

# საქართველოს ახალგაზრდა იურისტთა ასოციაცია GEORGIAN YOUNG LAWYERS' ASSOCIATION



## **GYLA Demands Transparency of the Work of Funds Set Up by Tbilisi City Hall**

According to various media reports yesterday, The Fund for Rehabilitation and Development of the Old City transferred total of GEL 5129 to the account of Club Diva LTD in May 2010.

In this light, we'd like to highlight several circumstances:

In May 2012 GYLA published a report Rehabilitation Process Beyond the Facade, which

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also focused on participation of the Fund for Rehabilitation and Development of Old City in the process of rehabilitation of the historic part of Tbilisi.

According to the report, in 2005-2011 Tbilisi City Hall transferred more than GEL 288 million to the Fund established in 2005. Although these funds should have been spent on rehabilitation and development of Tbilisi, what the hundreds of million laris received from Tbilisi budget were spent on for over the years has not yet been made public.

A number of attempts of GYLA to access reports submitted to Tbilisi Municipal Government by the Fund for Rehabilitation and Development of the Old City about its activities throughout the years have been unsuccessful despite the fact that GYLA's request has been warranted by decisions delivered by Tbilisi City Court and Court of Appeals.

Further, we would like to note that lack of transparency of budget spending is not characteristic to only The Fund for Rehabilitation and Development of the Old City. Another development fund set up by Tbilisi Government has the same problem. For over the years it was impossible to access information about spending from president's and the government's reserve funds. Spending related to building of the new Georgian Parliament in Kutaisi is still ambiguous. Overall, it must be underlined that lack of transparency of budget spending has become one of the significant problems recently. Yesterday's media reports clearly confirm that lack of transparency of budget spending poses a high risk of corruption and that it may not be the only case where budgetary resources were abused and spent illegally. Despite a number of our requests to make the work of similar funds public, authorities reacted to our questions and comments in an adequate and in some cases in an illegal manner.

Public must have thorough information about budget spending. Therefore, GYLA once more applies to Tbilisi City Hall with a request to provide public access to reports of the work of The Fund for Rehabilitation and Development of the Old City in 2005-2011, submitted to Tbilisi Government.

We believe that yesterday's media reports are yet another ground for relevant agencies to examine lawfulness and the purpose of spending funds allocated from the budget throughout the years. We first and foremost call on the State Audit Office to examine the work of similar funds in a thorough and timely manner, and to take

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further actions as prescribed by law.