

საქართველოს ახალგაზრდა იურისტთა ასოციაცია GEORGIAN YOUNG LAWYERS' ASSOCIATION



“Rehabilitation Process beyond the Façade”

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Today, in Radisson Blue Iveria Hotel, Georgian Young Lawyers' Association made a presentation of the research “Rehabilitation Process beyond the Façade” prepared in the framework of the project “Promotion of Accountability and Transparency in Georgia”. The research concerns activities carried out by four non-commercial legal entities. In Tbilisi’s case they are: “Old Tbilisi Rehabilitation and

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Development Fund” and “Tbilisi Development Fund” established by Tbilisi government, in Batumi’s case “Batumi Historic Part Rehabilitation Fund” established by Batumi City Hall and in Kutaisi’s case “Kutaisi City Rehabilitation and Development Fund” established by Kutaisi City Hall.

There were five key components that fell within the interest of the research:

- What were the authorities granted by the founders to the established Funds?
- What financial and property contributions were transferred to them for exercise of granted authorities?
- Transparency of expenditures received from the state and local budgets and availability of relevant information on the spent amounts by these Funds;
- How was immovable property, transferred by founders, utilized by the Funds? Where there instances of alienation of real property? If there were such facts in which form was the process implemented?
- The degree of accountability of Funds before the founders and implementation of the obligations.

The research revealed that statutory authorities granted by the founders to the Funds are identical. Furthermore:

- In case of funds established by Tbilisi government it is impossible to identify the exact amount transferred from Tbilisi local budget to the Funds in 2005-2011 period.
- The rehabilitation process lacked transparency and was conducted confidentially from public. The funds were independent in selecting companies for implementation of the specific works.
- The amount of funds transferred from Tbilisi local budget to the Funds established by Tbilisi government exceeded GEL 288 million and the spending process lacked transparency.

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- Tbilisi local budget suffered the loss of more than 15 million GEL firstly by alienating of Rikhe territory and afterwards by buying it back.
- The Funds established by Batumi and Kutaisi city halls failed to submit relevant reports to their founders.

GYLA appeals Tbilisi City Hall to disclose information on Old City Rehabilitation and Development Fund, about funds transferred from Tbilisi City budget and expended by Tbilisi Development Fund, as well as on property that was transferred to the Fund free of charge and later alienated; to release activity reports submitted by the Funds to the founders; And Batumi and Kutaisi city halls to disclose information on the way how “Batumi Historica Part Rehabilitation Funds” and “Kutaisi Historic Part Rehabilitation Fund” participated in cities’ historic part rehabilitation and reconstruction process.

GYLA considers that rehabilitation-reconstruction activities of historic parts in Tbilisi, Batumi and Kutaisi and participation of Funds and their founders in the process, should generate interests of relevant public agencies.