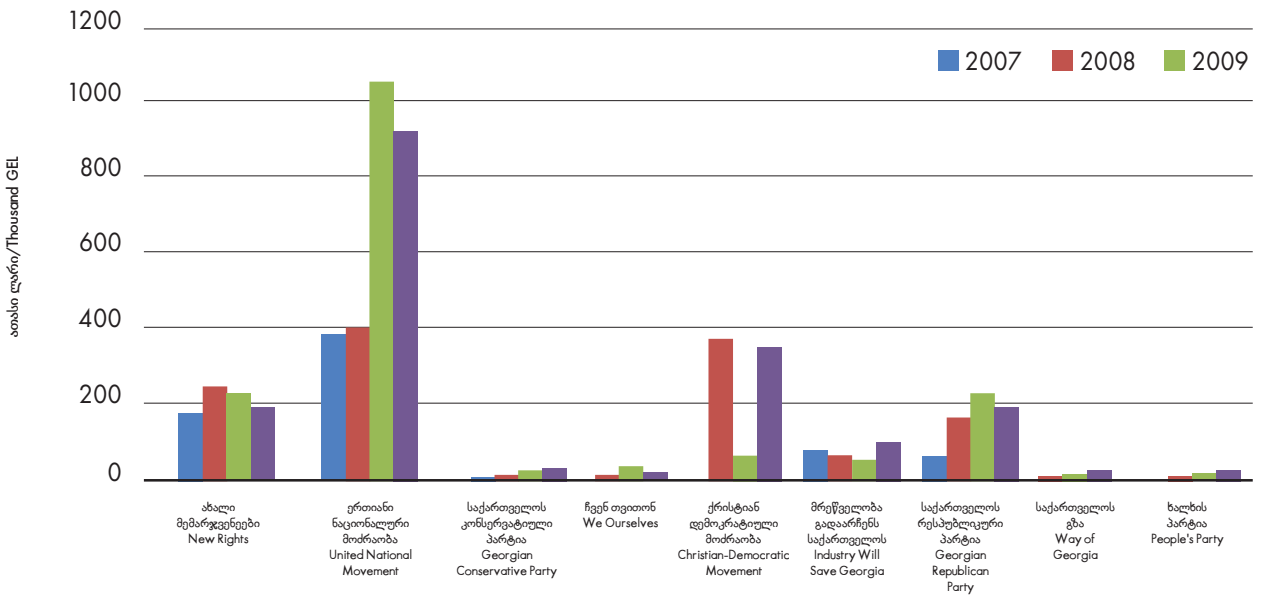
დიაგრამა №12: პარტიების მიერ გაწეული ხარჯი მივლინებაზე 2007-2010 წწ.

Figure No.12: Expenditures of Parties on Business Trips in 2007-2010



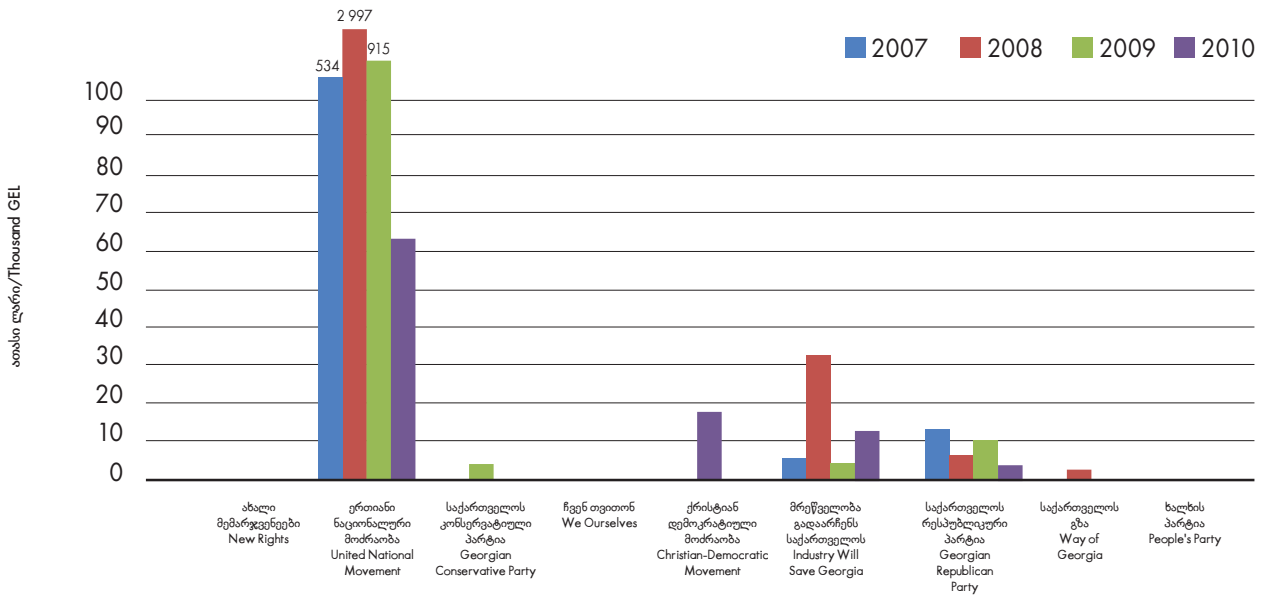
დიაგრამა №13: პარტიების მიერ გაწეული ხარჯი ოფისის ხარჯებზე 2007-2010 წწ.

Figure No.13: Expenditures of Parties on Office Expenses in 2007-2010



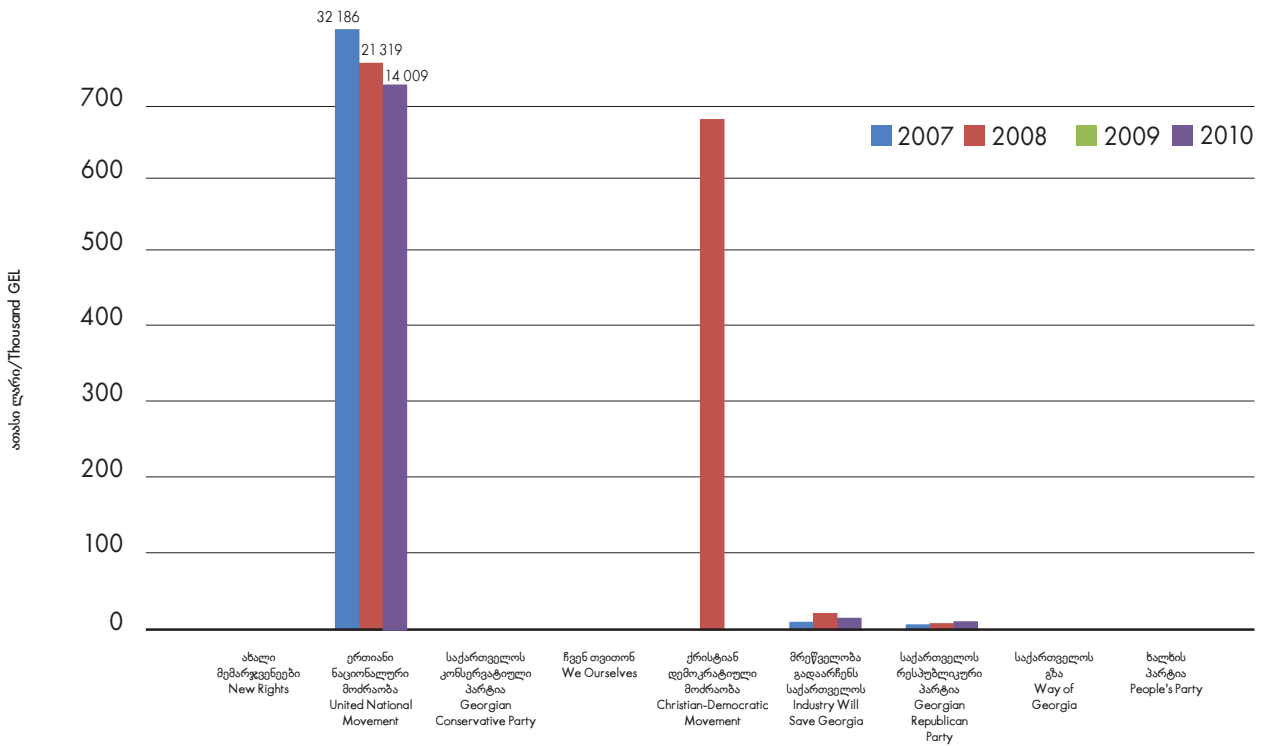
დიაგრამა №14: პარტიების მიერ გაწეული ხარჯი მომსახურებაზე 2007-2010 წწ.

Figure No.14: Expenditures of Parties on Services in 2007-2010



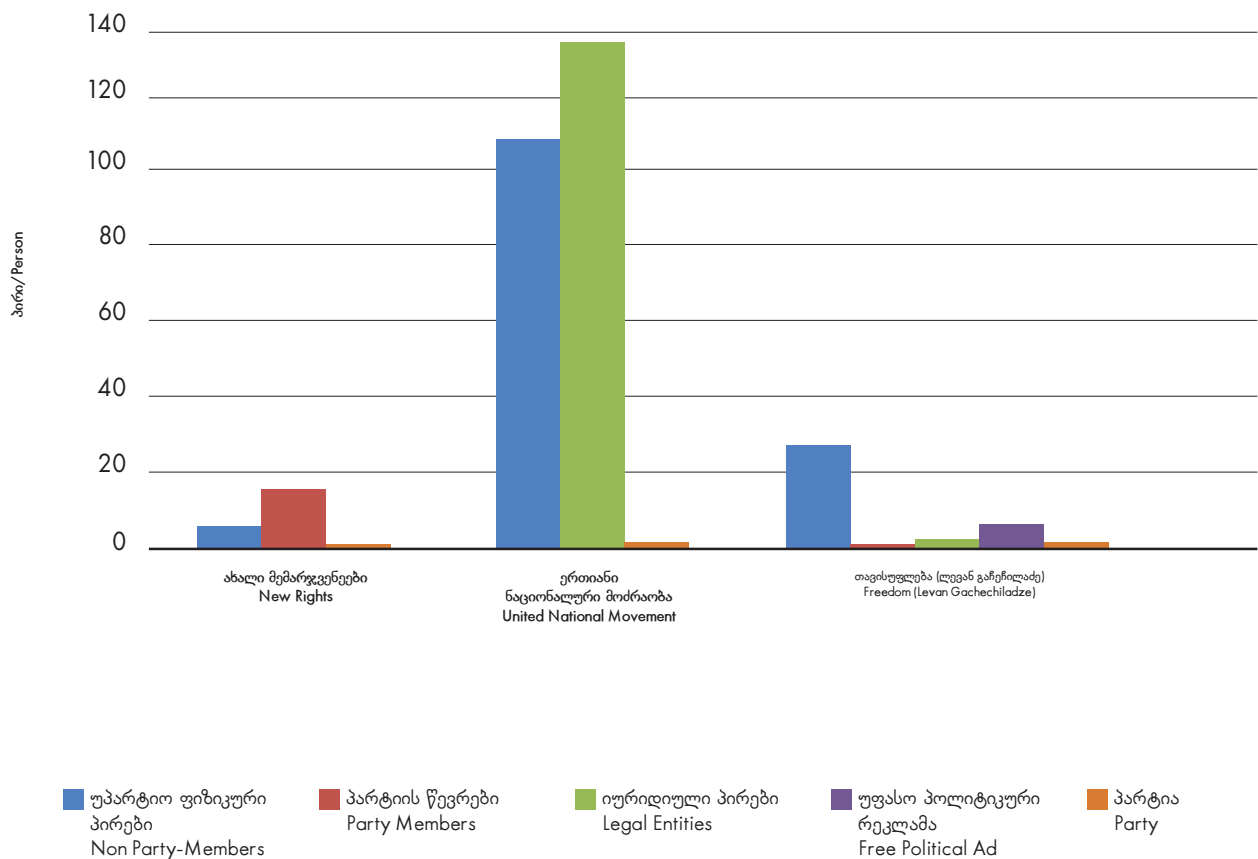
დიაგრამა №15: პარტიების მიერ გაწეული ხარჯი საარჩევნო კამპანიაზე 2007-2010 წწ.

Figure No.15: Expenditures of Parties on Election Campaign in 2007-2010

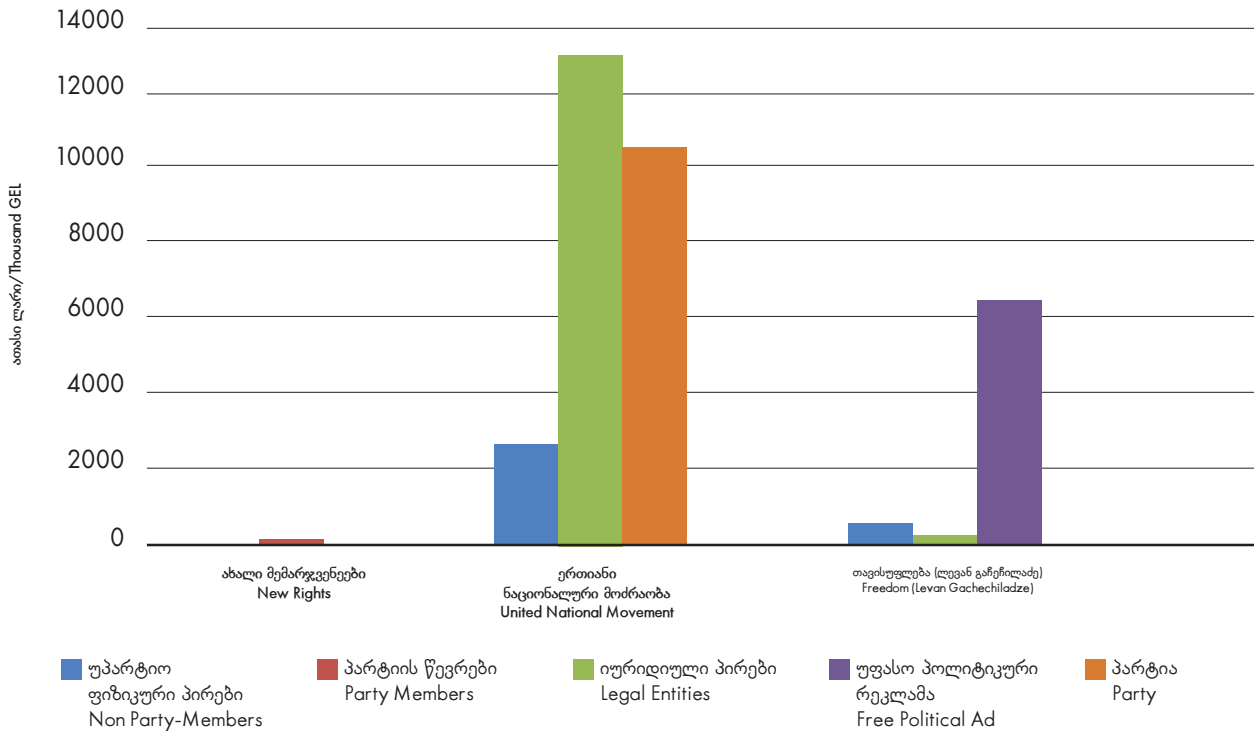


საარჩევნო კამპანიის დაფინანსება  
Election Campaign Financing

დიაგრამა №16: შემომწირველთა რაოდენობა 2008 წლის საპრეზიდენტო არჩევნებზე  
Figure No.16: Number of Donors for 2008 Presidential Elections



დიაგრამა №17: შემოწირულებების რაოდენობა შემომწირველთა მიხედვით  
2008 წლის საპრეზიდენტო არჩევნებზე  
Figure No.17: Amount of Donation by Type of Donor for 2008 Presidential Election



ცხრილი №1: ცესკოს მიერ დადგენილი ფორმა საარჩევნო ხარჯებისათვის<sup>1</sup>  
Table No.1: Election Campaign Expenditures Form approved by CEC<sup>1</sup>

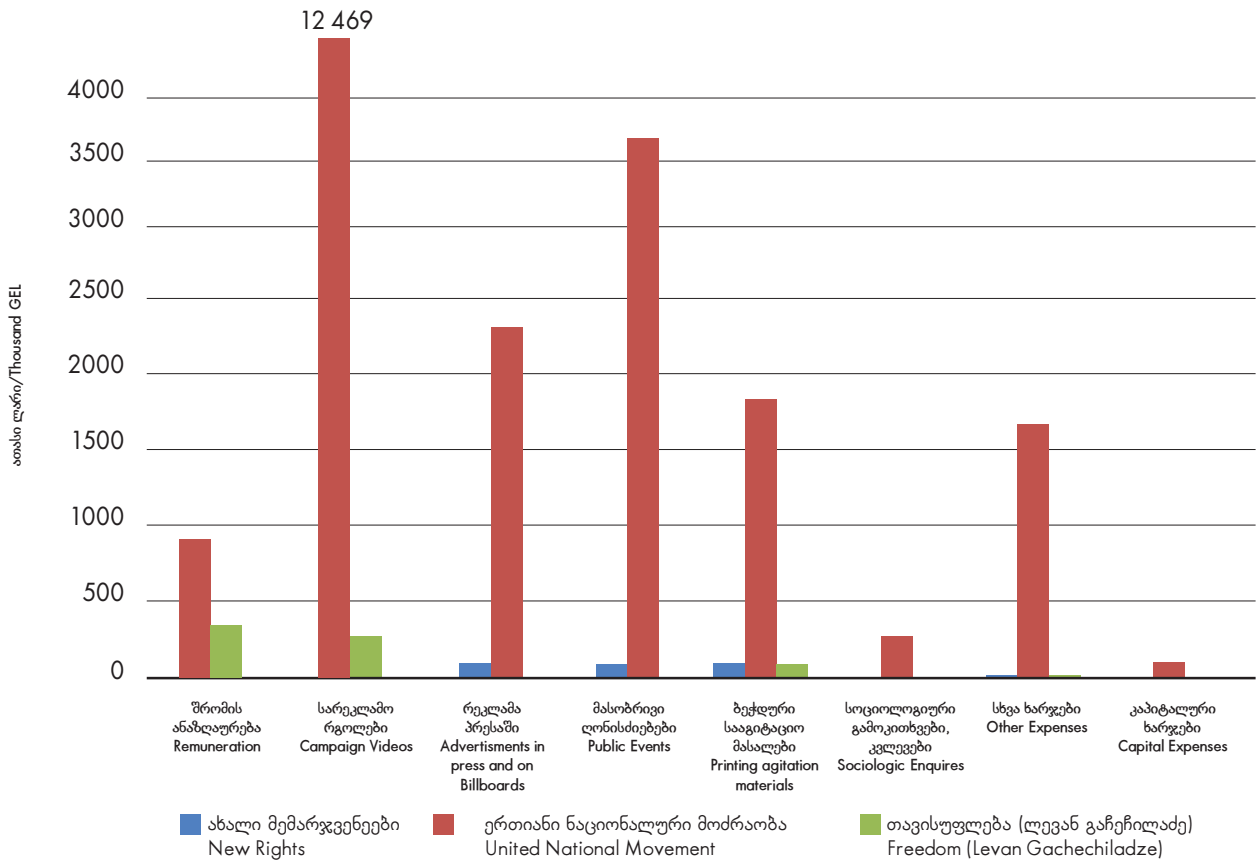
№	ხარჯების დასახელება Type of Expenditure	ხარჯების კოდი ეკონომიკური კლასიფიკაციის მიხედვით Code of Expenditure according to economic Classification	თანხა (ლარებში) Money (in GEL)
1.	შრომის ანაზღაურება/Salaries	010100	
2.	დამქირავებელიდან ანარიცხები/Employer's Tax Payments	010200	
3.	მივლინება/Business trips	010300	
4.	სხვა საქონელი და მომსახურება/Other goods and services	010400	
4.1	სარეკლამო რგოლები (მათ შორის, დამზადება) Publicities (inc, creation)		
4.2	რეკლამა პრესაში და ბილბორდები (მათ შორის, დამზადება) Publicity in Press and on Billboards (inc, creation)		
4.3	მასობრივი ღონისძიებები (საჯარო შეხვედრები მოქალაქეებთან, დარბაზის დაქირავება, კონცერტების მოწყობა და სხვ.) Public Events (public meetings with citizens, renting halls, organizing concerts, etc)		
4.4	ბეჭდური საავიტაციო მასალების დამზადება (პლაკატები, წინასაარჩევნო მოწოდებები და სხვ.) Creation of Printed agitation materials (posters, pre-election slogans, etc)		
4.5	სოციოლოგიური გამოკითხვა, კონსულტაციები და სხვა საარჩევნო კვლევები Sociological inquiries, consultations and other researches		
4.6	სხვა ხარჯები / Other expenses		
5.	კაპიტალური ხარჯები / Capital Expenditures		
	<b>სულ ხარჯები / Sum</b>		

<sup>1</sup> საქართველოს ცენტრალური საარჩევნო კომისიის 2003 წლის 4 ოქტომბრის განკარგულება №58/2003. იხ. [http://www.cec.gov.ge/index.php?lang\\_id=GEO&sec\\_id=62&info\\_id=6220](http://www.cec.gov.ge/index.php?lang_id=GEO&sec_id=62&info_id=6220).  
CEC October 4, 2003 order No.58/2003. See [http://www.cec.gov.ge/index.php?lang\\_id=GEO&sec\\_id=62&info\\_id=6220](http://www.cec.gov.ge/index.php?lang_id=GEO&sec_id=62&info_id=6220) (Georgian only)



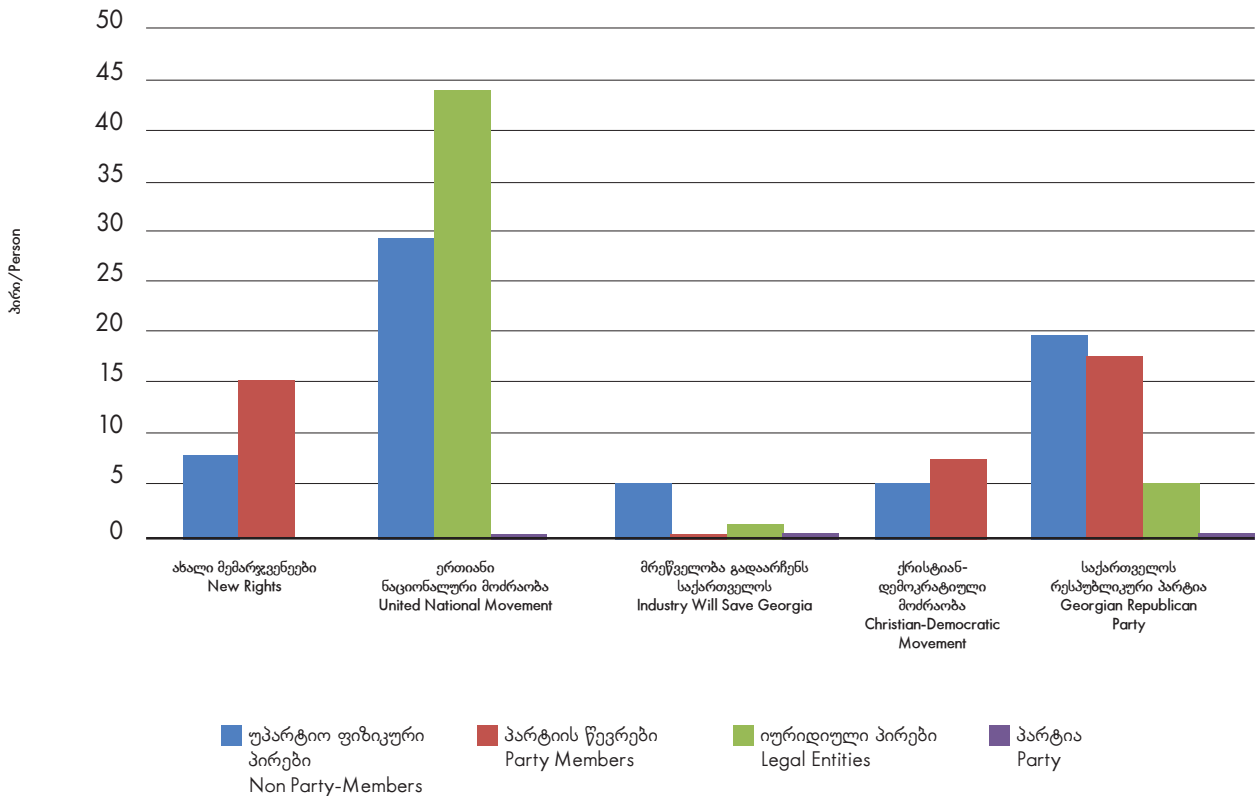
დიაგრამა №18: საარჩევნო ფონდების ხარჯები 2008 წლის საპრეზიდენტო არჩევნებზე

Figure No.18: 2008 Presidential Election Expenditures

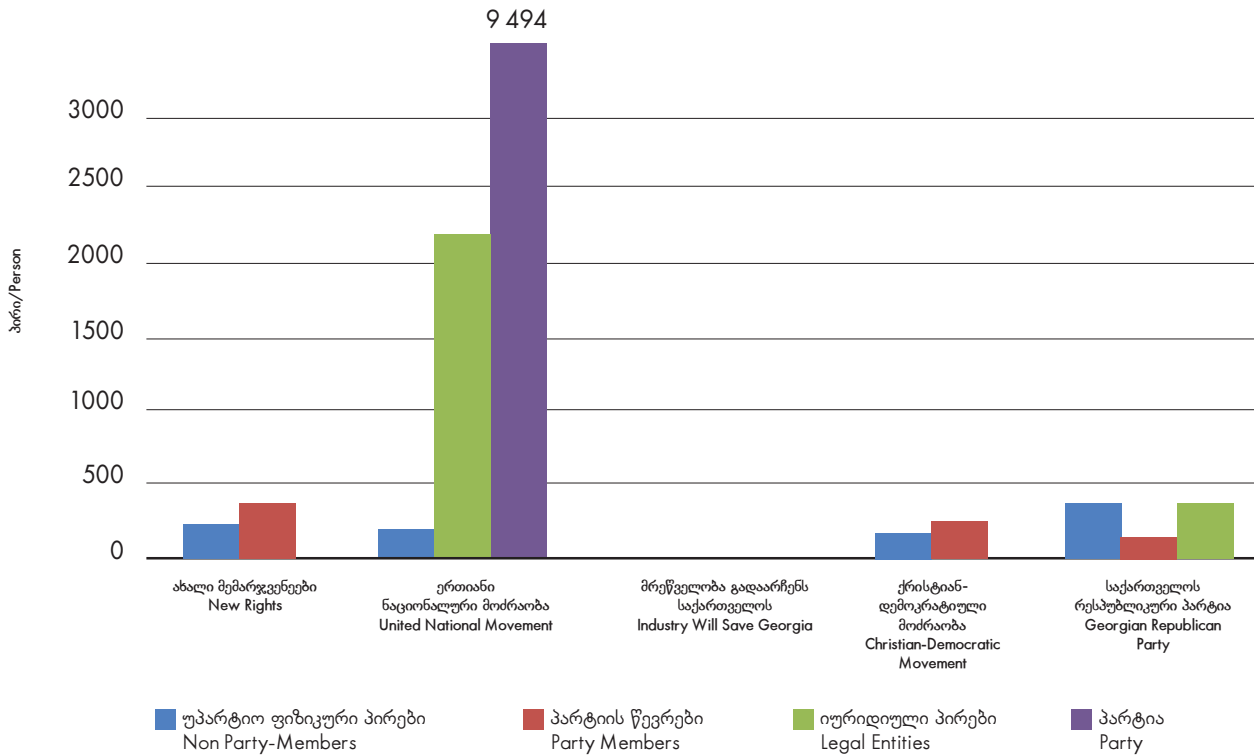


დიაგრამა №19: შემომწირველთა რაოდენობა 2008 წლის საპარლამენტო არჩევნებზე

Figure No.19: Number of Donors for 2008 Parliamentary Elections



დიაგრამა №20: შემოწირულებების რაოდენობა შემომწირველთა მიხედვით  
 2008 წლის საპარლამენტო არჩევნებზე  
 Figure No.20: Amount of Donation by Type of Donor for 2008 Parliamentary Elections



ცხრილი №2: 2008 წლის საპარლამენტო არჩევნების შემდგომი პერიოდის შემომწირველები  
 Table No.2: Post-Election Donors on 2008 Parliamentary Elections

პოლიტიკური გაერთიანება Political Party	ფიზიკური პირები Individuals	მ.შ. პარტიის წევრები am. Party Members	იურიდიული პირები Legal Entities	პარტია Party	ჯამი Sum
გაერთიანებული ოპოზიცია United Opposition	2	1	0	0	2
ერთიანი ნაციონალური მოძრაობა United National Movement	0	არ არის ხელმისაწვდომი <sup>2</sup> Not Available <sup>2</sup>	0	0	0
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	1	1	0	1	2
რესპუბლიკური პარტია The Republican Party	7	5	0	1	8
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	0	0	0	0	0

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები  
 Source: Political Party Reports received from CEC

<sup>2</sup> იხ. სქოლიო 66  
 See footnote 66

ცხრილი №3: 2008 წლის საპარლამენტო არჩევნების შემდგომი პერიოდის შემოწირულებები

Table No.3: Donations after the 2008 Parliamentary Elections

პოლიტიკური გაერთიანება Political Party	ფიზიკური პირები Individuals	მ.შ. პარტიის წევრები am. Party Members	იურიდიული პირები Legal Entities	პარტია Party	ჯამი Sum
<b>გაერთიანებული ოპოზიცია</b> United Opposition	24 750.00	15 000.00	–	–	24 750.00
<b>ერთიანი ნაციონალური მოძრაობა</b> United National Movement	–	არ არის ხელმისაწვდომი <sup>3</sup> Not Available <sup>3</sup>	–	–	–
<b>მრეწველობა გადაარჩენს საქართველოს</b> Industry Will Save Georgia	7 000.00	7 000.00	–	21 784.45	28 784.45
<b>რესპუბლიკური პარტია</b> The Republican Party	58 354.00	30 574.00	–	17 653.50	76 007.50
<b>ქრისტიან-დემოკრატიული პარტია</b> Christian-Democratic Party	–	–	–	–	–

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები

Source: Political Party Reports received from CEC

ცხრილი №4: 2008 წლის საპარლამენტო არჩევნებზე განხორციელებული ფულადი და არაფულადი შემოწირულებების განმარტოვებები<sup>4</sup>

Table No.4: Financial and non-financial donations on 2008 Parliamentary Elections<sup>4</sup>

პოლიტიკური გაერთიანება Political Party	ფულადი (ფ.პ) Financial (indiv.)	არაფულადი (ფ.პ) Non-financial (indiv)	ფულადი (ი.პ) Financial (l.e.)	არაფულადი (ი.პ) Non-financial (l.e.)	ჯამი Sum
<b>გაერთიანებული ოპოზიცია</b> United Opposition	24	0	0	0	24
<b>ერთიანი ნაციონალური მოძრაობა</b> United National Movement	27	2	45	1	75
<b>მრეწველობა გადაარჩენს საქართველოს</b> Industry Will Save Georgia	5	0	3	1	9
<b>რესპუბლიკური პარტია</b> The Republican Party	25	10	4	3	42
<b>ქრისტიან-დემოკრატიული პარტია</b> Christian-Democratic Party	13	0	0	0	13

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები

Source: Political Party Reports received from CEC

<sup>3</sup> იხ. სქოლიო 66  
See footnote 66

<sup>4</sup> იხ. სქოლიო 78  
See footnote 78

ცხრილი №5: 2008 წლის საპარლამენტო არჩევნებზე განხორციელებული ფულადი და არაფულადი შემოწირულობების ოდენობები

Table No.5: Amount of financial and non-financial donations on 2008 Parliamentary Elections

პოლიტიკური გაერთიანება Political Party	ფულადი (ფ.პ) Financial (indiv.)	არაფულადი (ფ.პ) Non-financial (indiv.)	ფულადი (ი.პ) Financial (l.e.)	არაფულადი (ი.პ) Non-financial (l.e.)	ჯამი Sum
გაერთიანებული ოპოზიცია United Opposition	481 790.00	–	–	–	481 790.00
ერთიანი ნაციონალური მოძრაობა United National Movement	147 150.00	10 255.00	10 287 427.00	1 496 965.68	11 941 797.68
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	43 013.00	–	49 650.00	11 784.45	104 447.45
რესპუბლიკური პარტია The Republican Party	273 734.00	56 264.44	310 000.00	42 386.31	682 384.75
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	241 569.40	–	–	–	241 569.40

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები  
Source: Political Party Reports received from CEC

ცხრილი №6: 2008 წლის საპარლამენტო არჩევნების საარჩევნო ფონდების ხარჯები (ნაწილი 1)  
Table No.6: Election Campaign Fund Expenditures on 2008 Parliamentary Elections (part 1)

პოლიტიკური გაერთიანება Political Party	შრომის ანაზღაურება Remuneration	დამქირავებლიდან ანარიცხვები Employer Tax Transfers	სარეკლამო რგოლები Campaign Videos (inc, creation)	რეკლამა პრესაში და ბილბორდები Publicity in Press and on Billboards (inc, creation)	მასობრივი ღონისძიებები Public Events
გაერთიანებული ოპოზიცია United Opposition	0.00	294.00	57 320.00	16 299.00	89 342.00
ერთიანი ნაციონალური მოძრაობა United National Movement	385 876.00	0.00	8 074 919.00	579 639.00	387 600.00
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	675.00	225.00	6 990.00	26 555.84	475.00
რესპუბლიკური პარტია <sup>5</sup> The Republican Party <sup>5</sup>	166 285.22	0.00	0.00	0.00	0.00
ქრისტიან-დემოკრატიული პარტია <sup>6</sup> Christian-Democratic Party <sup>6</sup>	0.00	0.00	26 351.68	10 796.52	3 700.00

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები  
Source: Political Party Reports received from CEC

<sup>5</sup> რესპუბლიკური პარტიის მიერ წარმოდგენილ ანგარიშში არ იყო ასახული ხარჯები კლასიფიკაციის მიხედვით. თუმცა დართული იყო ხარჯების დეტალური ჩამონათვალი.

In the Republican Party's report, expenditures were not shown with classifications. However, there was detailed expenditure log attached.

<sup>6</sup> ქრისტიან-დემოკრატებს ხარჯები ჰქონდათ ანგარიშის შედგენაში. კერძოდ, სხვა საქონელი და მომსახურება, რომელიც მოიცავს რამდენიმე ტიპის ხარჯს, ცალკე ჰქონდათ აღრიცხული. თუმცა, ვერც აუდიტმა და ვერც ფინანსური მონიტორინგის ჯგუფმა ეს ვერ შენიშნა. ჩვენ ეს თანხა „სხვა ხარჯებში“ გადავიტანეთ. Christian-Democratic Party had an error in drafting report. In particular, "other goods and services" that contains several types of expenditures, was registered as a separate expenditure. However, neither audit, nor Financial Monitoring Group noticed it. We put this amount in "other expenses" graph.

ცხრილი №7: 2008 წლის საპარლამენტო არჩევნების საარჩევნო ფონდების ხარჯები (ნაწილი 2)

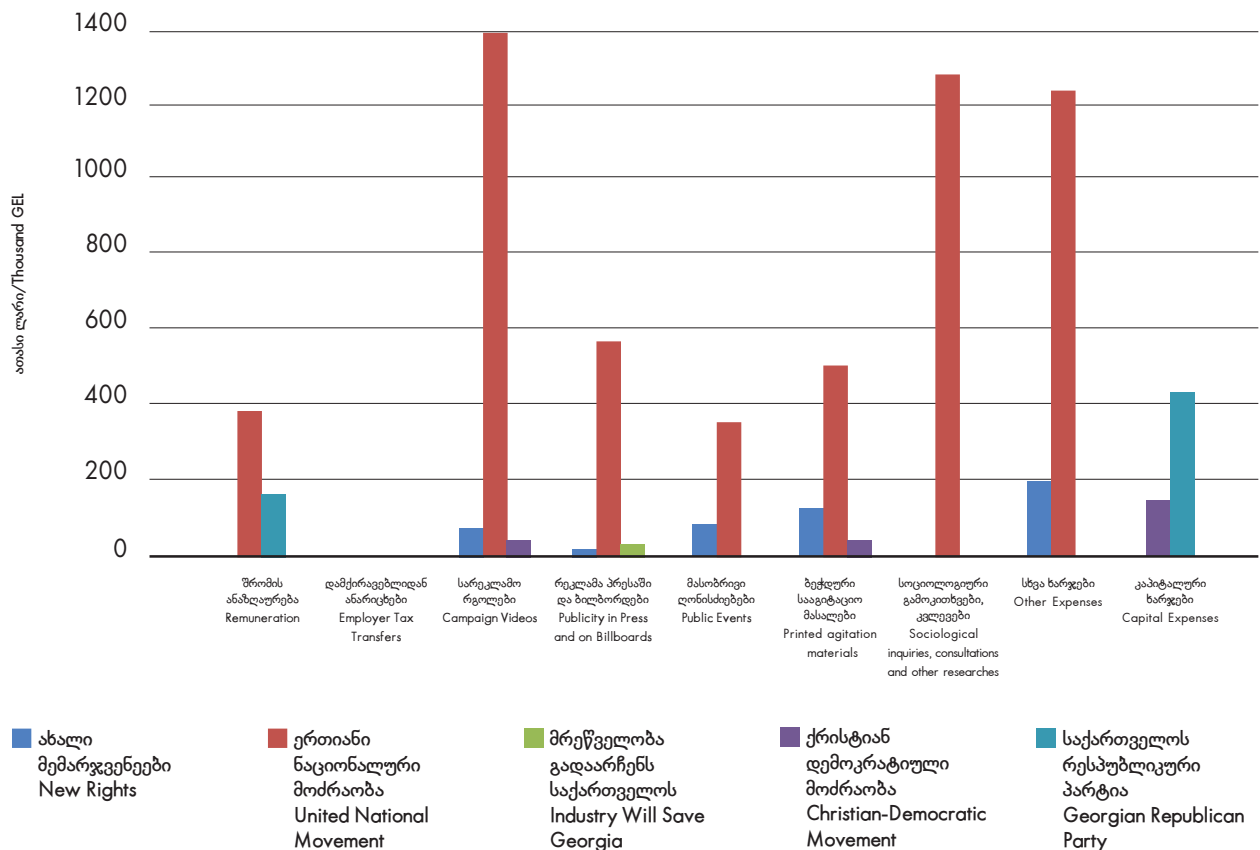
Table No.7: Election Campaign Fund Expenditures on 2008 Parliamentary Elections (part 2)

პოლიტიკური გაერთიანება Political Party	ბეჭდური სააგიტაციო მასალების დამზადება Printed agitation materials	სოციოლოგიური გამოკითხვა, კონსულტაციები Sociological inquiries, consultations and other researches	სხვა ხარჯები Other Expenses	კაპიტალური ხარჯები Capital Expenses	სულ ხარჯები Sum
გაერთიანებული ოპოზიცია United Opposition	121 280.00	510.00	194 265.00	0.00	479 310.00
ერთიანი ნაციონალური მოძრაობა United National Movement	457 805.00	1 122 633.00	1 079 822.00	3 499.00	12 091 793.00
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	15 523.90	1 463.34	436.35	575.67	52 920.10
რესპუბლიკური პარტია The Republican Party	0.00	0.00	417 448.78	0.00	583 734.00
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	38 588.21	0.00	159 067.40	1 927.00	240 430.81

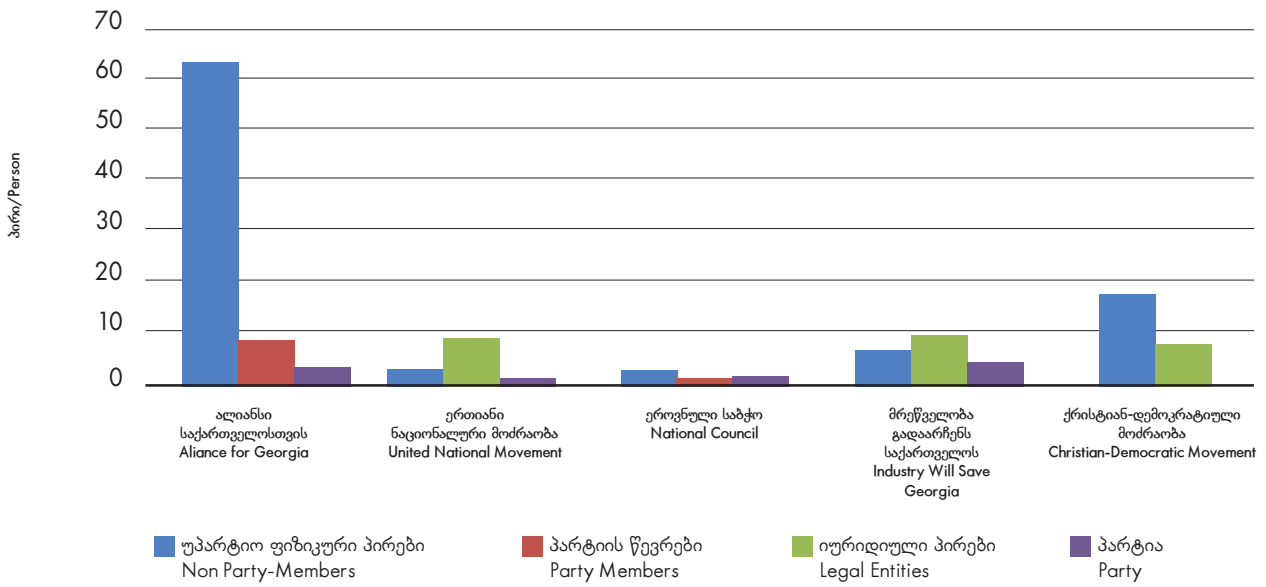
\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები  
Source: Political Party Reports received from CEC

დიაგრამა №21: 2008 წლის საპარლამენტო არჩევნების საარჩევნო ფონდების ხარჯები

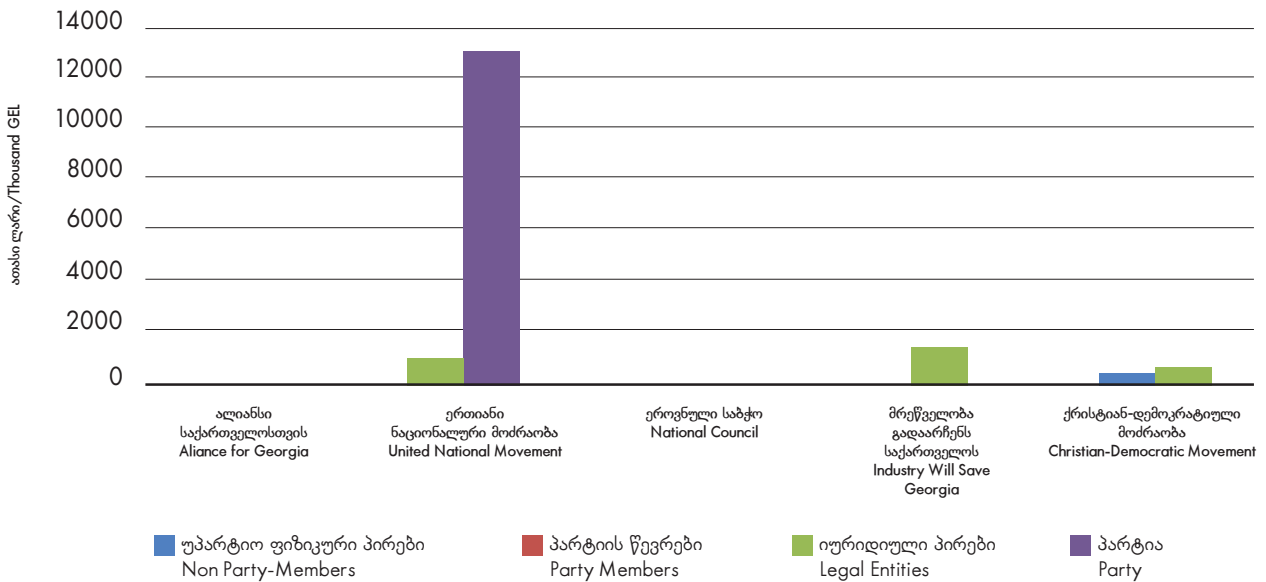
Figure No.21: Election Campaign Fund Expenditures on 2008 Parliamentary Elections



დიაგრამა №22: შემომწირველთა რაოდენობა 2010 წლის ადგილობრივი თვითმმართველობის არჩევნებზე  
 Figure No.22: Number of Donors for 2010 Local Elections



დიაგრამა №23: შემოწირულებების რაოდენობა შემომწირველთა მიხედვით 2010 წლის ადგილობრივი თვითმმართველობის არჩევნებზე  
 Figure No.23: Amount of Donations by Type of Donor for 2010 Local Government Elections



**ცხრილი №8: 2010 წლის ადგილობრივი თვითმმართველობის არჩევნების შემდეგ  
არსებული შემომწირველები  
Sheet No.8: Post-Election Donors on 2010 Local Elections**

პოლიტიკური გაერთიანება Political Party	ფიზიკური პირები Individuals	მ.შ. პარტიის წევრები am. Party Members	იურიდიული პირები Legal Entities	პარტია Party	ჯამი Sum
ალიანსი საქართველოსათვის Alliance for Georgia	17	2	0	0	17
ერთიანი ნაციონალური მოძრაობა United National Movement	0	არ არის ხელმისაწვდომი <sup>7</sup> Not Available <sup>7</sup>	9	0	9
ეროვნული საბჭო National Council	1	1	0	0	1
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	0	0	0	0	0
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	3	0	0	0	3

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები  
Source: Political Party Reports received from CEC

**ცხრილი №9: 2010 წლის ადგილობრივი თვითმმართველობის არჩევნების შემდგომ  
განხორციელებული შემომწირულებები  
Sheet No.9: Donations after 2010 Local Elections**

პოლიტიკური გაერთიანება Political Party	ფიზიკური პირები Individuals	მ.შ. პარტიის წევრები am. Party Members	იურიდიული პირები Legal Entities	პარტია Party	ჯამი Sum
ალიანსი საქართველოსათვის Alliance for Georgia	26 285.24	10 680.00	–	–	26 285.24
ერთიანი ნაციონალური მოძრაობა United National Movement	–	არ არის ხელმისაწვდომი <sup>8</sup> Not Available <sup>8</sup>	600 000.00	–	600 000.00
ეროვნული საბჭო National Council	508.50	508.50	–	–	508.50
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	–	–	–	–	0.00
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	62 222.00	–	–	–	62 222.00

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები  
Source: Political Party Reports received from CEC

<sup>7</sup> იხ. სქოლიო 66  
See footnote 66  
<sup>8</sup> იხ. სქოლიო 66  
See footnote 66

**ცხრილი №10: 2010 წლის ადგილობრივი თვითმმართველობის არჩევნებზე ფულადი და არაფულადი შემოწირულებების განმარტვებლები<sup>9</sup>**  
**Sheet No.10: Financial and Non-Financial Donations 2010 Local Elections<sup>9</sup>**

პოლიტიკური გაერთიანება Political Party	ფულადი (ფ.პ) Financial (indiv.)	არაფულადი (ფ.პ) Non-financial (indiv)	ფულადი (ი.პ) Financial (l.e.)	არაფულადი (ი.პ) Non-financial (l.e.)	ჯამი Sum
ალიანსი საქართველოსათვის Alliance for Georgia	38	38	2	1	79
ერთიანი ნაციონალური მოძრაობა United National Movement	0	2	10	0	12
ეროვნული საბჭო National Council	5	4	1	1	11
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	5	0	2	8	15
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	16	0	0	4	20

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები  
 Source: Political Party Reports received from CEC

**ცხრილი №11: 2010 წლის ადგილობრივი თვითმმართველობის არჩევნებზე ფულადი და არაფულადი შემოწირულებების ოდენობები**  
**Sheet No.11: Amount of Financial and Non-Financial Donations 2010 Local Elections**

პოლიტიკური გაერთიანება Political Party	ფულადი (ფ.პ) Financial (indiv.)	არაფულადი (ფ.პ) Non-financial (indiv)	ფულადი (ი.პ) Financial (l.e.)	არაფულადი (ი.პ) Non-financial (l.e.)	ჯამი Sum
ალიანსი საქართველოსათვის Alliance for Georgia	92 570.20	41 812.19	12 000.00	1 000.00	147 382.39
ერთიანი ნაციონალური მოძრაობა United National Movement	–	523.00	–	14 112 888.80	14 113 411.80
ეროვნული საბჭო National Council	72 638.50	8 785.00	44 150.00	50 835.00	176 408.50
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	101 177.00	–	106 930.00	750 000.00	958 107.00
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	246 631.00	–	–	400 000.00	646 631.00

\* წყარო: ცესკოდან მიღებული პოლიტიკური პარტიების ანგარიშები  
 Source: Political Party Reports received from CEC

<sup>9</sup> იხ. სქოლიო 78  
 See footnote 78



**ცხრილი №12: 2010 წლის ადგილობრივი თვითმმართველობის არჩევნების  
პარტიათა საარჩევნო ფონდების ხარჯები (ნაწილი 1)  
Sheet No.12: Election Campaign Fund Expenditures on 2010 Local Elections (part 1)**

პოლიტიკური გაერთიანება Political Party	შრომის ანაზღაურება Remuneration	დამქირავებელიდან ანარიცხები Employer Tax Transfers	სარეკლამო რგოლები Campaign Videos (inc, creation)	რეკლამა პრესაში და ბილბორდები Publicity in Press and on Billboards (inc, creation)	მასობრივი ღონისძიებები Public Events
ალიანსი საქართველოსათვის Alliance for Georgia	0.00	0.00	37 714.44	4 959.00	780.92
ერთიანი ნაციონალური მოძრაობა United National Movement	609 620.00	2 830.00	10 130 600.00	493 812.00	730 229.00
ეროვნული საბჭო National Council	0.00	0.00	8 785.00	0.00	0.00
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	6 060.00	3 698.60	0.00	4 079.57	6 800.00
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	0.00	0.00	417 680.48	102 581.85	21 750.00

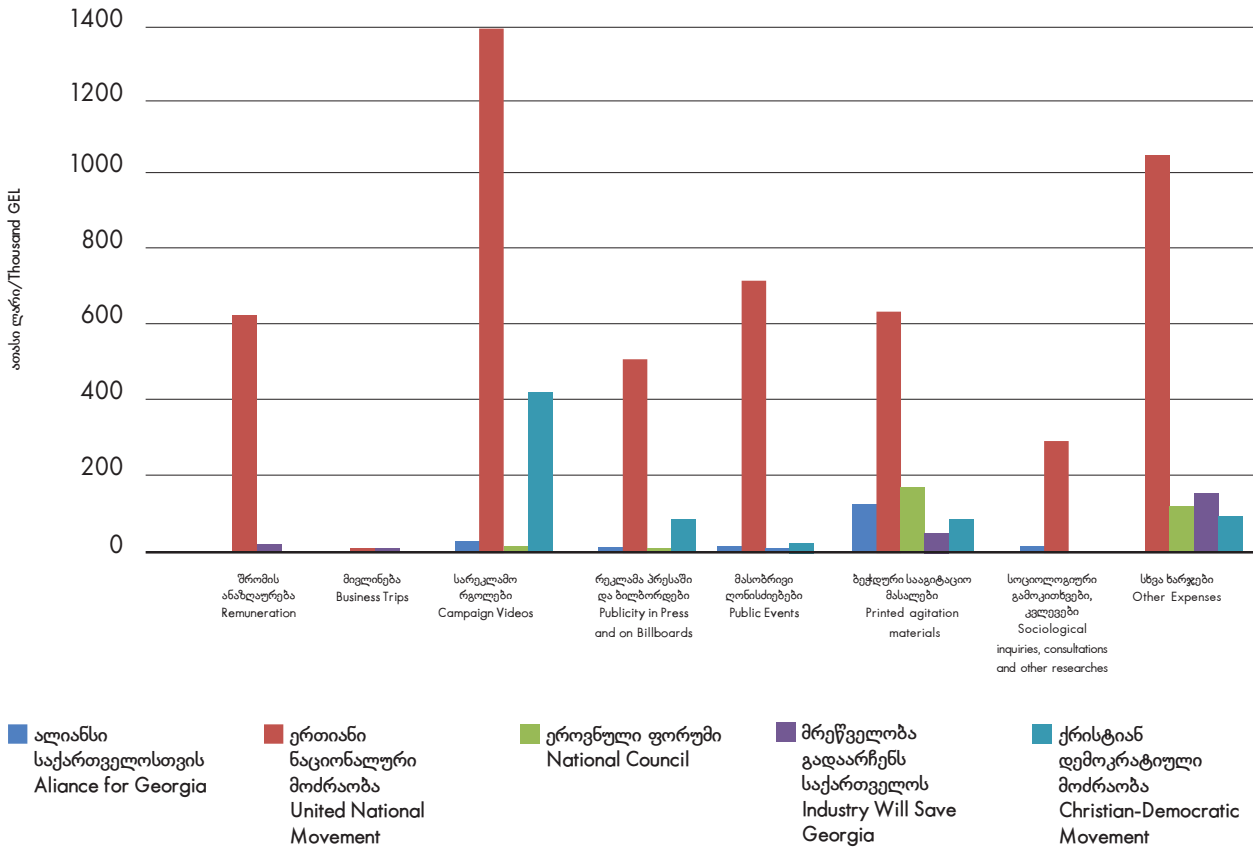
\* წყარო: ცესკოსგან მიღებული პოლიტიკური პარტიების ანგარიშები  
Source: Political Party Reports received from CEC

**ცხრილი №13: 2010 წლის ადგილობრივი თვითმმართველობის არჩევნების  
საარჩევნო პარტიათა ფონდების ხარჯები (ნაწილი 2)  
Sheet No.13: Election Campaign Fund Expenditures on 2010 Local Elections (part 2)**

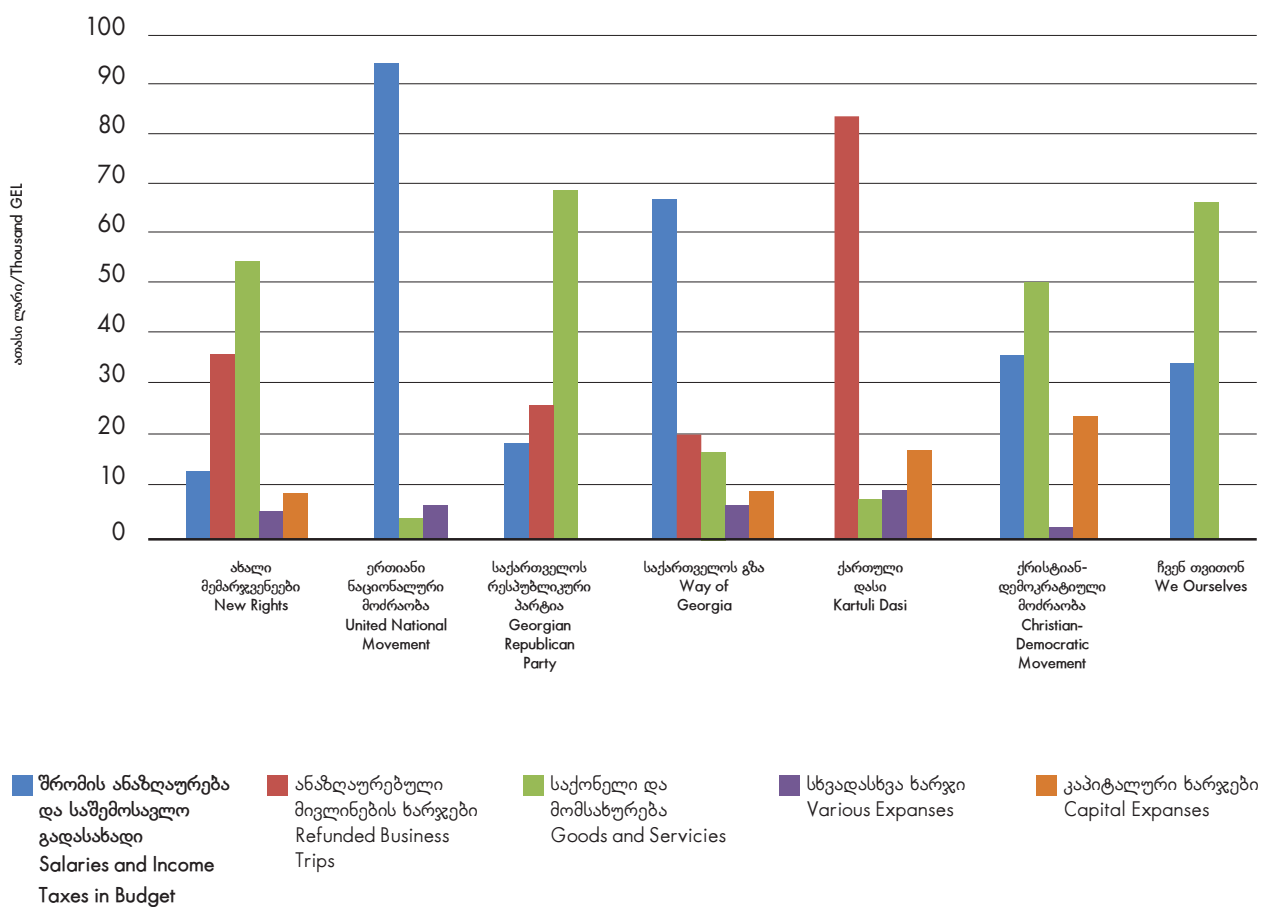
პოლიტიკური გაერთიანება Political Party	ბეჭდური სააგიტაციო მასალების დამზადება Printed agitation materials	სოციოლოგიური გამოკითხვა, კონსულტაციები Sociological inquiries, and other consultations researches	სხვა ხარჯები Other Expenses	სულ ხარჯები Sum
ალიანსი საქართველოსათვის Alliance for Georgia	79 112.20	12 000.00	2 020.52	136 587.08
ერთიანი ნაციონალური მოძრაობა United National Movement	629 967.00	351 474.00	1 059 918.00	14 008 450.00
ეროვნული საბჭო National Council	147 967.00	0.00	103 417.00	260 169.00
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	44 064.95	0.00	143 330.18	208 033.30
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	71 369.35	0.00	70 187.62	683 569.30

\* წყარო: ცესკოსგან მიღებული პოლიტიკური პარტიების ანგარიშები  
Source: Political Party Reports received from CEC

დიაგრამა №24: 2010 წლის ადგილობრივი თვითმმართველობის არჩევნების პარტიათა საარჩევნო ფონდების ხარჯები  
 Figure No.24: Election Campaign Fund Expenditures on 2010 Local Elections



დიაგრამა №25: პარტიების მიერ წარდგენილი ბიუჯეტიდან გამოყოფილი თანხების ანგარიში  
Figure No.25: Spending of State Funding by Parties for Monitoring



ცხრილი №14: პოლიტიკური გაერთიანებების მიერ შერჩეული მონიტორინგის მეთოდოლოგია

Table No. 14: Methodology selected by Parties for Monitoring

პოლიტიკური გაერთიანება Political Party	კარდაკარ Door-by-Door	ცხელი ხაზი Hot-line	კომპიუტერული პროგრამით სის ანალიზი Analysis of List with Computer Programme	მონაცემთა ბაზის ანალიზი Analysis of Data Base	სტატისტიკის დეპარტამენტის მონაცემების სისთან შედარება Comparing List to Data of Department of Statistics	2010 წლის სის ბოლო ორი არჩევნების სისთან შედარება Comparing 2010 List to two former elections Lists
ახალი მემარჯვენეები New Rights	X			X	X	X
ერთიანი ნაციონალური მოძრაობა United National Movement	X					
თავისუფლება Freedom	არაა მითითებული <sup>10</sup> Not indicated <sup>10</sup>					
კონსერვატიული პარტია Conservative Party	არაა მითითებული Not indicated					
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	არაა მითითებული Not indicated					
რესპუბლიკური პარტია Republican Party	X			X	X	X
საქართველოს გზა Way of Georgia	X	X	X			
ქართული დასი Kartuli Dasi	X	X	X			
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	X					
ჩვენ თვითონ We Ourselves	X					
ხალხის პარტია Peoples' Party	X		X			

\* წყარო: ცესკოსგან მიღებული ინფორმაცია  
Source: FOI received from CEC

ცხრილი №15: პარტიების მიერ მონიტორინგის პროცესისათვის გამოყენებული აქტივისტების რაოდენობა

Table No. 15: Number of Activists Involved by Parties in Monitoring

პოლიტიკური გაერთიანება Political Party	აქტივისტების რაოდენობა თბილისს გარეთ Number of Activists outside Tbilisi	აქტივისტების რაოდენობა თბილისში Number of Activists in Tbilisi	ჯამი Sum
ახალი მემარჯვენეები New Rights	845	771	1 616
ერთიანი ნაციონალური მოძრაობა United National Movement	0	250	250
რესპუბლიკური პარტია Republican Party	1057	1060	2 117
ქართული დასი Kartuli Dasi	–	–	285
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	–	–	122

\* წყარო: ცესკოსგან მიღებული ინფორმაცია  
Source: FOI received from CEC

<sup>10</sup> პოლიტიკურმა გაერთიანებებმა – „თავისუფლება“, „კონსერვატიული პარტია“ და „მრეწველობა გადაარჩენს საქართველოს“ – ცესკოს ინფორმაცია მიაწოდეს ეტაპობრივად – წერილების საშუალებით. მათ არ წარუდგენიათ საბოლოო ანგარიში და არ უსარგებლიათ ცესკოს შეთავაზებული ფორმით. შესაბამისად, ჩვენს ხელთ არაა ინფორმაცია მათ მიერ გამოყენებული მეთოდოლოგიის შესახებ.  
The Freedom party, the Conservatives Party, and Industry saves Georgia delivered information to CEC gradually, via letters. They did not deliver final report and did not use the form proposed by CEC. Hence, we do not have information about the methodology they used.

ცხრილი №16. პარტიების მიერ განხორციელებული მონიტორინგის გეოგრაფია (ნაწილი 1)

Table No.16: Geography of Monitoring Selected by Parties (Part 1)

პარტია Political Party	თბილისი Tbilisi	კახეთი Kakheti	შიდა ქართლი Shida-Kartli	ქვემო ქართლი Kvemo Kartli	სამცხე-ჯავახეთი Samtskhe-Javakheti	მცხეთა-მთიანეთი Mtsketa-Mtianeti
ახალი მემარჯვენეები New Rights	ყველა ოლქი <sup>11</sup> All Districts <sup>11</sup>	თელავი-2 უბანი, საგარეჯო-9, გურჯაანი-3, სიღნაღი-8, დედოფლისწყარო-3, ლაგოდეხი-3, ყვარელი-3, ახმეტა-5 Telavi-2 Precincts, Sagarejo-9, Gurjaani-3, Sighnaghi-8, Dedoplistskaro-3, Lagodekhi-3, Kvareli-3, Akhmeta-5	გორი-3 უბანი, კასპი-3, ქარელი-3, ხაშური-10 Gori-3 Precincts, Kaspi-3, Kareli-3, Khashuri-10	რუსთავი-13 უბანი, გარდაბანი-3, მარნეული-4, ბოლნისი-2, დმანისი-2, წალკა-5, თეთრიწყარო-4 Rustavi-13 Precincts, Gardabani-3, Marneuli-4, Bolnisi-2, Dmanisi-2, Tsalka-5, Tetritskaro-4	ახალციხე-3 უბანი, ბორჯომი-2, ადიგენი-2, ასპინძა-3 Akhalcikhe-3 Precincts, Borjomi-2, Adigeni-2 Aspindza-3	დუშეთი-2 უბანი, ყაზბეგი-5 Dusheti-2 Precincts, Kazbegi-5
ერთიანი ნაციონალური მოძრაობა United National Movement	ყველა ოლქი All Districts					
თავისუფლება Freedom				რუსთავი Rustavi		
კონსერვატიული პარტია Conservative Party	ვაკე, საბურთალო, ისანი, სამგორი, ჩუღურეთი, დიდუბე Vake, Saburtalo, Isani, Samgori, Chugureti, Didube		გორი, ქარელი Gori, Kareli	რუსთავი, გარდაბანი Rustavi, Gardabani	ახალქალაქი Akhalkalaki	
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	ყველა ოლქი All Districts					
რესპუბლიკური პარტია Republican Party	ყველა ოლქი All Districts		ქარელი Kareli			
საქართველოს გზა Way of Georgia.	ვაკე, საბურთალო, დიდუბე Vake, Saburtalo, Didube					
ქართული დასი Kartuli Dasi	მთაწმინდა, ვაკე, საბურთალო, სამგორი, ნაძალადევი, გლდანი Mtatsminda, Vake, Saburtalo, Samgori, Nadzaladevi, Gldani	საგარეჯო Sagarejo		გარდაბანი, ბოლნისი Gardabani, Bolnisi		
ქრისტიან- დემოკრატიული პარტია Christian- Democratic Party	თბილისი Tbilisi		ქარელი Kareli			თიანეთი, დუშეთი, ყაზბეგი Tianeti, Dusheti, Kazbegi
ჩვენ თვითონ We Ourselves	ყველა ოლქი All Districts	თელავი Telavi	ხაშური Khashuri	რუსთავი Rustavi		
ხალხის პარტია Peoples' Party	ყველა ოლქი All Districts					

\* წყარო: ცესკოდან მიღებული ინფორმაცია.  
Source: FOI received from CEC

<sup>11</sup> ყველა ოლქი მოიცავს ადგილობრივი თვითმმართველობის არჩევნებისათვის განსაზღვრულ შემდეგ ოლქებს: ვაკე, საბურთალო, ისანი, სამგორი, მთაწმინდა, ნაძალადევი, გლდანი, კრწანისი, ჩუღურეთი, დიდუბე.  
All Districts include districts set for Local Government Elections: Vake, Saburtalo, Isani, Samgori, Mtatsminda, Nadzaladevi, Gldani, Krtsanisi, Chugureti, Didube.

ცხრილი №17. პარტიების მიერ განხორციელებული მონიტორინგის გეოგრაფია (ნაწილი 2)

Sheet No.17: Geography of Monitoring Selected by Parties (part 2)

პარტია Political Party	იმერეთი Imereti	სამეგრელო-ზემო სვანეთი Samegrelo-Zemo Svaneti	რაჭა-ლეჩხუმი Racha-Lechkhumi	გურია Guria	აჭარა Adjara
ახალი მემარჯვენეები New Rights	ქუთაისი-30 უბანი, ხარაგაული-2, თერჯოლა-4, საჩხერე-6, ზესტაფონი-5, ბაღდათი-3, ვანი-3, სამტრედია-3, ხონი-5, ჭიათურა-3, ტყიბული-3, წყალტუბო-2 Kutaisi-30 Precincts, Kharagauli-2, Terjola-4, Sachkhere-6, Zestafoni-5, Baghdati-3, Vani-3, Samteredia-3, Khoni-5, Tchiatura-3, Tkibuli-3, Tskaltubo-2	ზუგდიდი-6 უბანი, აბაშა-5, სენაკი-3, მარტვილი-5, წალენჯიხა-5, ჩხოროწყუ-2 Zugdidi-6 Precincts, Abasha-5, Senaki-3, Martvili-5, Tsalenjikha-5, Chkhoratsku-2	ამბროლაური-2 უბანი, ონი-2, ცაგერი-2, ლენტეხი-20 Ambrolauri-2 Precincts, Oni-2, Tsageri-2, Lentekhi-20	ოზურგეთი-3 უბანი, ლანჩხუთი-4, ჩოხატაური-2 Ozurgeti-3 Precincts, Lanchkhuti-4, Chokhatauri-2	ბათუმი-20 უბანი, ქობულეთი-3, ქედა-2, შუახევი-3, ხელვაჩაური-3, ხულო-1 Batumi-20 Precincts, Kobuleti-3, Keda-2, Shuakhevi-3, Khelvachauri -3 , Khulo-1
ერთიანი ნაციონალური მოძრაობა United National Movement					
თავისუფლება Freedom					
კონსერვატიული პარტია Conservative Party	წყალტუბო Tskaltubo			ლანჩხუთი, ჩოხატაური Lanchkhuti, Chokhatauri	
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	საჩხერე, ჭიათურა Sachkhere, Tchiatura				
რესპუბლიკური პარტია Republican Party	ქუთაისი Kutaisi	ზუგდიდი, ფოთი Zugdidi, Poti			ბათუმი Batumi
საქართველოს გზა Way of Georgia.		სენაკი Senaki			
ქართული დასი Kartuli Dasi	თერჯოლა, სამტრედია, ზესტაფონი Terjola, Samtredia, Zestafoni	მარტვილი, ზუგდიდი, ჩხოროწყუ Martvili, Zugdidi, Chkhoratsku	ამბროლაური Ambrolauri		
ქრისტიან- დემოკრატიული პარტია Christian- Democratic Party	ქუთაისი Kutaisi	ზუგდიდი, ფოთი Zugdidi, Poti			ბათუმი Batumi
ჩვენ თვითონ We Ourselves	ზესტაფონი Zestafoni			ჩოხატაური Chokhatauri	ქობულეთი Kobuleti
ხალხის პარტია Peoples' Party	ქუთაისი Kutaisi				ბათუმი Batumi

\* წყარო: ცესკოდან მიღებული ინფორმაცია.  
Source: FOI received from CEC

ცხრილი №18: პარტიების მიერ გადამოწმებული ამომრჩევლების რაოდენობა

Sheet No.18: Number of Voters Reviewed by Parties

პოლიტიკური გაერთიანება Political Party	გადამოწმებული ამომრჩევლები თბილისს გარეთ Reviewed Voters outside Tbilisi	გადამოწმებული ამომრჩევლები თბილისში Reviewed Voters in Tbilisi	ჯამი Sum
ახალი მემარჯვენეები New Rights	274 327	240 485	514 812
ერთიანი ნაციონალური მოძრაობა United National Movement	არ გადაუმოწმებია თბილისს გარეთ Did no review outside Tbilisi	580 348	580 348
თავისუფლება Freedom	არაა მითითებული Not indicated	არ გადაუმოწმებია თბილისში Did not review in Tbilisi	-
კონსერვატიული პარტია Conservative Party	არაა მითითებული Not indicated	არაა მითითებული Not indicated	-
მრეწველობა გადარჩენს საქართველოს Industry Will Save Georgia	არაა მითითებული Not indicated	არაა მითითებული Not indicated	-
რესპუბლიკური პარტია Republican Party	არაა მითითებული Not indicated	338 796	338 796
საქართველოს გზა Way of Georgia	7 926	227 302	235 228
ქართული დასი Kartuli Dasi	561 523	617 575	1 179 098
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	არაა მითითებული Not indicated	არაა მითითებული Not indicated	-
ჩვენ თვითონ We Ourselves	არაა მითითებული ცალ-ცალკე Not indicated Separately	არაა მითითებული ცალ-ცალკე Not indicated Separately	100 000
ხალხის პარტია Peoples' Party	არაა მითითებული ცალ-ცალკე Not indicated Separately	არაა მითითებული ცალ-ცალკე Not indicated Separately	220 000

\* წყარო: ცესკოსგან მიღებული ინფორმაცია  
Source: FOI received from CEC

ცხრილი №19: პარტიების მიერ თბილისში და თბილისს გარეთ აღმოჩენილი დარღვევები<sup>12</sup>

Sheet No.19: Errors Discovered by Parties in Tbilisi and Elsewhere<sup>12</sup>

პოლიტიკური გაერთიანება Political Party	ხარვეზები თბილისს გარეთ Errors outside Tbilisi	ხარვეზები თბილისში Errors in Tbilisi	ჯამი Sum
ახალი მემარჯვენეები <sup>13</sup> New Rights <sup>13</sup>	9 846	30 280	40 126
ერთიანი ნაციონალური მოძრაობა United National Movement	არ გაუკეთებიათ მონიტორინგი Did not conduct Monitoring	41 442	41 442
თავისუფლება Freedom	არ გაუკეთებიათ მონიტორინგი 11 465	Did not conduct Monitoring	11 465
კონსერვატიული პარტია Conservative Party	არაა მითითებული ცალ-ცალკე Not indicated Separately	არაა მითითებული ცალ-ცალკე Not indicated Separately	874
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	არაა მითითებული ცალ-ცალკე Not indicated Separately	არაა მითითებული ცალ-ცალკე Not indicated Separately	14 810
რესპუბლიკური პარტია <sup>14</sup> Republican Party <sup>14</sup>	1 076	70 294	71 370
საქართველოს გზა Way of Georgia	2 225	7 659	10 828
ქართული დასი Kartuli Dasi	არაა მითითებული ცალ-ცალკე Not indicated Separately	არაა მითითებული ცალ-ცალკე Not indicated Separately	3 180
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	არაა მითითებული ცალ-ცალკე Not indicated Separately	არაა მითითებული ცალ-ცალკე Not indicated Separately	2 05
ჩვენ თვითონ We Ourselves	არაა მითითებული ცალ-ცალკე Not indicated Separately	არაა მითითებული ცალ-ცალკე Not indicated Separately	2 394
ხალხის პარტია Peoples' Party	არაა მითითებული ცალ-ცალკე Not indicated Separately	არაა მითითებული ცალ-ცალკე Not indicated Separately	9 014

\* წყარო: ცესკოსგან მიღებული ინფორმაცია  
Source: FOI received from CEC

<sup>12</sup> პარტიებს ზოგიერთ შემთხვევაში ჯამი არ ჰქონდათ სწორად მითითებული და ჩვენ მიერ გადათვლის შემდეგ რიცხვები განსხვავებული იყო. მაგალითად, „საქართველოს გზა“ გამოყოფილი ჰქონდა თბილისსა და რეგიონში აღმოჩენილი ხარვეზები, რაც ჯამში 9 884 იყო, თუმცა თავად ხარვეზების დაჯამებით 10 828 ხარვეზი გამოდის.

In some cases parties did not have the sum indicated correctly and our calculations were different. For instance Georgia's Way had separately indicated errors in Tbilisi and outside it, that was summed as 9 884, but with direct calculations of these two numbers it really is 10 828 errors in sum.

<sup>13</sup> „ახალი მემარჯვენეების“ მონაცემები ამოღებულია მათ მიერ ჩვენთვის მოწოდებული ანგარიშიდან, რამდენადაც ცესკოში „ახალ მემარჯვენეებს“ და „რესპუბლიკურ პარტიას“ ერთობლივად ჰქონდათ ანგარიში წარდგენილი.

The data of New Rights is taken from the report we received from the party, since New Rights and the Republican Party had delivered a joint report to the CEC.

<sup>14</sup> „რესპუბლიკური პარტიის“ ანგარიში გაერთიანებული იყო „ახალი მემარჯვენეების“ საბოლოო ანგარიშთან და ეს მონაცემი, შესაძლოა, ასახავდეს ახალი მემარჯვენეების მიერ აღმოჩენილ ხარვეზებსაც.

Report of the Republican Party was merged with that of New Rights, so it could also include the data of New Rights.



ცხრილი №20: ცესკოს მიერ წარმოდგენილი საბოლოო ანგარიშის მიხედვით გაკეთებული რეაგირება<sup>15</sup>  
 Sheet No.20: Reaction by CEC According to Its Final Report<sup>15</sup>

პოლიტიკური გაერთიანება	გასწორებული მონაცემის ჯამი	პარტიების მონაცემებში უზუსტობის ჯამი
Political Party	Sum of corrected information	Sum of Mistakes in Parties' Data
ახალი მემარჯვენეები New Rights	გაერთიანებულია რესპუბლიკელებთან United with Republican Party	
ერთიანი ნაციონალური მოძრაობა United National Movement	12 305	25 963
თავისუფლება Freedom	რეალური შედეგი უცნობია Real result unknown	
კონსერვატიული პარტია Conservative Party	222	276
მრეწველობა გადაარჩენს საქართველოს Industry Will Save Georgia	1 112	1 830
რესპუბლიკური პარტია Republican Party	9 195	21 615
საქართველოს გზა Way of Georgia	1 985	3 247
ქართული დასი Kartuli Dasi	163	96
ქრისტიან-დემოკრატიული პარტია Christian-Democratic Party	412	1 369
ჩვენ თვითონ We Ourselves	657	596
ხალხის პარტია Peoples' Party	965	3 009

\* წყარო: ცესკოს ვებ-გვერდიდან მიღებული ინფორმაცია  
 Source: Information acquired from CEC web-page.

<sup>15</sup> [http://www.cec.gov.ge/files/archevnebi%202010/saarchevno%20siebi/Report\\_Siebis\\_Monitring\\_Final.pdf](http://www.cec.gov.ge/files/archevnebi%202010/saarchevno%20siebi/Report_Siebis_Monitring_Final.pdf)

# ნაწილი 4 Part

## რეკომენდაციები Recommendations

ცხრილი №21 „საარჩევნო სისტემების საერთაშორისო ფონდი“ (IFES), „პოლიტიკური პარტიების დაფინანსება – გლობალური გამოცდილება“, სხვადასხვა ქვეყნებში არსებული კამპანიის ხარჯების მაქსიმუმის შესახებ<sup>16</sup>

Sheet No.21 .IFES, “Political Finance Regulation: The Global Experience”, maximal amount of Election Campaign expences in different countries.<sup>16</sup>

ქვეყანა Country	ზედა ზღვარი პარტიების მიერ გაწეულ ხარჯებზე Ceiling on party election expenditure	როგორია ზედა ზღვარი What is the ceiling
ბელგია Belgium	დიახ, საარჩევნო ციკლზე Yes, per election cycle	1 მილიონი ევრო EUR 1 million
ბულგარეთი Bulgaria	დიახ, საარჩევნო ციკლზე Yes, per election cycle	1.5 მილიონზე მეტი Over EUR 1.5 million
კანადა Canada	დიახ Yes	რეგისტრირებული პარტიები და კანდიდატები არ უნდა ასცდნენ საარჩევნო ხარჯებს, რომელსაც დაადგენს მთავარი საარჩევნო ოფიცერი კანადის საარჩევნო კანონით დადგენილი ფორმულის მიხედვით. Registered political parties and candidates must not exceed the election expense limits calculated by the Chief Electoral Officer under the formulas provided in the Canada Elections Act.
საფრანგეთი France	დიახ Yes	საპრეზიდენტო არჩევნებზე პარტიამ და მისმა კანდიდატმა შეიძლება დახარჯონ 16 მლნ. ევროზე მეტი პირველ რაუნდში, მაგრამ მეორე რაუნდში არაუმეტეს 20 მლნ. ევროსი. საპარლამენტო არჩევნებში, პარტიისა და კანდიდატისათვის დადგენილი ჭერი არის 40 000 ევროს დამატებული 0.20 ევრო თითოეულ მაცხოვრებელზე. In presidential elections, a party and its candidate may spend more than EUR 16 million in the first round and more than EUR 20 million in the second round. For parliamentary elections, both parties and candidates have a ceiling of EUR 40,000 plus more than EUR 0.20 per inhabitant.

<sup>16</sup> საარჩევნო სისტემების საერთაშორისო ფონდი (IFES), „პოლიტიკური პარტიების დაფინანსება – გლობალური გამოცდილება“, 19 ნოემბერი, 2009 წელი, გვ.51 [http://www.ifes.org/files/Political\\_Finance\\_Regulation\\_The\\_Global\\_Experience.pdf](http://www.ifes.org/files/Political_Finance_Regulation_The_Global_Experience.pdf)  
IFES, “Political Finance Regulation: The Global Experience”, November 19, 2009 p.51 [http://www.ifes.org/files/Political\\_Finance\\_Regulation\\_The\\_Global\\_Experience.pdf](http://www.ifes.org/files/Political_Finance_Regulation_The_Global_Experience.pdf)

ქვეყანა Country	ზედა ზღვარი პარტიების მიერ გაწეულ ხარჯებზე Ceiling on party election expenditure	როგორია ზედა ზღვარი What is the ceiling
უნგრეთი Hungary	დიახ Yes	ზედა ზღვარი განისაზღვრება კანდიდატისა და არჩევნების მიხედვით. The ceiling is per candidate and per election.
ირლანდია Ireland	დიახ Yes	ზედა ზღვარი განისაზღვრება კანდიდატისა და არჩევნების მიხედვით. The ceiling is per candidate and per election.
იტალია Italy	დიახ Yes	ზედა ზღვარი განისაზღვრება კანდიდატისა და არჩევნების მიხედვით. დამატებითი შეზღუდვებია იმ პარტიებისათვის, რომელთაც კანდიდატი ყველა საარჩევნო ოლქში ჰყავთ. The ceiling is per candidate and per election. There are additional limits for parties that present candidates in all constituencies.
ლატვია Latvia	დიახ Yes	საპარლამენტო არჩევნებზე: 0.20 ცენტასი თითოეულ ამომრჩეველზე. For parliamentary elections: 0.20 Centas per voter.
ლიტვა Lithuania	დიახ Yes	მრავალქანის საარჩევნო ტერიტორიაზე წარდგენილ კანდიდატათვის, დადგენილი მინიმალური ხელფასის 1 000-მაგი ოდენობა. 1,000 times the average minimum wage for a list of candidates in a multi-candidate electoral area.
ჰოლანდია Holand	დიახ Yes	3.5 მილიონ ევროზე მეტი (საპრეზიდენტო არჩევნებში). More than EUR 3,500,000 (presidential elections).
პორტუგალია Portugal	დიახ Yes	3,008,600 ევრო. EUR 3,008,600.
ესპანეთი Spain	დიახ Yes	განისაზღვრება თითოეული საარჩევნო ციკლისას ფინანსური სასამართლოს (general accounting court) მიერ. per election cycle Established for each electoral cycle by the general accounting court.
გაერთიანებული სამეფო United Kingdom	დიახ Yes	18,840,000 ბრიტანული ფუნტი (ეს თანხა განსაზღვრულია მხოლოდ პარტიისათვის და მასში არ შედის კანდიდატის ხარჯები). GBP 18,840,000 (This figure is for political parties only and excludes candidate spending).
ამერიკის შეერთებული შტატები United States	არა/დიახ No/Yes	ძირითადად არაა დადგენილი შეზღუდვა, მაგრამ არის ზღვარი ზოგიერთ ადგილობრივ არჩევნებზე და ნებაყოფლობითი ზღვარი საპრეზიდენტო არჩევნებისათვის. Generally no limits but there are limits for certain local elections and voluntary limits for the presidential election.

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