



The Statement on Funding State Agricultural Projects

As it is known, non-entrepreneur (non-commercial) legal entity “Rural and Agricultural Development Fund” was established on January 22, 2013 with a goal to stimulate development of agriculture and attract investments thereto. At this moment, the Fund is implementing two projects: “The project for support of spring agricultural activities for farmers possessing small plots” intending dissemination of different vouchers among the possessors of agricultural plots and “Preferential Agro-credits’ Project” envisaging agro-credits in low interest rate.

As the Ministry of Agriculture informed, the projects are funded by the non-entrepreneur (non-commercial) legal entity International Charity [Fund “KARTU”](#) and non-entrepreneur (non-commercial) legal entity [“International Charity Fund for Rural and Agricultural Development”](#). Even though Bidzina Ivanishvili is not mentioned in registration documents of “KARTU” foundation, the organization is associated with the Prime Minister. Moreover, in previous months the share of Prime Minister’s capital in the Billionth Fund was widely discussed in mass media and high officials also commented on the issue. As far as the Georgian legislation does not draw the line between the permitted charity for a politician and the vote-buying for election purpose, such conduct may be considered as illegal application of financial resources for influencing voters.

We welcome, that public is informed correctly about agricultural projects and the aid provided to rural population is submitted as state program, rather than private charity. In February, however, there was a case, when “KARTU” foundation donated 100 million Laries to persons as compensation for alleviation of natural disaster effects and it was expressly stated that contributed funds were private charity. The

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similar facts require clear legislative regulation, so that everyone was informed if such conduct represents an offence. In view of this, prior to introducing relevant amendments to the legislation, it would be appropriate if politicians, especially high state officials, refrain from funding such projects from their resources.

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