



## Local budgets of the election year emphasize social and infrastructural projects

In the pre-election period, a number of municipalities amended their budgets by which the local authorities distributed a considerable part of the budget funds of 2016, unlike those of non-election year 2015, to programs whose implementation would increase the level of satisfaction of the population and, ultimately, raise the number of their supporters in the elections. The implementation of these programs before elections may not directly contradict concrete norms of the Election Code, though, in its essence, it constitutes the use of budget funds for electoral purposes and creates unequal conditions for political parties.

**For example, a comparative analysis of the budgets of 2015 and 2016 has shown that the priorities of the election year budget are considerably different from those of the non-election year budget.** The local authorities have prioritized the following in the budget of 2016: construction, rehabilitation and operation of infrastructure; construction/rehabilitation, maintenance and upkeep of road infrastructure; rehabilitation and operation of roads and pavements; arrangement of pedestrian crossings and road traffic signs; arrangement, rehabilitation and operation of communal infrastructure, apartment buildings and street lighting. In contrast, the top priorities of the budget of 2015, which was not an election year, included public order and security; protection of population from natural disasters, accidents, and emergencies; and the national defense capability.

The following changes were made in various regions:

### **Shida Kartli - Khashuri, Kaspi and Kareli**

Our opinion is also reinforced by the results of the monitoring of the budget of the Khashuri Municipality. The budget of the Khashuri Municipality provides for 45 infrastructural projects in total. Seven of these projects have been completed, 15 are ongoing, tenders have been announced for 8 projects, and 15 projects are at the planning stage. These figures demonstrate that the starting dates of more than half of the projects to be implemented coincide with the pre-election period.

There is a similar situation in the municipalities of Kaspi and Kareli. The Kaspi Municipality has 21 infrastructural projects in total; of these, 10 have been completed, and 11 are ongoing. The Kareli Municipality has a total of 37 projects; 16 of these have been completed, 15 are ongoing, and 6 are at the planning stage.

Having studied and analyzed the budgets of seven municipalities in Kvemo Kartli, we can argue that when planning the budgets local government bodies do their best to adapt them to their electoral interests.

### **Kvemo Kartli - Rustavi**

The analysis of funds that were distributed to the same projects in [2015](#) and [2016](#) demonstrates that the budget was adapted to the election year. For instance, the 2016 budget allocates GEL 14,950,200 for the program of construction, rehabilitation and operation of infrastructure (program code: 03 00, provided for by Part 1, Article 15), while the budget of 2015 allocated GEL 9,653,100 for the same program; the 2016 budget allocates GEL 2,391,600 for construction/rehabilitation and maintenance/upkeep of road infrastructure (program code: 03 01; Part 1.1, Article 15), while the budget of 2015 allocated GEL 638,400 for this purpose; the 2016 budget allocates GEL 2,279,400 for rehabilitation and operation of roads and pavements (program code: 03 01 01; Part 1.1.1, Article 15), while the budget of 2015 allocated GEL 518,400; the 2016 budget allocates GEL 2,856,700 for municipal improvements (program code: 03 03; Part 1.3, Article 15), while the budget of 2015 allocated 790,600; the 2016 budget allocates GEL 2,001,700 for rehabilitation of squares, yards, monuments and memorials (program code: 03 03 02; Part 1.3.1, Article 15), while the budget of 2015 allocated 203,300; the 2016 budget allocates GEL 3,375,300 for

promotion of the development of sports (program code: 05 01; Part 3.1, Article 15), while the budget of 2015 allocated GEL 1,947,300.

Apart from the Rustavi Municipality, local government bodies of the Kvemo Kartli region (Gardabani, Marneuli, Bolnisi, Dmanisi, Tsalka, Tetrtskaro) have not made considerable changes to budget priorities, although they have also increased the funding for infrastructural and social projects to a large extent.

It should also be noted that no municipal budget presents a rationale behind the increases in the funding of social and infrastructural projects in 2016 in comparison with [last year](#).

### **Adjara - Batumi**

Our opinion is also confirmed by the data from the Adjara region. According to Ordinance No. 35 of the Batumi City Council on the Approval of the 2016 Budget of the Municipality of the City of Batumi of December 25, 2015, the budget of Batumi for 2016 has increased in comparison with last year. In particular, in accordance with Article 1 of this ordinance, the revenue part of the 2015 budget envisaged GEL 112,169,800, while the revenue part in 2016 envisages GEL 135,192,300. Therefore, the revenue part of the budget has increased by GEL 23,022,500. The ordinance says that such increase in the revenues was mainly caused by increases in taxes and grants. In particular, according to the plan for 2015, the taxes to be collected amounted to GEL 18,350,000, while in 2016 they equal GEL 35,000,000. The grants in 2015 amounted to GEL 63,756,300, and in 2016 they amount to GEL 69,642,300. The expenditures part of the budget has increased by GEL 1,233,200 compared with last year. In particular, the expenditures last year were set at GEL 80,013,700, while this year they were set at GEL 81,246,900. According to the ordinance, the said increases in expenditures were caused by increases in spending on salaries, goods and services, interest, grants, social protection, and other expenditures. It is noteworthy that subsidies have decreased compared with last year; in particular, in 2015 the subsidies part envisaged GEL 16,495,300, while this year it envisages GEL 9,147,200.

In terms of social issues, the 2016 budget of the Batumi Municipality has increased in comparison with last year in such components as healthcare; social protection; housing and utility upkeep; and construction, rehabilitation and operation of infrastructure. In the component of construction, rehabilitation and operation of

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infrastructure, the 2015 budget allocated GEL 40,993,200, while GEL 42,819,400 was allocated this year. In the component of housing and utility upkeep, last year's budget allocated GEL 26,453,400, while GEL 30,007,500 was allocated this year. In the component of healthcare, last year's budget allocated GEL 2,816,400, while GEL 2,988,600 was allocated this year. In the component of social protection, last year's budget allocated GEL 5,331,600, while GEL 7,442,900 was allocated this year.

On June 7, 2016, a day before the start of the election campaign, the Batumi City Council held an extraordinary session. At the session, the City Council made amendments to the 2016 budget of Batumi, increasing the allocations for individual programs/subprograms by a total of GEL 1,570,000. The increased funds will mainly be distributed to infrastructural work; in particular, it is planned to rehabilitate the administration building of the city hall and to hold various cultural events.