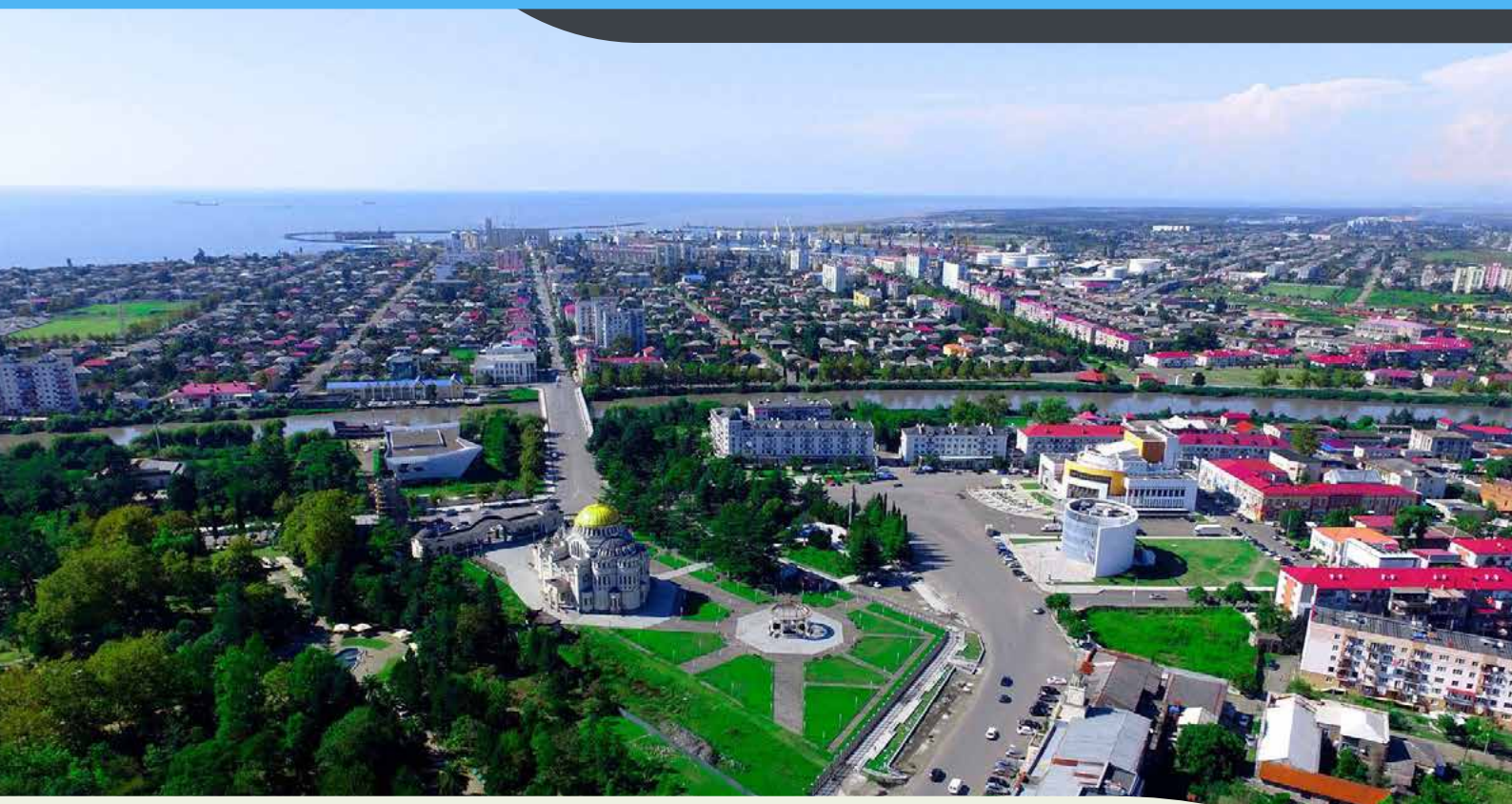
TRANSPARENCY INTERNATIONAL GEORGIA



EVALUATION OF PERFORMANCE OF THE CITY COUNCIL OF POTI IN 2023

CONTENTS

Introduction:	3
Chapter 1. Main Findings	4
Chapter 2. General Information about the City Council of Poti	5
Chapter 3. Important Developments	7
Chapter 4. Activities of Commissions and Factions of the City Council	8
Chapter 5. Monitoring of the Bodies Accountable to the City Council	10
Chapter 6. Incomplete Asset Declarations and Possible Cases of Nepotism	11
Chapter 7. Involvement of Members of the City Council in the Council's Activities	12
Chapter 8. Citizens' Involvement in the Activities of the City Council	13
Chapter 9. Activities of the Gender Equality Council	14
Chapter 10. Expenditures of the City Council of Poti	15
Recommendations	17

INTRODUCTION:

Transparency International Georgia (TI Georgia) has evaluated the activities carried out by the City Council of the Poti Municipality (hereinafter “the City Council of Poti”) in 2023.

The report is based on the information requested and received from the City Council and that on the official website of the City Council, as well as on the observations of our organization.

The reporting period of the study is the year 2023.

TI Georgia has evaluated the performance of the City Council of Poti three times. The reporting periods of the studies covered the interval from November 2017 through 2019 and the years 2020 and 2022.

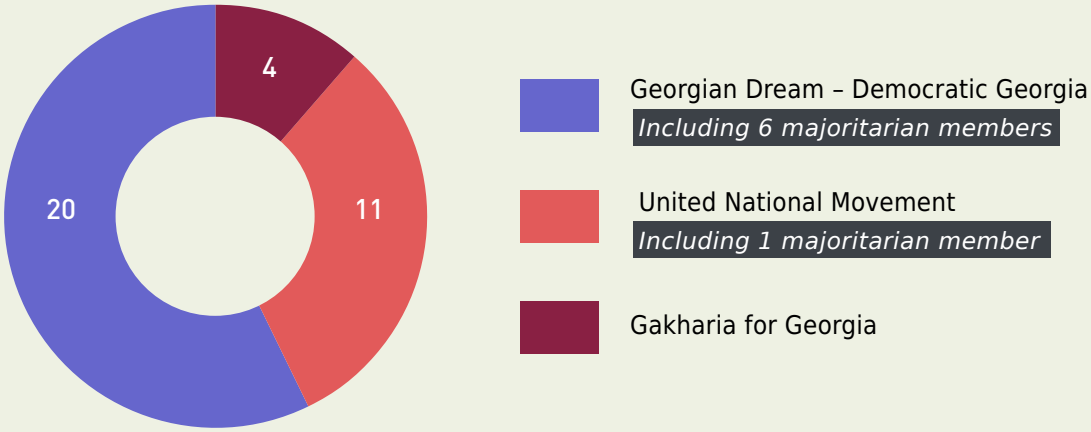
CHAPTER 1. MAIN FINDINGS

- **During the reporting period, the City Council of Poti exercised weak oversight on the City Hall and the legal entities founded by the municipality.** The City Council exercised formal control on the activities of public officials and individual agencies that are accountable to it;
- The City Council of Poti has not identified any cases of conflict of interest, incompatibility with public office, or violations of the Rules of Procedure of the City Council and of norms of ethics;
- In 2023, the City Council held 15 sessions in total, only 3 of which were extraordinary sessions;
- During the reporting period, the City Council of Poti adopted **44** resolutions: **38** resolutions were authored/initiated by the Mayor of Poti, and **6** – by individual commissions of the City Council;
- Only **1** of the **22** public officials of the City Council of Poti filled out the asset declaration with flaws;
- The factions of the City Council – the Georgian Dream – Democratic Georgia and Poti for Georgia – did not have a single initiative. The United National Movement faction only had 1 initiative;
- Against the background of the minimum activities carried out by the factions, the expenditures incurred on their functioning are disproportionately large – **GEL 467,410** in total, which exceeds the analogous figure of 2022 by **GEL 51,124**;
- The City Council of Poti has a Gender Equality Council in place, although, similarly to the previous period, the Council has not conducted analysis of legal acts or provided an expert opinion on draft legislative acts. No statements, documentation, or other information about violation of gender equality were reported to the City Council;
- The rate of absences from the sessions of the City Council has increased; in 2023, members of the City Council were absent from the Council's sessions **81 times**, which exceeds the figure of the previous year by 30. Members of the City Council were absent from the sessions without a valid reason **69 times**;
- Among the public officials of the City Council, the former Chairperson of the United National Movement faction, Darejan Tskhvitaria, and the Deputy Chairperson of the same faction, Dato Khomeriki, had the highest number of absences from the sessions without a valid reason – 9;
- **The frequency of delivery of speeches at the sessions of the City Council by the Council members has declined.** In 2023, **15** of the **35** members didn't exercise this right; **23** members of the City Council failed to present reports;
- In 2023, the City Council of Poti spent **GEL 1,792,572**, which is **GEL 226,776** more than the analogous figure of 2022. **GEL 1,502,572** was spent on remuneration;
- In 2023, the City Council procured **30.2 tons of fuel** for **GEL 79,786, 13.7%** of which (4,147 liters) was consumed by the Chairperson of the City Council of Poti, Aleksandre Tkebuchava;
- The members who are not public officials received **GEL 116,478** to reimburse the expenses incurred on activities carried out in 2023. Telephone communication cost the City Council of Poti **GEL 8,358**. The expenses for business trips amounted to **GEL 15,436.**

CHAPTER 2. GENERAL INFORMATION ABOUT THE CITY COUNCIL OF POTI

There are **35** members in the City Council of Poti, **7** of whom are elected in single-mandate majoritarian electoral districts and **28** members are elected proportionally.

Distribution of mandates in the City Council of Poti



Ten of the 35 members of the City Council are women, which is 28% of the total number. Whereas only 1 woman held an office in the previous City Council, there are 4 woman officials in the City Council today: Maia Dolbaia – the First Deputy Chairperson of the City Council; Nana Vekua – the Chairperson of the Commission on Social Affairs; Ana Jojua – the Chairperson of the United National Movement faction; and Salome Tsulaia – the Deputy Chairperson of the Georgian Dream – Democratic Georgia faction.

The City Council of Poti has created **5 commissions** for the duration of its term of office:

1. The Commission on Legal, Mandate, and Ethics Issues (Chairperson – Nika Korshia);

2. The Commission on Finance and Budget (Chairperson – Temuri Dundua);

3. The Commission on Social Affairs (Chairperson – Nana Vekua);

4. The Commission on Issues of Property Management and Natural Resources (Chairperson – Tornike Kharchilava);

5. The Commission on Spatial-Territorial Planning and Infrastructure (Chairperson – Beka Morchiladze).

In total, out of the 35 members of the City Council of Poti, 22 members are officials. See detailed information in the table.

General statistics:

During the reporting period, **15** sessions of the City Council were held, and only **3** of them were extraordinary. Not a single session failed to be held due to lack of quorum. During the same period, **15** sessions of the Bureau were also held.

During the same period, the City Council of Poti adopted **44** resolutions, **38** of which were authored/initiated by the Mayor of Poti, and **6** – by individual commissions of the City Council.

The legal supervision authority prepared 1 opinion on the legal acts of the City Council of Poti, which the City Council agreed with.

CHAPTER 3. IMPORTANT DEVELOPMENTS

Changes in the composition and factions of the City Council of Poti:

On October 20, 2023, Bakar Eragia's powers as the Deputy Chairperson of the Georgian Dream – Democratic Georgia faction were terminated. He was replaced by Salome Tsulaia. Bakar Eragia has been the director of Public School No. 1 of the City of Poti since October 2023.

On November 29, 2023, the Chairperson of the United National Movement faction, Darejan Tskhvitaria, and her deputy, Paata Chaganava, were removed from office; Ana Jojua was elected as the Chairperson and Irakli Labartkava – as her deputy.

Transfer of property to the State free of charge:

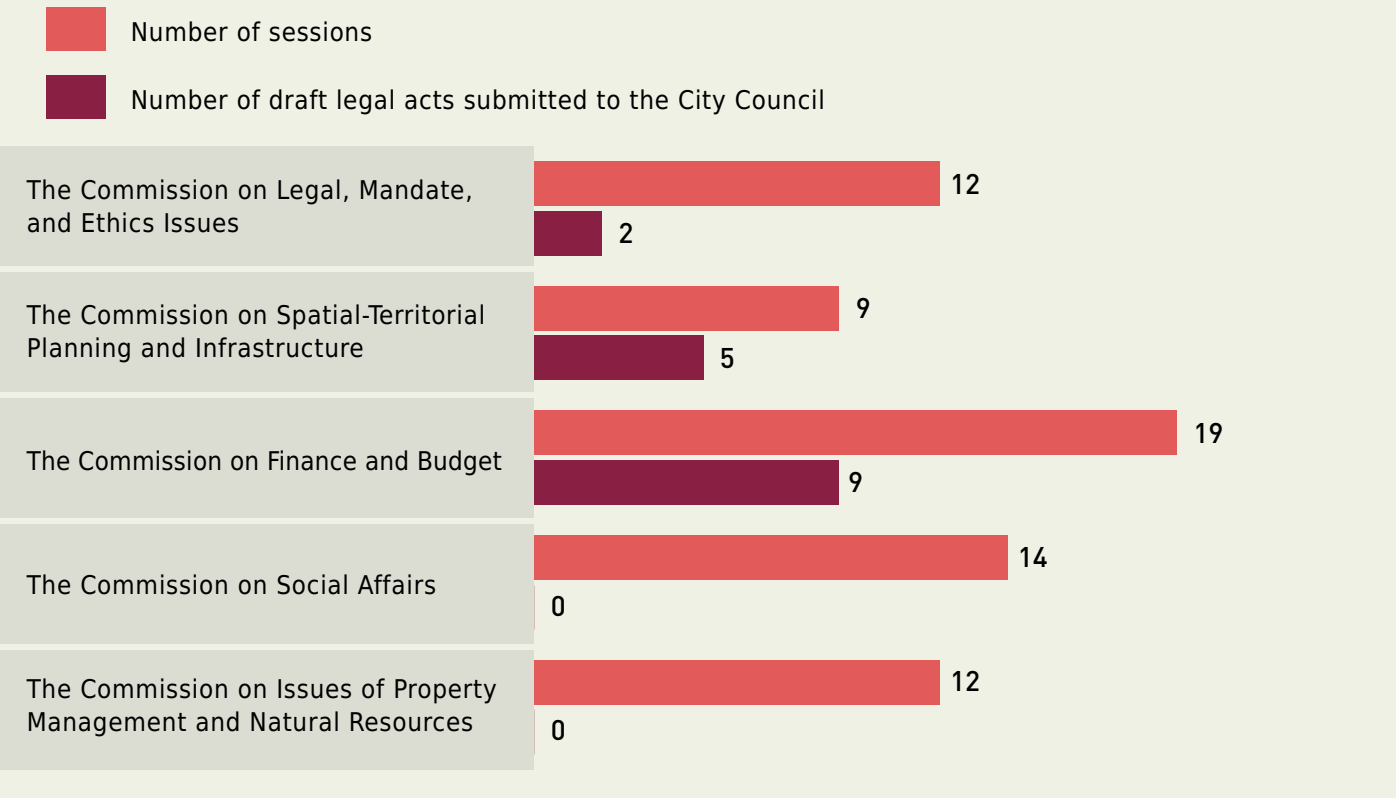
In 2023, the City Council of Poti only transferred one piece of property to the State free of charge – a land plot with an area of 7 sq. meters on Paliashvili Street in Poti, to be later included in the capital of United Water Supply Company LLC.

CHAPTER 4. ACTIVITIES OF COMMISSIONS AND FACTIONS OF THE CITY COUNCIL

Activities of commissions of the City Council:

The five standing commissions of the City Council of Poti held **63** sessions in total in 2023. Not a single session failed to be held. In total, the commissions of the City Council submitted **16** draft legal acts to the City Council, and also prepared **132** opinions regarding the compliance of draft legislative acts to be considered by the City Council with the legislation:

The number of sessions of commissions of the City Council and of issues submitted to the City Council in 2023



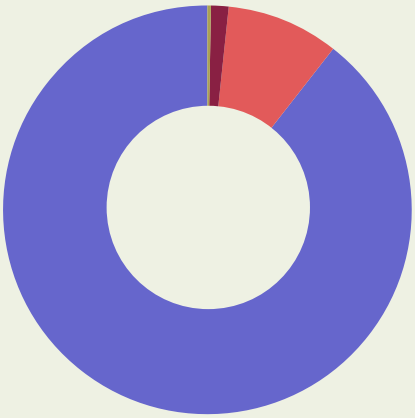
Activities of factions of the City Council:

There are **3** factions in the City Council: the Chairperson of the **Georgian Dream – Democratic Georgia** faction, Sandro Kushashvili, has 6 deputies; the Chairperson of the **United National Movement** faction, Ana Jojua, has 3 deputies, and the Chairperson of the **Poti for Georgia** faction, Gigla Turkia, has 1 deputy.

The factions Georgian Dream – Democratic Georgia and Poti for Georgia did not have any initiatives. The United National Movement faction had 1 initiative "On the creation of the temporary working group in connection with ascertaining the condition and safety of the fountains, mini-sports pitches, children's playgrounds and squares in the City of Poti and approval of its personal composition", which the City Council of Poti didn't support.

Against the background of the minimum activities carried out by the factions, the expenditures incurred on their functioning, which amounted to **GEL 467,410** in total, are disproportionately large:

Expenditures incurred on the activities of factions in 2023



417,224	Salaries
41,290	Cost of fuel
7,132	Telephone communication
1,764	Business trips

CHAPTER 5. MONITORING OF THE BODIES ACCOUNTABLE TO THE CITY COUNCIL

According to the Local Self-Government Code, a city council is to monitor the activities of the municipality's executive bodies and of their officials and to hear and evaluate their reports,[1]while the mayor is accountable to the city council and the population[2].

In 2023, the City Council of Poti heard and gave a positive evaluation to the report of the services of the Poti City Hall, and also heard **11** reports of individual legal entities. During the same period, the City Council convened representatives of the executive body on 15 occasions, while 20 members of the City Council posed questions to the Mayor of Poti and officials of the City Hall. **The City Council of Poti supported all the initiatives submitted by the Mayor**.

The City Council of Poti also hasn't identified any cases of misconduct, conflict of interest and/or incompatibility with public office in the Mayor's activities. In addition, according to the City Council, "There have been no cases of incompatibility with public office/conflict of interest of members of the City Council during the reporting period".

The information disseminated by the media regarding the involvement of Zurab Meskhi, the father-in-law of the Chairperson of the City Council of Poti, Aleksandre Tkebuchava, in public procurements indicates the opposite. According to this information, after Tkebuchava was elected first as the Executive Secretary of the Poti organization of the Georgian Dream and then as the Chairperson of the City Council, Zurab Meskhi received public procurements worth **GEL 1,568,800** from the local budget.

1 Subparagraph "c.a" of Part 1 of Article 24 of the Local Self-Government Code.

2 Paragraph 2 of Article 48 of the Local Self-Government Code

CHAPTER 6. INCOMPLETE ASSET DECLARATIONS AND POSSIBLE CASES OF NEPOTISM

Twenty-two officials of the City Council of Poti have the obligation to fill out the asset declaration. In 2023, only 1 official filled out the declaration with flaws.



Tornike Kharchilava

Chairperson of the Commission on Issues of Property Management and Natural Resources

In a declaration filled out in August 2023, Tornike Kharchilava indicated that he was the owner of a 40% stake in Potigalvanizmetal LLC, although he failed to fulfill the requirement of the law to transfer the management rights of this stake to another person.

By examining the declarations of officials of the City Council of Poti, we have established that in 3 cases, family members of officials at the City Council work in municipal agencies, specifically:

- Abesalom Pertaia, the spouse of the First Deputy Chairperson of the City Council of Poti, Maia Dolbaia, has been a specialist at N(N)LE Center for Sports and Tourism of the Municipality of the City of Poti since September 2023;

- Tengiz Dundua, the father of the Chairperson of the Commission on Finance and Budget of the City Council of Poti, Temur Dundua, is the Head of N(N)LE Center for Maintenance of Cemeteries of the Municipality of the City of Poti, while Temur Dundua's spouse, Buta Natsvlishvili, is the Chief Specialist at N(N)LE Center for Municipal Services of the City of Poti;

- From the declaration of Nikoloz Izoria, the Deputy Chairperson of the Georgian Dream – Democratic Georgia faction at the City Council of Poti, we can establish that his spouse, Nino Chochua, is the Chief Specialist at N(N)LE Center for Sports and Tourism of the Municipality of the City of Poti.

Unlike the procedure of appointment of public officers, no competitions are announced for employment in municipal legal entities. Therefore, the mayors of municipalities appoint the heads of N(N)LEs or LLCs at their sole discretion; the heads of N(N)LEs also make staffing decisions practically at their sole discretion. On the one hand, such practice does not make it possible to select specialists with higher qualifications for vacant positions in a competitive environment. On the other hand, it raises doubts about the compatibility of the qualifications of employees selected without a competition and by a unilateral decision with the positions held and creates risks of nepotism and employment in budget-funded organizations on a partisan basis. This issue should also be a subject of discussion of the city councils, and the malpractice of employment, along with other problems in legal entities, also needs to be brought under regulation.

CHAPTER 7. INVOLVEMENT OF MEMBERS OF THE CITY COUNCIL IN THE COUNCIL'S ACTIVITIES

The Rules of Procedure of the City Council of Poti do not specify what may be considered as a City Council member's absence from a session without a valid reason. The City Council's Rules of Procedure are based on an entry in the Local Self-Government Code, according to which the powers of a member of a city council must be prematurely terminated if he/she "has not participated, without a valid reason, in the work of the municipality Sakrebulo for 6 consecutive months".

Unlike the previous years, the City Council of Poti has only provided us with information on the absences of officials of the City Council, indicating specific names. And the data of those members of the City Council who are not officials were provided without indicating their names.

Participation in sessions of the City Council:

In 2023, members of the City Council missed the sessions of the Council **81 times**, which exceeds the analogous figure of 2022 by 30. There were **69** absences without a valid reason.

Among the officials of the City Council, the former Chairperson of the United National Movement faction, Darejan Tskhvitaria, and the Deputy Chairperson of the same faction, Dato Khomeriki, missed the most sessions (**9** sessions each).

See detailed information in the table.

Participation in sessions of the City Council's commissions:

Members of the City Council missed the sessions of the commissions **97 times**, including **91** absences without a valid reason.

Among members of the City Council, the former Deputy Chairperson of the United National Movement faction, Paata Chaganava, missed the most sessions of the commissions (**24**) without a valid reason.

See detailed information in the table.

The frequency of delivery of speeches and presentation of reports at the sessions of the City Council

The reporting period saw a decline of the frequency of delivery of speeches and presentation of reports at the sessions of the City Council by the Council members. In 2023, **15** of the **35** members didn't give a speech, and **23** members didn't exercise the right to present a report.

See detailed information about the silent members of the City Council and the presentation of reports in the tables.

CHAPTER 8. CITIZENS' INVOLVEMENT IN THE ACTIVITIES OF THE CITY COUNCIL

The City Council of Poti has adopted all the regulations determined by law which ensure citizens' involvement in the activities of the municipality, including those of the City Council:

- The City Council has approved the Sample Statute of the General Assembly of a Settlement, although a General Assembly **is yet to be held** in the Poti Municipality and the **citizens have not used this mechanism of involvement;**

- The City Council has introduced an electronic system of petitions, although **no petition was registered** in the City Council of Poti during the reporting period;

- Citizens can electronically apply to the municipality with a concrete initiative, as well as request desired information through the website;

- According to a special rule, a citizen has the right to apply to the City Council two days before a session of the Council and get registered as a speaker or co-speaker at the City Council's session and/or make a special statement, although this rule does not restrict a citizen's possibility to carry out the same actions without registration;

- Sessions of the City Council are transmitted via social media;

- Officials of the City Council of Poti submit an activity report twice a year. The Local self-Government Code establishes an obligation to submit the report at least once a year;

- The City Council holds a public discussion of the budget together with the City Hall.

CHAPTER 9. ACTIVITIES OF THE GENDER EQUALITY COUNCIL

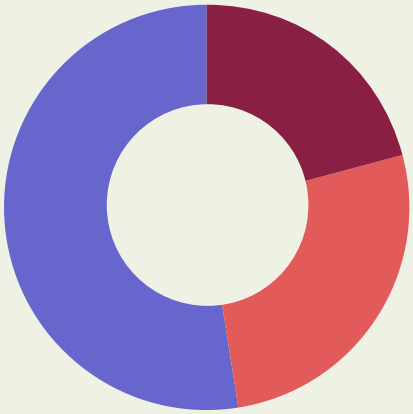
As in the previous period, in 2023, the Gender Equality Council at the City Council of Poti:

- **did not conduct** legal analysis of legal acts;
- **did not provide an expert opinion** on a single draft legislative act.

In addition, **no statements, documentation, or other information** about violation of gender equality were reported to the City Council of Poti.

CHAPTER 10. EXPENDITURES OF THE CITY COUNCIL OF POTI

Remuneration – GEL 1,502,564

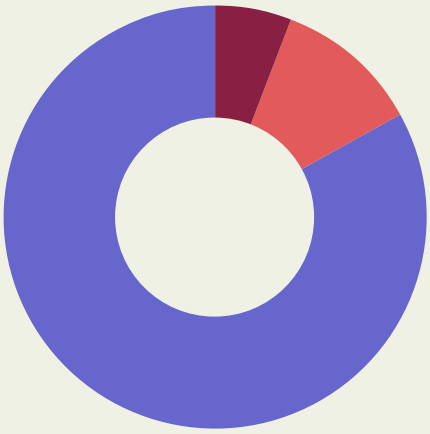


787,485	Public officials *(25 persons)*
399,523	Members of the Staff of the City Council *(16 persons)*
315,564	Contract-based Staff employees at the City Council *(18 persons)*

The expenditures of the City Council of Poti in 2023 amounted to **GEL 1,792,603**, which exceeds the figure of 2022 by **GEL 226,776**. Of this, **GEL 1,502,572** was given as remuneration:

See the table for detailed information about the remuneration given to officials of the City Council of Poti in 2023.

Other expenditures of the City Council (GEL)



116,478	Reimbursement for activities of members of the City Council
15,436	Expenses for business trips
8,358	Telephone communication

Vehicles and fuel expenses:

There is 1 vehicle (Kia Seltos) on the balance sheet of the City Council of Poti; it was manufactured in 2022 and purchased by the municipality in June 2022 for **GEL 65,000**. In 2023, the expenses incurred on the repairs of the vehicle amounted to **GEL 1,776.**

The fuel purchased with the local budget is only consumed by officials of the City Council. The largest limit (600 liters per month) has been allocated to the Chairperson of the City Council, while the limit of other officials is 70 liters.

In total, the City Council of Poti consumed **30,269** liters of fuel in 2023, whose value amounted to **GEL 79,786**. The Chairperson of the City Council, Aleksandre Tkebuchava, consumed **4,174** liters of fuel, with a total value of **GEL 11,015**.

RECOMMENDATIONS

Exercise of the oversight function:

- Members of the City Council should get more actively involved in oversight activities and supervise the process of public procurements and large infrastructure projects more effectively;

- The standing commissions of the City Council should get actively involved in the process of oversight of the activities of the executive bodies;

- The City Council should contribute to the creation of temporary working groups, so that they study all issues of public interest in a transparent manner;

- The City Council should exercise its powers and invite an independent auditor;

- The City Council should work actively and in good faith to reveal cases of conflict of interest, incompatibility with public office, and violations of the Rules of Procedure of the City Council and of norms of ethics in the municipality.

Accountability:

- Attendance of members of the City Council at the sessions of the Council and its commissions should be considerably improved. We believe that every member of the City Council should take responsibility and attend the sessions. The City Council should find out whether its members miss a session with or without a valid reason and also take relevant measures;

- It is necessary that members of the City Council actively exercise their right to deliver a speech at the sessions of the City Council and its commissions, submit their thoughts on issues under consideration, and provide information on specific needs of citizens to the City Council and the City Hall.

Activities of factions:

- It is important that the activities of factions be beneficial for the self-governance process. Factions should get actively involved in the process of considering and deciding on issues that fall under the powers of the City Council; study/control the activities of the City Hall and municipal legal entities; submit initiatives to the City Council; get actively involved in the budgeting process; etc. Factions increase citizens' involvement in self-government, as well as support local initiatives and the advocacy for citizens' needs and problems. Therefore, we call upon the factions to use these instruments actively.

Expenditures of the City Council:

- It is important that the expenditures incurred by the City Council be in full compliance with the exercise of the powers assigned to the Council by law;

- The City Council should exercise strict control on the administrative expenditures of both the representative body, in particular, and the municipality, in general, and be oriented on efficient spending of financial resources.

Petition:

- Not a single petition was registered at the City Council during the reporting period. The City Council of Poti should reduce the lower threshold of signatures required for a petition and set it at 0.5% instead of 1%, which will make the procedure of preparation of a petition easier for interested persons. The legislation allows the self-government bodies to reduce the lower threshold of signatures required for a petition to any number they wish. The Self-Government Code only determines the upper threshold – 1%.

General Assembly of a Settlement:

- According to the Local Self-Government Code, the General Assembly of a Settlement is one of the most important mechanisms of the citizens' involvement in self-governance. The voters, as well as the Mayor of a municipality on his/her own initiative or using the City Council's solicitation, are given the right to convene the assembly;

- As the General Assembly of Settlement has not yet been held in Poti, it is important that the City Council activate this mechanism of involvement. The City Council should request the Mayor to hold the assembly. The General Assembly of Settlement is necessary for the municipality to better plan the budget for next year.