



FOR IMMEDIATE RELEASE

DONOR CONFERENCE ON GEORGIA LACKS TRANSPARENCY AND ACCOUNTABILITY, SAYS TRANSPARENCY INTERNATIONAL GEORGIA

- **Secrecy and lack of consultation with Georgian parliament and civic organizations threatens accountable aid delivery, warns TI Georgia**

Tbilisi, 21 October 2008 – Transparency International Georgia today criticised a lack of transparency and local consultation ahead of a conference on 22 October, where decisions on hundreds of millions of dollars of international aid to Georgia will be made. Representatives of donor nations, multilateral institutions and the Georgian government will gather in Brussels for the conference, which is co-chaired by the European Commission and the World Bank and comes in the wake of the Georgian-Russian conflict in August 2008.

Commenting on the opaque decision-making process, Tamuna Karosanidze, Executive Director of Tbilisi-based TI Georgia said, “Aid given behind closed doors lacks accountability, to the taxpayers of donor nations as much as to the citizens of Georgia. The lack of transparency in giving this aid makes it less likely that money will reach those most in need. If donors want aid to support Georgia’s development, they must ensure that this aid is transparent and democratically accountable.”

Decision-making at the conference will be based on a “Joint Needs Assessment”, an extensive document drawn up by a mission coordinated by the World Bank and the United Nations. The Joint Needs Assessment estimates that Georgia will require USD 3.25 billion (€2.38 billion) over the next three years in budget support, social sector support and infrastructure development. This is more than Georgia’s government plans to spend in 2009, and the equivalent of nearly one thousand dollars for every person living in the country.

“Allocating these huge sums behind closed doors on the basis of a closed document does not set a good example for Georgian democracy to follow,” continued Karosanidze. “If Georgia’s citizens can have no say in how this money will be spent, democracy in Georgia will be weakened rather than strengthened. Aid will only be received positively in Georgia if Georgian citizens are confident that it will be well spent, which is something that only wide-spread civic involvement and transparency can achieve.”

BRUSSELS DONOR CONFERENCE

The donor conference lacks transparency and accountability in three respects:

(1) Despite calls by Georgian civic organizations for a more inclusive assessment process, the process of compiling the Joint Needs Assessment did not involve consultations with local civic organizations or with Georgian parliament.

(2) Despite the centrality of the Joint Needs Assessment to the future of Georgia, its contents remain secret at the request of the Georgian government. For example, it is unclear how 700 million dollars out of the nearly one billion dollars earmarked for “social sector needs” will be spent. While TI Georgia understands that some limited sections of the Joint Needs Assessment may involve private sector data that should remain confidential at this point in time, this should not apply to the document as a whole.

(3) The aid conference itself takes place behind closed doors. Despite repeated requests, no Georgian representatives apart from the government’s small team, and no independent international observers, will be allowed to follow conference proceedings.

TI GEORGIA CALLS FOR TRANSPARENCY AND ACCOUNTABILITY IN AID

“The lack of transparency and democratic accountability in the current aid negotiations sets a bad precedent for the later use of these funds inside Georgia, and increases the likelihood of misallocation, waste and corruption”, Karosanidze said.

TI Georgia calls on donor representatives at the Brussels conference to abide by their commitments made in the 2005 Paris Declaration on Aid Effectiveness, and during the 2008 High-Level Forum on Aid Effectiveness in Accra, Ghana, where donors stated that “transparency and accountability are essential elements for development results”. Donors must use the conference to establish clear transparency and accountability procedures for all parties involved in aid to Georgia, beginning with the publication of comprehensive and detailed budgetary breakdowns.

TI Georgia calls upon the government of Georgia to immediately release the full text of the Joint Needs Assessment, with the exception of those passages that contain sensitive private sector data, and to put discussion of the Joint Needs Assessment on the parliamentary agenda.

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Transparency International Georgia has been working to combat corruption, improve governance and strengthen democracy in Georgia since 2000. TI Georgia is a non-profit, non-partisan organization legally registered in Tbilisi. As a national chapter of Transparency International, TI Georgia is an independent organization. It has no financial ties or reporting lines to the international secretariat in Berlin, but TI Georgia is able to draw on the secretariat's experience and expertise in combating corruption worldwide.

Note to Editors

It is World Bank's standard practice to publicize needs assessments in advance of international donor conferences. The present Georgian case is an exception to that rule.

The full text of the Paris Declaration (note articles 3, 48 and 49) can be found at:
http://www.gc21.de/ibt/alumni/ibt/docs/Paris_Declaration_en.pdf

The full text of the Accra Agenda for Action (note articles 8, 13, 20 and 24) can be found at:
<http://www.africafiles.org/article.asp?ID=19048>

TI Georgia's earlier press release on George Bush's "one billion dollars" aid package to Georgia:
http://ti.itdc.ge/index.php?lang_id=ENG&sec_id=210&info_id=435