

# 2024 GEORGIAN PARLIAMENTARY ELECTION CAMPAIGN FUNDING (INTERIM REPORT)

## PARTY REVENUES, EXPENDITURES AND FINANCIAL OVERSIGHT

OCTOBER 2024



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This report was made possible by the support of the American people through the United States Agency for International Development (USAID). The opinions expressed in the report belong to Transparency International Georgia and may not reflect the views of USAID or the United States Government.

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# KEY FINDINGS

Transparency International Georgia's study on the financing of eight electoral subjects during the pre-election period has once again revealed **a clear financial advantage of the Georgian Dream** over other political parties.

This is especially evident from the spending during the pre-election period – **the ruling party has spent more than all other parties combined (53%)**, which is due to **the large amount of donations (GEL 13.4 million)** received since the beginning of the year.

**Signs of systemic corruption in attracting donations by the ruling party remain a cause for concern. A significant number of donors**, in parallel with making donations, **receive multimillion-dollar state contracts and subsidies. The Anti-Corruption Bureau turns a blind eye to such donations**, but during the pre-election period it harasses monitoring organizations and directly implements the prime minister's orders, ultimately undermining its own credibility.

## Revenues and Expenditures of Political Parties

- During the pre-election period, the eight electoral subjects under review received a total of **GEL 18.8 million** in revenues (budget funding and donations) and spent **GEL 25.3 million**. The **Georgian Dream's** spending comprised **53%** (GEL 13.3 million) of the total expenses.
- During the pre-election period, **94%** (GEL 17.7 million) of the total income of political parties came from donations, and **6%** (GEL 1 million) came from state funding.
- Electoral subjects received a total of GEL 17.8 million in donations during the pre-election period, of which GEL 6 million (34% of all donations) was donated to the **Georgian Dream**. The second largest recipient was the **Coalition for Change** with GEL 5.6 million, followed by **Strong Georgia** with GEL 5.1 million.
- The situation is different in terms of donations received since the beginning of the year: **during this period, the Georgian Dream received more donations than all other parties combined**. All political parties received GEL 25.3 million in total, of which GEL 13.4 million (53%) was donated to the Georgian Dream, GEL 5.4 million (21%) to Strong Georgia, and GEL 5 million (20%) to the Coalition for Change.
- Since the beginning of the year, 40% of donors have donated more than the average annual salary in Georgia (GEL 17,000 net). These large donors account for 84% of donations received by all parties, indicating political parties' dependence on large donors.
- During the pre-election period, parties spent GEL 17.7 million on **advertising**, of which 47% (GEL 8.3 million) was spent by the Georgian Dream, followed by Strong Georgia (GEL 4.5 million) and the Coalition for Change (GEL 4.1 million).

## Donations With High Risk of Political Corruption

- Companies associated with donors of the ruling party **were awarded public procurement contracts worth of GEL 684 million** between January 1, 2023, and October 17, 2024. In return, these companies **donated GEL 3.1 million to the Georgian Dream** in 2024.
- Of note is Gza LLC, which received **GEL 226 million in public procurement contracts** in 2023-2024. The company belongs to Giorgi Chkonia, a donor of the Georgian Dream and a candidate for deputy in the 2024 parliamentary elections. He and his partner Malkhaz Dumbadze donated GEL 75,000 to the ruling party in 2024, and since 2013, they have donated a total of GEL 621,000.

- The Georgian Dream donors include 32 beneficiaries of **the state program Produce in Georgia**, who have donated GEL 1.6 million to the political party in 2024. Between 2014 and 2020, these beneficiaries received a total of GEL 7.4 million under this program.
- Fifty-one donors of the Georgian Dream **received GEL 71 million in subsidies from state agricultural projects** between 2014 and 2023. In return, they **donated GEL 7.7 million to the ruling party** over those years, including **GEL 2 million between January 1 and October 4, 2024**.
  - The largest sum, GEL 16 million, was received by companies owned by winemakers Zurab and Aleksandre Chkhaidze. They have donated GEL 320,000 to the Georgian Dream.
  - Up to GEL 10 million in subsidies were received by Bolero & Company LLC and Georgian Association of Distilleries LLC, whose directors, Davit Bochorishvili and Irakli Bekauri, have donated GEL 347,000 to the ruling party. These two companies are owned by Vakhtang Karichashvili, a business partner of Bidzina Ivanishvili's cousin, Ucha Mamatsashvili.
- People with familial or business ties to **Bidzina Ivanishvili** have **donated GEL 425,000** to the Georgian Dream between January 1 and October 4, 2024.
- Over the years, several large groups of donors have formed among the supporters of the ruling party, who **donate large sums** to the Georgian Dream **on the same day** almost every election. On July 10-11, 2024, **five owners of Nova LLC donated GEL 282,000 to the Georgian Dream**. In 2023-2024, Nova **received GEL 9.2 million in public procurement contracts**; it also received GEL 1.1 million from the Produce in Georgia program. On July 4 and 12, **thirteen owners of Lilo Moli LLC donated a total of GEL 558,000 to the Georgian Dream**.

## Supervision of Political Parties

- The decision made by the Anti-Corruption Bureau on September 24, 2024, designating Transparency International Georgia and its executive director, Eka Gigauri, as entities with “declared electoral goals,” was an unlawful and extremely damaging decision. As a result, trust in the Anti-Corruption Bureau as the financial oversight body for parties has ceased to exist.
- The cancellation of this decision by the head of the Anti-Corruption Bureau at the public instruction of the Prime Minister further strengthens arguments that the bureau does not make decisions independently of the government.
- Since the Anti-Corruption Bureau was mandated to oversee the finances of political parties, the transparency standards in the oversight of political finances have been deteriorating day by day. The bureau has not published a pre-election monitoring report; access to declarations submitted by political parties has worsened; there is no information on completed or ongoing legal proceedings concerning violations by political parties or donors.

# INTRODUCTION

Parliamentary elections in Georgia will be held on October 26, 2024, with 18 political parties registered to take part. The existence of a competitive environment for political parties is one of the foundations of a democratic country. It is important for society to have a choice among various political groups to prevent the establishment of autocratic governance. The competitiveness and popularity of political parties largely depend on their financial capabilities. This is why political party financing is a matter of interest to society, and Transparency International Georgia has been studying it for years.

This time, we present an interim report of the research, which analyzes important issues regarding the financing of election campaigns during the pre-election period for the parliamentary elections.

In accordance with the legislation, the pre-election campaign in Georgia began on August 27, after the President of Georgia issued a decree announcing the election date.<sup>1</sup> From the day the election is announced, a candidate for an electoral subject/electoral subject is required to submit a financial report to the Anti-Corruption Bureau every three weeks in a prescribed format. Since August 27, electoral subjects have already submitted two three-week financial reports to the Anti-Corruption Bureau, providing information on the income received and expenses made between August 27 and October 7. Thus, the main reporting period of this research is from August 27 to October 7. The exception is the donations received by the parties, information about which is available without the financial reports. Consequently, the analysis of donations covers earlier periods.

For the research, we selected the electoral subjects participating in the elections that are either qualified political parties or have spent GEL 50,000 or more during the election period. As a result, 11 electoral subjects were selected, of which 10 are the subjects registered by qualified political parties, and one is the political party Gakharia For Georgia. Three of the selected parties (Yes to Europe - Strategy Aghmashenebeli, European Georgia - Movement for Freedom, and Aleko Elisashvili - Citizens) later canceled their election registration and joined coalitions with other parties. Therefore, the financial data presented in their declarations were combined with the data of the coalitions they had joined. In the end, the electoral subjects grouped as follows:

- 1. Gakharia For Georgia**
- 2. Girchi**
- 3. European Democrats**
- 4. Unity - National Movement** (*the National Movement was later joined by the parties Yes to Europe - Strategy Aghmashenebeli, and European Georgia - Movement for Freedom*)
- 5. Coalition for Change Gvaramia Melia Girchi Droa** (*the Coalition for Change*)
- 6. Alliance of Patriots of Georgia** (*Alliance of Patriots*)
- 7. Georgian Dream**
- 8. Strong Georgia - Lelo, For the People, For Freedom!** (*Strong Georgia was later joined by the political party Aleko Elisashvili - Citizens*)

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<sup>1</sup> Presidential Decree of Georgia N 27/08/02 2024 of August 27, 2024; <https://matsne.gov.ge/ka/document/view/6260621?publication=0>

In addition to annual financial reports of political parties, to identify business connections of political party donors and their interests in public procurement, we used investigative web platforms created by Transparency International Georgia, including [www.politicaldonations.ge](http://www.politicaldonations.ge), [www.tendermonitor.ge](http://www.tendermonitor.ge), [www.compayinfo.ge](http://www.compayinfo.ge), the registry of entrepreneurs and non-entrepreneurial (non-commercial) legal entities, the website of the State Procurement Agency ([www.procurement.gov.ge](http://www.procurement.gov.ge)), and other open sources. The report was prepared based on the analysis of legislation and the qualitative and quantitative analysis of statistical data. Some parts of the research were taken from Transparency International Georgia's previous reports on political party financing.

**The reporting period of the research**, in the case of the three-week declarations submitted by the parties to the Anti-Corruption Bureau, covers the period from August 27 to October 7; however, for the analysis of cases involving risks of political corruption related to donors, we studied the donations made between January 1 and October 4, 2024. In both cases, we used the data that was publicly available as of October 15.<sup>2</sup>

The research starts with a brief overview of the general legislative framework that regulates the financing of political parties and election campaigns in Georgia. The subsequent chapters of the report provide a quantitative and qualitative analysis of the income and expenses of the above-mentioned 11 electoral subjects.<sup>3</sup> The section on income focuses on both public and private funding. Additionally, donations received by political parties since January 1, 2024, and cases involving risks of political corruption related to these donations are highlighted. The section on expenses provides an overview of the officially declared data by the subjects. The final chapter focuses on transparency and oversight of funding, including the activities carried out by the Anti-Corruption Bureau.

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<sup>2</sup> As of October 15, the data on donations made up until October 4, 2024, were publicly available on the Anti-Corruption Bureau's website, [monitoring.acb.gov.ge](http://monitoring.acb.gov.ge).

<sup>3</sup> The information regarding the income and expenses of electoral subjects is mainly taken from the declarations filled out by them. Therefore, Transparency International Georgia is not responsible for the accuracy of all data. Additionally, the data is primarily calculated based on cash income and expenses. Only in the section on donations, in some cases, factual data is added to the cash data, as some electoral subjects have indicated non-cash donations only in their actual income.

# 1. LEGISLATIVE FRAMEWORK

Political party financing in Georgia is regulated by several legislative acts. The scope of regulation includes the accounting of revenues and expenditures of the electoral subjects during the election campaign, as well as ensuring their transparency and effective enforcement of obligations stipulated by law.

The main legal provisions for regulating political financing are defined in the organic laws **“On Political Associations of Citizens”** and the **Election Code**, as well as in the laws such as **the General Administrative Code** and **the Administrative Offenses Code**, and also in relevant orders of the head of the Anti-Corruption Bureau.<sup>4</sup>

The Organic Law of Georgia “On Political Associations of Citizens” determines the individuals to whom the restrictive regulations related to political finances apply. In particular, the aforementioned law provides for both the concepts of a political party and an individual who has declared electoral goals. According to the law, a political association of citizens (party) is an independent and voluntary association of citizens established on a common ideological and organizational basis and registered in accordance with the procedure established by this law to conduct its activities within the scope of the Constitution and the legislation of Georgia. In Georgian legislation, there is a special regulation for election campaigns/pre-election periods, which begins 60 days prior to the election day.

At the end of 2022, significant changes were made to the oversight system of political parties – the Anti-Corruption Bureau was created, which, among other functions, was assigned the function of monitoring the financial activities of political parties. The Anti-Corruption Bureau began exercising this authority on September 1, 2023.

From the day the elections are announced, a candidate for an electoral subject/electoral subject shall submit a financial report to the Anti-Corruption Bureau in the prescribed form every three weeks.<sup>5</sup> Electoral subjects shall, no later than one month after the publication of election results, and those participating in the second round, no later than one month after the publication of the second round’s results, submit a report to the Anti-Corruption Bureau on the funds used from the day the elections were announced up to the day of the final publication of the results, along with an auditor’s (audit firm’s) opinion.<sup>6</sup>

## 1.1. FRAMEWORK REGULATING PARTY REVENUES

The Georgian legislation allows political parties to receive revenues from the following sources: 1. state funding; 2. membership fees; 3. donations; and 4. bank loans.

### 1.1.1. STATE FUNDING

As mentioned above, one of the sources of party funding can be funds received from the state. The amount of state funding and the subjects eligible to receive it are determined in accordance with the Organic Law of Georgia On Political Associations of Citizens. The law stipulates the following ways of receiving state funding:

- **Direct transfer of funds to the parties**

A political party registered with the Central Election Commission of Georgia, which received at least 1% of the actual votes in the last parliamentary elections of Georgia, receives funds from

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<sup>4</sup> The order №4 “On Regulating Issues Related to the Transparency of Political Finances” of the Head of the Anti-Corruption Bureau dated August 25, 2023, <https://matsne.gov.ge/ka/document/view/5900992?publication=0>.

<sup>5</sup> Paragraph 1 of Article 57 of the Election Code.

<sup>6</sup> Ibid., Paragraph 4.



the budget allocation for direct distribution to political parties. Funding is determined at the rate of GEL 15 per vote for each of the first 50,000 actual votes received in the last parliamentary elections and GEL 5 for each additional actual vote received.<sup>7</sup>

- **Free advertising time**

In addition to direct budget funding, the legislation provides for indirect funding of political parties. The national broadcaster, which is a general broadcaster, shall allocate at least 7.5 minutes of its airtime every 3 hours during the election campaign for advertisements of qualified electoral parties, which will be distributed among them equally and non-discriminatorily. The Georgian Public Broadcaster will allocate 5 minutes every hour for the same purpose.

## 1.1.2. PRIVATE FUNDING

Alongside state funding, political parties are allowed to raise financial resources from private individuals. Until December 29, 2023, both natural persons and legal entities could make donations, but with the amendment passed on December 29, 2023, donations by legal entities to political parties were prohibited. The categories of private funding allowed by law are:

- **Membership fees**

The annual upper limit for membership fees is GEL 1,200.

- **Donations**

A donation can be a sum of money transferred to the party's account by an individual, as well as tangible or intangible assets (including discounted loans) or services received by the party from an individual free of charge or at a discount/on preferential terms (except for volunteer work performed by a volunteer).

The law determines qualitative as well as quantitative restrictions on making donations. A natural person making a donation must be a Georgian citizen. The total amount of donations received by a party from each citizen must not exceed GEL 60,000 a year.

It is also prohibited to receive donations from natural persons of other countries, as well as in an anonymous form.

- **Bank loans**

A political party is also allowed to take out a loan only from a commercial bank in Georgia, in an amount not exceeding GEL 1 million in a calendar year.

## 1.2. FRAMEWORK REGULATING PARTY EXPENDITURES

Georgian legislation requires political parties to provide a detailed report on their expenditures to the Anti-Corruption Bureau, which, in turn, is obligated to publicize the information received from the parties. The Organic Law On Political Associations of Citizens sets the maximum amount of expenditures: according to the current regulation, the total amount of expenditures of a party in a year must not exceed **0.04%** of Georgia's gross domestic product (GDP) for the previous year. This also includes expenses incurred by the party and by other persons for the benefit of the party. Expenditures include election-related costs, funding for various events, labor remuneration, travel expenses, and costs of other activities.

In addition to the upper limit on the party's overall annual expenses, the Organic Law also imposes restrictions on certain types of expenses: the amount spent for the purchase of expert and consulting services by the party must not exceed 10% of the maximum allowable expenses for the year.

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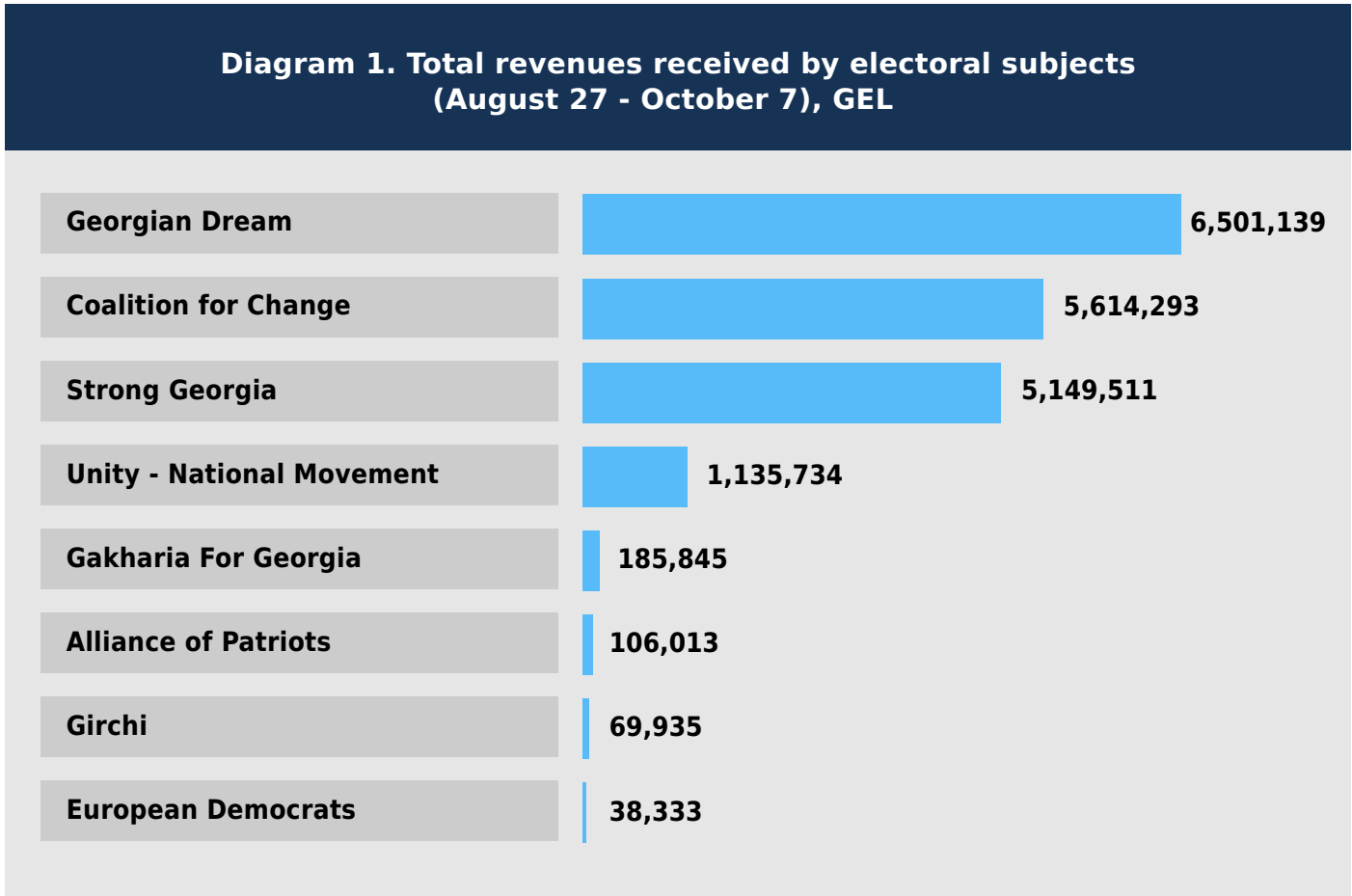
<sup>7</sup> Paragraph 4 of Article 30 of the Organic Law On Political Associations of Citizens.

## 2. OVERVIEW AND ANALYSIS OF REVENUES RECEIVED BY POLITICAL PARTIES

As noted above, we have analyzed the financial declarations of eight electoral subjects who receive state funding or whose expenditures exceed GEL 50,000 during the electoral period.

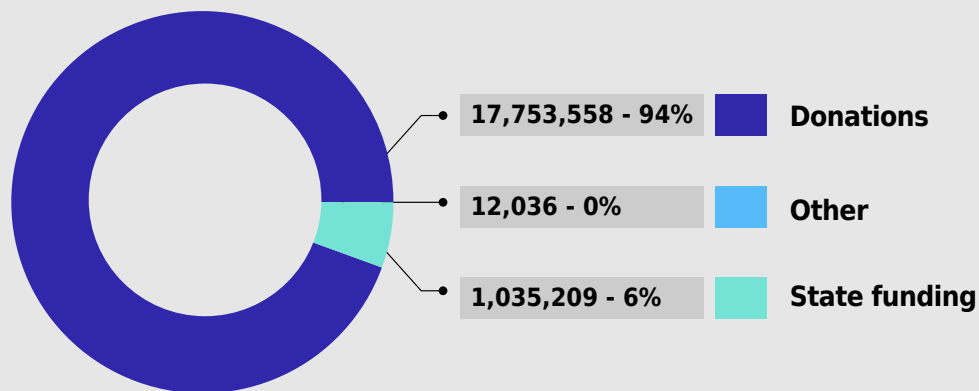
The subjects under review received a total of GEL 18,800,803 in revenues between August 27 and October 7, of which approximately 35%, that is, GEL 6,501,139, was received by the ruling party, Georgian Dream. The second by the size of income was the Coalition for Change with GEL 5,614,293, and the third was Strong Georgia with GEL 5,149,511 (see full list in Diagram 1).

**Diagram 1. Total revenues received by electoral subjects (August 27 - October 7), GEL**



Only 6% (GEL 1,035,209) of the total income received by the electoral subjects during the reporting period was state funds, while 94% (GEL 17,753,558) came from private individuals. Private funding during this pre-election period was entirely in the form of donations, unlike in previous elections where parties often used bank loans. The relatively small share of the state funding is due to the fact that the reporting period covers less than two months, and the state funding is distributed to parties on a monthly basis in equal amounts, whereas most of the funds from private sources are received during the electoral period.

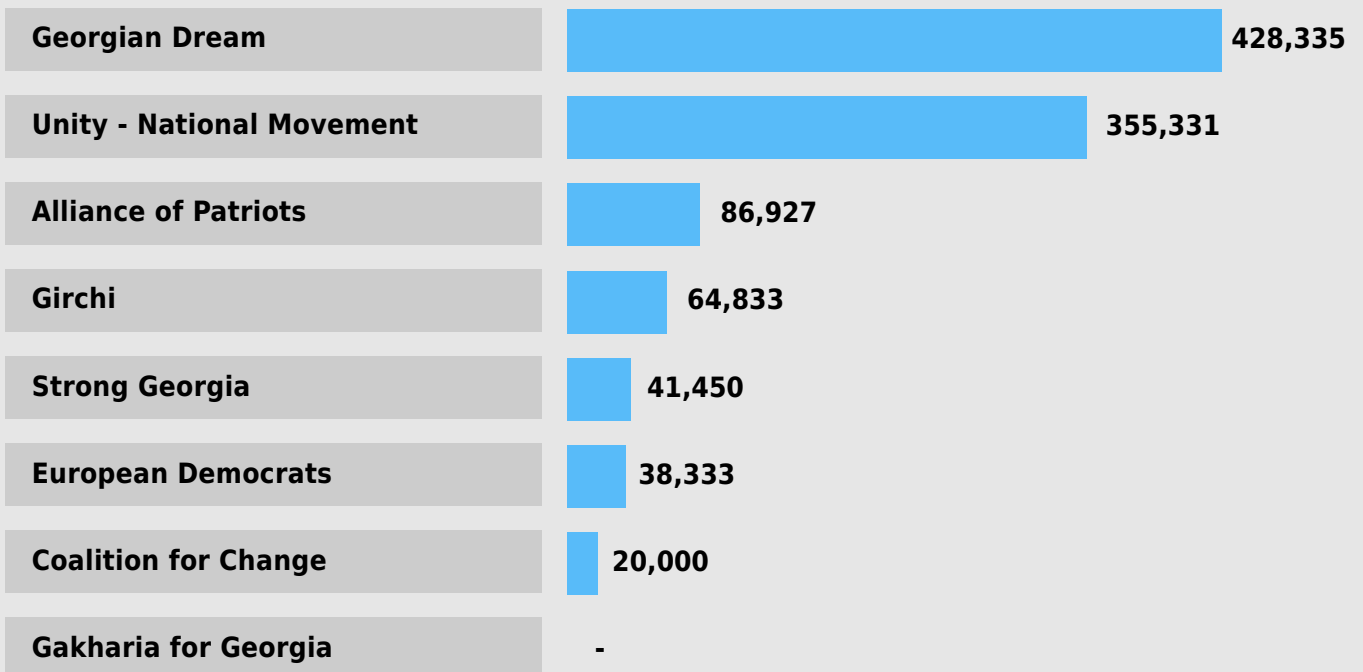
**Diagram 2. Total revenues received by electoral subjects by sources  
(August 27 - October 7) GEL, %**



## 2.1. STATE FUNDING

In terms of amounts of state funding received by electoral subjects during the reporting period, the Georgian Dream was in the lead with GEL 428,335, followed by Unity - National Movement with GEL 355,331, and the Alliance of Patriots with GEL 86,927.

**Diagram 3. State funding received by electoral subjects  
(August 27 - October 7), GEL**



## 2.2. DONATIONS

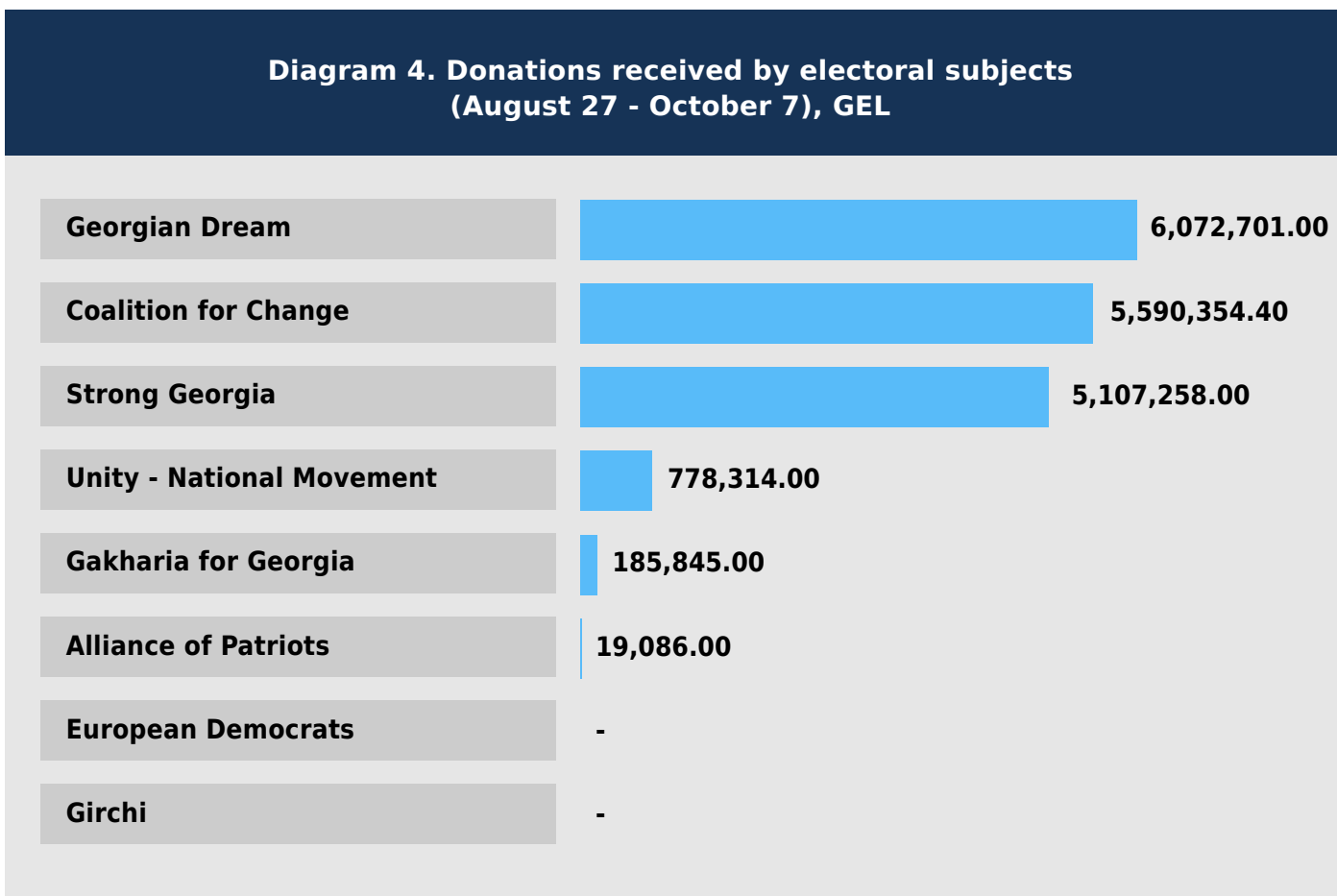
Donations collected by political parties in Georgia have always been the matter of special attention. Due to difficult social conditions, large donations made to political parties often raise legitimate questions in society about who is actually behind these financial transactions and whether they are related to corrupt deals.

Uncovering corrupt and illegal schemes is quite difficult, but Transparency International Georgia tries to provide the public with more information about the donors to political parties and their business interests, as well as about public procurement contracts or other state subsidies received by their companies.

To make the discovery and analysis of these connections easier, Transparency International Georgia created a special website, [www.politicaldonations.ge](http://www.politicaldonations.ge), where information on all donations made to political parties since 2011 is available. Moreover, the website provides information about donors' business interests.

Out of the electoral subjects under review, only six subjects received donations, totaling GEL 17,753,558 during the period from August 27 to October 7, 2024. Of this amount, GEL 6,072,701 (34% of all donations) was received by the ruling party, Georgian Dream, followed by the Coalition for Change with GEL 5,590,354, and Strong Georgia with GEL 5,107,258 (see Diagram 4).

**Diagram 4. Donations received by electoral subjects  
(August 27 - October 7), GEL**

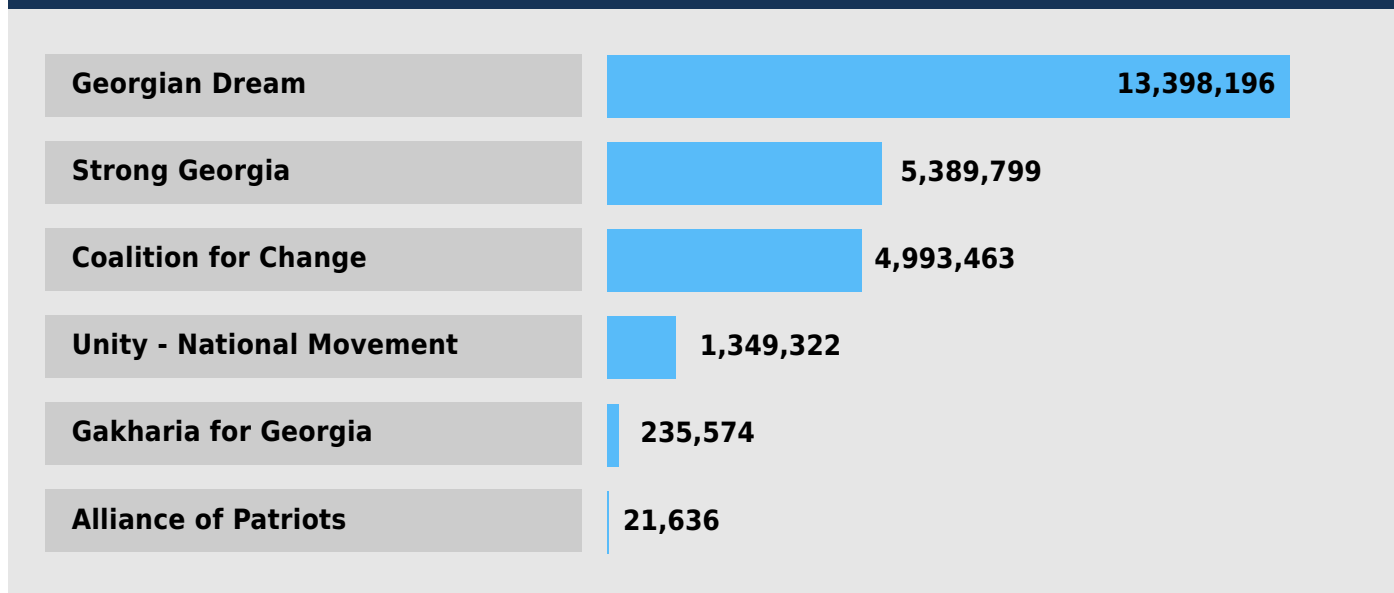


Political parties submit information about donations to the Anti-Corruption Agency within five days of the receipt, and the Agency publishes it on its website. Therefore, information about donations received by the parties is available even without seeing their financial declarations. Therefore, as we mentioned in the introduction, in studying this issue, we did not limit ourselves

to the main reporting period (August 27 - October 7) but additionally analyzed donations received by 11 parties from January 1 to October 4, 2024.

From January 1 to October 4 of this year, the 11 parties under review received a total of GEL 25,387,990 in donations. Of this amount, GEL 13,398,196 was donated to the Georgian Dream, GEL 5,389,799 to Strong Georgia, and GEL 4,961,403 to the Coalition for Change (see Diagram 5).

**Diagram 5. Donations received by the studied parties since the beginning of the year, GEL (January 1 - October 4, 2024)**



The ruling party, Georgian Dream, received 53% of the total donations made to all electoral subjects. Three subjects - the Georgian Dream, the Strong Georgia, and the Coalition for Change - received 93% of the total donations made between January 1 and October 4.

Comparing to the trends of previous election years, the share of donations to the Georgian Dream comprised 46% of total donations in the parliamentary election year (2020) and 70% in the local self-government election year (2021). The decrease in the difference between donations received by the ruling party and other parties, compared to the 2021 elections, is mainly due to the fact that the list of financially relatively stronger parties has expanded to include the Coalition for Change - Gvaramia Melia Girchi Droa. Nevertheless, the financial advantage of the ruling party, Georgian Dream, remains significant.

Of all donations received by all electoral subjects, 98% were in monetary form and 2% in non-monetary form. Forty percent of the donors donated more than the average annual salary in Georgia (GEL 17,000 net). These large donors account for 84% of the donations received by all parties, which indicates the dependence of political parties on major donors.

### 2.2.1. DONATIONS WITH A HIGH RISK OF POLITICAL CORRUPTION

Naturally, the donations received by the ruling party involve particularly high risks of political corruption, as it is the government that has the leverage to make deals with potential donors in exchange for certain benefits. Therefore, the research focused on the donations made to the Georgian Dream. We examined the donors to the ruling party who made donations to the Georgian Dream from January 1 to October 4, 2024. In particular, we looked into how many of these donors were connected to business companies that had benefited from public procurements and other government programs since January 1, 2023.

The research revealed that companies connected to donors of the ruling party received public procurement contracts worth GEL 684 million between January 1, 2023, and October 17, 2024. In return, these donors donated GEL 3.1 million to the Georgian Dream in 2024.

Table 1 lists the companies of those Georgian Dream donors that received the highest-value public procurement contracts in 2023-2024. Over the last two years, these companies received a total of GEL 664 million worth of contracts. Of this, GEL 634 million was awarded through tenders, while 30 million GEL through direct (simplified) procurement. The owners of these companies donated GEL 1 million to the ruling party between January 1 and October 4, 2024, and donated a total of GEL 2.9 million in 2013-2024.

Particularly noteworthy is Gza LLC, owned by Giorgi Chkonia, a donor to the Georgian Dream. Giorgi Chkonia is a candidate for deputy from the Georgian Dream in the 2024 elections and is listed 46<sup>th</sup> on the parliamentary list. Gza LLC received GEL 226 million in public procurement contracts in 2023-2024. Transparency International Georgia had already written about the tenders awarded to Gza last year.<sup>8</sup>

Over the past two years, Tsekuri LLC, which is one of the large donors to the Georgian Dream, received procurement contracts worth GEL 139 million. Transparency International Georgia published research on this company in March of this year.<sup>9</sup>

The owners of Bondi-2009 LLC and Monoliti LLC donated GEL 155,000 to the Georgian Dream in 2024. Over the last two years, their companies have received GEL 101 million in public procurement contracts. Transparency International Georgia published a separate report on these donors, as well as on other Georgian Dream donors engaged in business activities in Adjara.<sup>10</sup>

**Table 1. Ten companies associated with the Georgian Dream’s donors that were awarded the highest-value state procurement contracts in 2023 and 2024, GEL**

Company	Amount received from state procurements in 2023-2024	Donor associated with company	Amount donated in 2024	Amount donated in 2013-2024
Gza LLC	225,669,429	Giorgi Chkonia, Malkhaz Dumbadze	75,000	621,000
Tsekuri LLC	139,055,917	Sergo Khabuliani, Beka Khabuliani	108,000	438,000
Anagi LLC	110,543,772	Irakli Gogolishvili	60,000	120,000

<sup>8</sup> *Businessman Giorgi Chkonia’s GEL 335 million income in public procurement contracts and donations to the Georgian Dream*, Transparency International Georgia, 12.12.2023, <https://bit.ly/3YhAZU2>.

<sup>9</sup> *Former MP’s path from the United National Movement to becoming a donor for Georgian Dream and 306 million GEL received from state procurements*, Transparency International Georgia, 01.03.2024, <https://bit.ly/3YfFdLT>.

<sup>10</sup> *Over GEL 2 million in nine months – who fills the Georgian Dream’s coffers from Adjara?*, Transparency International Georgia, 03.10.2024, <https://bit.ly/40cFfXt>.

Bondi-2009 LLC, Monoliti LLC	101,159,822	Nukri Dolidze, Otar Putkaradze, Davit Devadze	155,000	425,000
G & K Technology LLC	25,843,406	Romani Abramishvili	56,000	396,000
Kartli LLC	22,127,217	Giorgi Rubashvili	20,000	20,000
Khvamli XXI LLC	13,282,367	Gogi Gugava	40,000	105,000
Dagi+ LLC	9,809,624	Giga Paliani, Merab Kipiani, Daviti Gogrichani	166,000	166,000
Nova LLC	9,216,762	Jemali Antadze, Ramaz Iremadze, Jemal Bolkvadze, Emzar Iremadze, Zviad Abuladze	282,000	582,000
Metal + LLC	7,529,697	Giorgi Muzashvili	50,000	50,000

Transparency International Georgia’s reports on political party finances have often emphasized that over the years, several large groups have formed among the donors of the ruling party, which finance the Georgian Dream with significant amounts in almost every election. A characteristic feature of all such groups is that a large portion of the individuals involved donate money to the ruling party on the same day or a day or two apart, which raises certain suspicions as to whether this collective action is organized by someone in advance and whether the donations are made through other individuals. Georgian legislation prohibits donations made through third parties.<sup>11</sup>

On July 10-11, 2024, five owners of Nova LLC donated a total of GEL 282,000 to the Georgian Dream. Including previous years, they have donated GEL 582,000 to the ruling party. Nova LLC received GEL 9.2 million from state procurements in 2023-2024 and a total of 14 GEL million from 2013-2024.

In July 2024, 13 owners of Lilo-Moli LLC donated money to the Georgian Dream. Out of these owners, eight donated on July 4, while four donated on July 12 (Table 2). In total, they donated GEL 558,000 to the ruling party in 2024, while since 2013, they have donated GEL 2.4 million.

<sup>11</sup> Campaign Finances in Georgia’s 2020 Parliamentary Elections, Transparency International Georgia, <https://shorturl.at/tf103>

**Table 2. Donations from the owners of Lilo-Moli LLC to the Georgian Dream**

<b>Name, surname</b>	<b>Amount donated in 2024, GEL</b>	<b>Exact date of the donation</b>	<b>Donations made in 2013-2024, GEL</b>
Giorgi Gagua	60,000	4 July	327,000
Levan Gagua	50,000	4 July	265,000
Davit Gavasheli	50,000	4 July	105,000
Davit Gagua	40,000	4 July	230,000
Levan Andghuladze	20,000	4 July	20,000
Vazha Usanetashvili	60,000	4 July	336,000
Nikoloz Usanetashvili	30,000	4 July	135,000
Bacho Kapanadze	58,000	4 July	173,000
Giorgi Kvaratskhelia	20,000	4 July	115,000
Ilia Badriashvili	10,000	12 July	10,000
Ilia Shonia	60,000	12 July	334,000
Marika Gavasheli	40,000	12 July	40,000
Gia Andghuladze	60,000	12 July	337,000

Among the donors, 13 individuals are connected to Bidzina Ivanishvili through familial or business ties. From January 1 to October 4, 2024, they donated GEL 425,000 to the Georgian Dream, and since 2013, they have donated up to GEL 3 million in total (Table 3). One of the major donors is Bidzina Ivanishvili's brother, Aleksandre Ivanishvili. The largest donation of GEL 493,000 was made by Nato Khaindrava, the chairperson of the supervisory board of Cartu Bank.



**Table 3. Donors likely connected to Bidzina Ivanishvili**

<b>Name, surname</b>	<b>Amount donated in 2024, GEL</b>	<b>Donations made in 2013-2024, GEL</b>	<b>Connection to Bidzina Ivanishvili</b>
Aleksandre Ivanishvili	60,000	380,000	Bidzina Ivanishvili's brother
Davit Dugladze	60,000	282,000	Dugladze Wine Company LLC
Givi Lebanidze	50,000	332,000	JSC Cartu Bank
Giorgi Damenia	50,000	170,000	Tornado + LLC
Beka Kharatskhelia	50,000	300,000	JSC Cartu Bank
Nato Khaindrava	40,000	493,000	JSC Cartu Group
Kakha Kobiashvili	40,000	300,000	JSC Sports Complex Laguna Vere
Zurab Gogua	30,000	323,000	JSC Cartu Bank
Gocha Chikviladze	30,000	299,000	JSC Cartu Group
Giorgi Bebia	30,000	30,000	Tornado + LLC
Giorgi Tripolski	20,000	129,000	Brokerage Company Cartu Broker LLC
Archil Gogelia	15,000	107,000	Kipi LLC
Noe Kinkladze	10,000	90,000	21 <sup>st</sup> Leasing LLC

A large source of subsidies from the state budget is the Produce in Georgia program. Since 2021, [information](#) about this program has become less transparent, with the government concealing who is being financed.<sup>12</sup> The study of the funding provided between 2014 and 2020 showed that donors to the Georgian Dream also receive significant funding from this program. Thirty-two donors who donated GEL 1.6 million to the Georgian Dream between January 1 and October 4, 2024, received GEL 7.4 million from the Produce in Georgia program. The largest amount, GEL 1,154,745, was received by Nova LLC.

Another large source of state funding is the agro-projects available for agricultural subsidies. Among those who donated to the Georgian Dream during the reporting period, 51 received GEL 71 million in subsidies from agro-projects between 2014 and 2023. In return, these individuals donated GEL 7.7 million to the ruling party during the same years, including GEL 2 million between January 1 and October 4, 2024. Of the aforementioned 51 beneficiaries, 10 large business groups received GEL 54 million in subsidies (Table 4). The largest amount, a total of GEL 16 million, was received by the companies of winemakers Zurab and Aleksandre Chkhaidze, who donated GEL 320,000 to the Georgian Dream. The second by the size of subsidies are also large winemakers: the directors of Bolero & Company LLC and Georgian Association of Distilleries LLC, Davit Bochorishvili and Irakli Bekauri. The owner of these two companies is Vakhtang Karichashvili, a business partner of Bidzina Ivanishvili's cousin, Ucha Mamatashvili.

<sup>12</sup> *LEPL Enterprise Georgia Hides List of Financed Companies, Increasing Risk of Corruption*, Transparency International Georgia, 21.06.2024, <https://bit.ly/3NwnCL1>

These companies received up to GEL 10 million in subsidies from the budget. Dugladze Wine Company LLC and Aisi Inc. LLC are in the fourth place in terms of subsidy size (GEL 7 million). Shares in these companies are owned by Bidzina Ivanishvili's brother and the brother of the Georgian Dream deputy Zaal Dugladze. They have donated a total of GEL 662,000 to the political party.

**Table 4. Georgian Dream' donors who received the most subsidies from agro-projects, GEL**

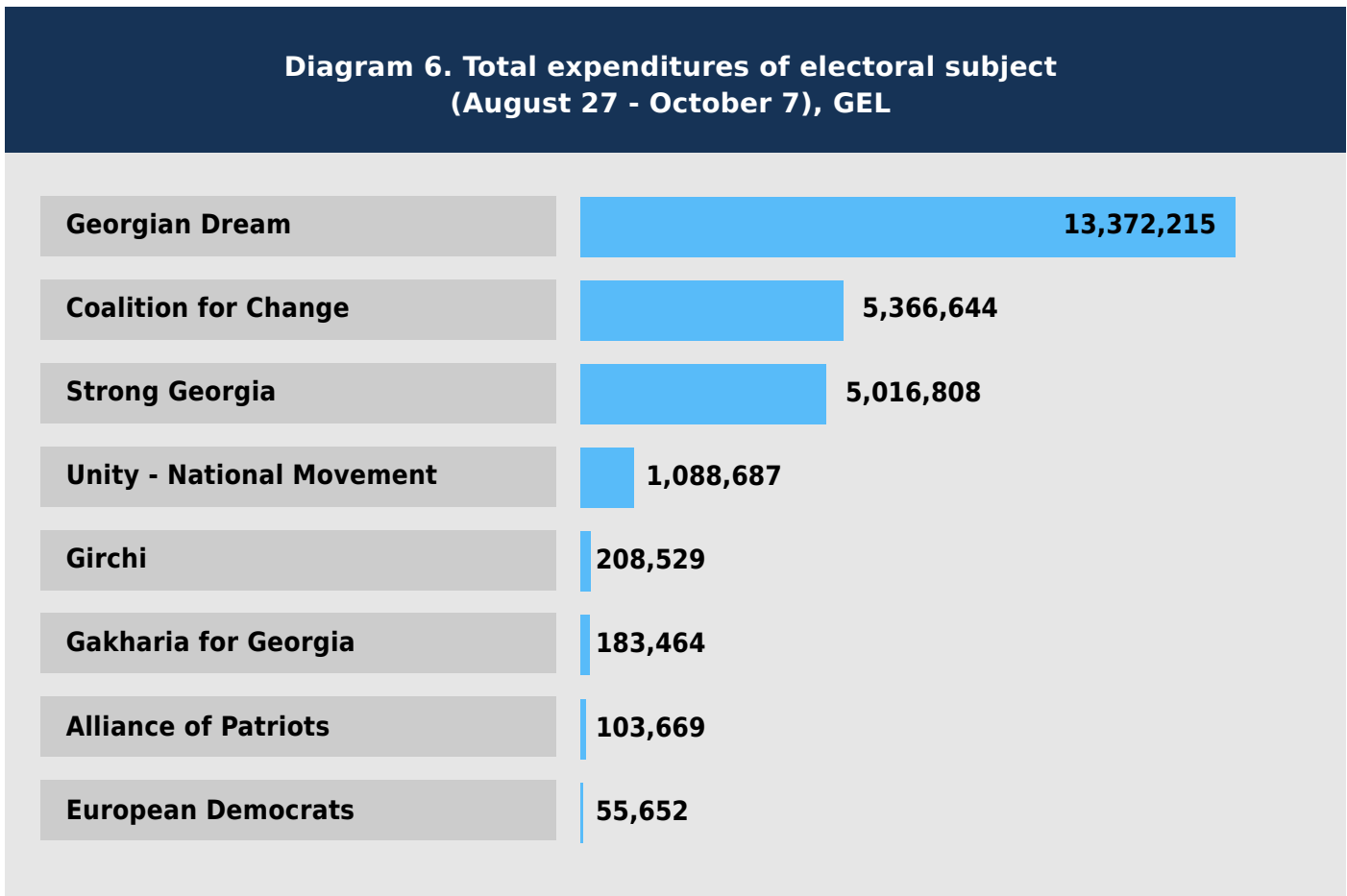
<b>Donor</b>	<b>Amount received from agro-projects in 2014-2024</b>	<b>Company</b>	<b>Amount donated in 2024</b>	<b>Donations made in 2013-2024</b>
Zurab and Aleksandre Chkhaidze	16,067,602	Kakhetian Traditional Winemaking LLC, შპს Gurjaani Agro LLC, and other 10 companies	80,000	320,000
Davit Bochorishvili, Irakli Bekauri	9,944,179	Bolero & Company LLC, Association of Distilleries LLC	87,000	347,000
Giorgi Bolotauri	8,717,429	Milada International LLC, GVMТ Group LLC	5,000	16,000
Aleksandre Ivanishvili, Davit Dugladze	7,029,666	Dugladze Wine Company LLC, Aisi Inc. LLC	120,000	662,000
Giorgi igorokva	4,640,900	Mareuli LLC, Ingoroqva and Spirits LLC and other seven companies	25,000	85000
Davit Tsitsilashvili	1,777,422	Seafood LLC, Esperansi LLC	60,000	300,000
Mukhrani Bagrationi, Zurab Dumbadze	1,723,950	Olive Taribana LLC, Okriba LLC, Adjara Agrogroup LLC	115,000	405,000
Bakuri Mitichashvili, Kakhaber Mamanishvili	1,640,823	Chateau Mukuzani LLC	76,000	76,000
Levan Nekreselashvili, Vazha Tsigroshvili	1,559,251	Marniskari LLC, Chateau Nekresi LLC	64,000	434,000
Davit Balanchivadze	1,368,981	Blue Gold LLC, Agrosheli LLC	57,000	472,000

# 3. EXPENDITURES OF ELECTORAL SUBJECTS

## 3.1. OVERVIEW OF EXPENDITURES OF ELECTORAL SUBJECTS

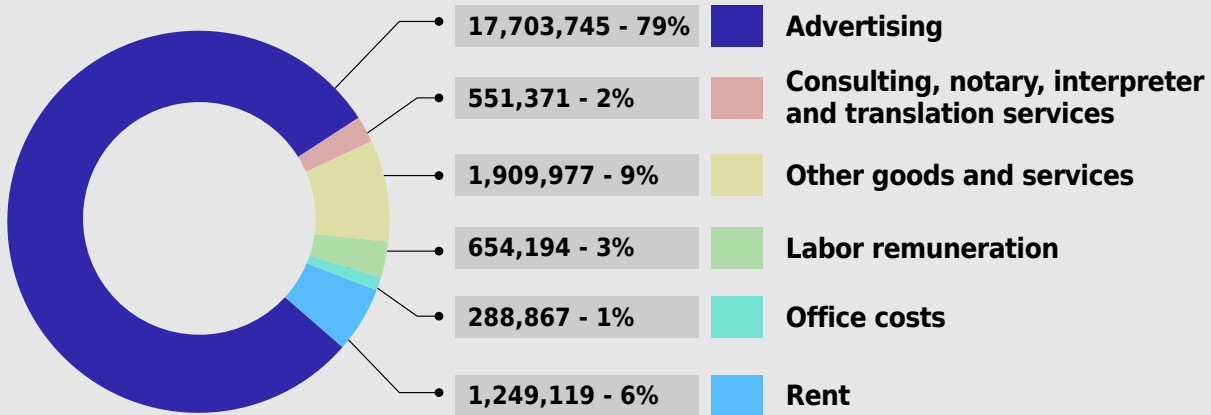
The subjects studied by Transparency International Georgia incurred a total expenditure of GEL 25,395,668 during the reporting period, of which 53%, i.e., GEL 13,372,215, was the spending by the Georgian Dream. The second by the size of expenditures was the Coalition for Change with GEL 5,366,644, followed by Strong Georgia with GEL 5,016,808 (see Diagram 6).

**Diagram 6. Total expenditures of electoral subject  
(August 27 - October 7), GEL**



Similar to previous years' electoral campaigns, the electoral subjects spent the largest amounts on a) advertising, b) rent and office costs, and c) labor remuneration. In particular, 79% of the total expenditures of the electoral subjects were advertising expenses (GEL 17,703,745). Among other categories, the largest expenses were rent (6% of total expenses) and labor remuneration (3%) (see Diagram 7).

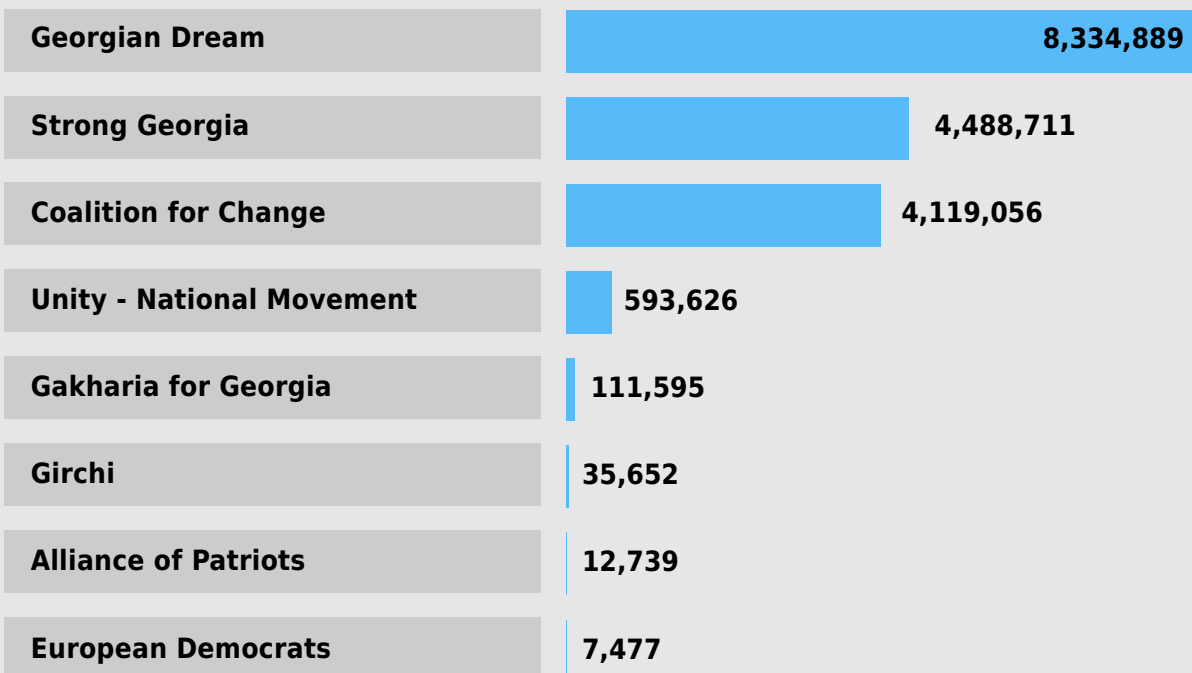
**Diagram 7. Expenditures of electoral subjects by main categories  
(August 27 - October 7), GEL, %**



### 3.2. ADVERTISING EXPENSES

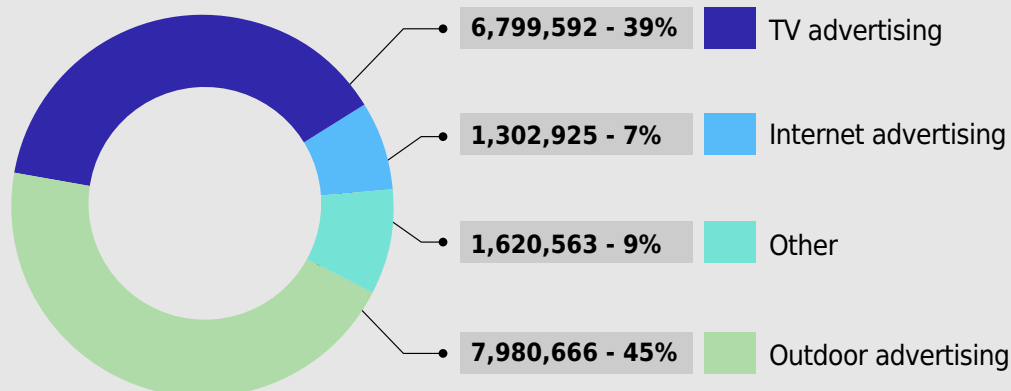
As noted previously, during the reporting period, the electoral subjects spent a total of GEL 17,703,745 on political advertising. The largest amount, GEL 8,334,889, was spent by the Georgian Dream, comprising 47% of the total advertising expenses of the studied electoral subjects. The second was the party Strong Georgia with GEL 4,488,711, followed by the Coalition for Change with GEL 4,119,056 (see Diagram 8).

**Diagram 8. Expenditures on advertising of electoral subjects  
(August 27 - October 7), GEL**



As regards the advertising categories, from August 27 to October 7, the largest amount, almost GEL 8 million, was spent on outdoor advertising (45% of total advertising expenditure). However, a significant portion of this amount was spent by the Georgian Dream, accounting for 74% of outdoor advertising costs (GEL 5,940,678). Additionally, GEL 6,799,592 was spent on television advertising, comprising 39% of total expenses (see Diagram 9).

**Diagram 9. The distribution of total expenditures of electoral subjects on advertising by types of advertising (August 27 - October 7), GEL, %**



### 3.3 OTHER EXPENSES

In this subchapter, we will review the expenditures of the political parties that reported the largest amounts in ungrouped expenses. Such expenses primarily include expenditures categorized as “various expenditures” and “other goods and services” in the declaration. The total of such ungrouped expenses amounted to approximately GEL 2 million for all political parties.

According to the **Georgian Dream’s** financial declaration, the expenses under the category of “other goods and services” amount to GEL 1.3 million, specified by the political party as “expenses for events,” with GEL 1,343,791 allocated for this purpose during the reporting period. The expenses under other categories - “photo and other material expenses” (GEL 2,572) and 2% pension expenses (GEL 2,294) - are insignificant compared to the event expenses. At the same time, it should be noted that specifying “event expenses” under “other goods and services” does not add transparency to this category, and these expenses should be classified in more detail in the declaration, by their nature and content.

The expenses in the “other goods and services” category for the party, **Coalition for Change**, amount to GEL 227,000, which the party has further broken down into smaller categories. For instance, this includes the purchase of 7,000 t-shirts (GEL 49,490), an additional rental agreement (GEL 22,080), and an agreement for the use of a musical piece (GEL 19,312), among others.

The party **New Political Center (Girchi)** has declared expenses of up to GEL 130,000 in the “other goods and services” category and further broke it down into other smaller categories: second installment of promo fee (GEL 24,783), branding for pins, t-shirts, and cups (GEL 15,000), digital marketing services in October (GEL 15,000), and so on.

## 4. FINANCIAL TRANSPARENCY AND OVERSIGHT

Under the Georgian legislation, the mandate to monitor the legality and transparency of political financing is granted to the Anti-Corruption Bureau. This entity carries out monitoring of the financial activities of political associations of citizens within the competencies determined by the Organic Law of Georgia the Election Code of Georgia, and the Organic Law of Georgia on Political Associations of Citizens.

As mentioned previously, from the date of the election announcement, a candidate for electoral subject/electoral subject is required to submit a financial report in the prescribed form to the Anti-Corruption Bureau every three weeks. Additionally, electoral subjects are required to submit interim summary reports periodically, while within 30 days from the announcement of the election results, they must submit a final summary report on their electoral campaign.

### 4.1. GRANTING ADDITIONAL POWERS TO THE ANTI-CORRUPTION BUREAU

In the summer of 2024, the government introduced several amendments to the Organic Law of Georgia on Political Associations of Citizens, granting the Anti-Corruption Bureau additional powers against political parties and other persons that may fall under the scope of this Organic Law.<sup>13</sup>

Article 24<sup>1</sup> was added to the Organic Law, which stipulates that if a party fails to submit a financial declaration required by this law to the Anti-Corruption Bureau for two consecutive calendar years or if all reported revenues and expenses in all such financial declarations submitted for two consecutive calendar years are zero, the National Agency of Public Registry will revoke the registration of that party based on the request of the head of the Anti-Corruption Bureau, and after the cancellation of registration, the remaining assets of that party will be transferred to the state treasury.

The cancellation of a political party's registration by the National Agency of Public Registry upon the request of the head of the Anti-Corruption Bureau means the liquidation, prohibition of the party. The Constitution of Georgia clearly defines the grounds and procedure for party cancellation (Article 23), according to which a party can be cancelled only by the Constitutional Court and only in cases where the party's goal is to overthrow or forcibly change the constitutional order of Georgia, encroach on the country's independence, violate territorial integrity, or where the party engages in propaganda of war or violence, or incites discord. Consequently, the cancellation of a political party by the decision of an administrative body on the grounds of failure to submit a financial declaration is impermissible, as it contradicts the Constitution in both form and substance.

A new paragraph (2<sup>1</sup>) was added to Article 34<sup>1</sup> of the Organic Law, which grants the Anti-Corruption Bureau the authority to conduct the following activities with the purpose of monitoring the financial activities of a political party or an individual with a declared electoral goal: a) questioning of an individual in accordance with the procedures established by this law; b) interrogation of an individual before a magistrate judge in accordance with the procedures established by the Administrative Procedure Code of Georgia; c) request of necessary information, including personal data of special categories, other personal data, and secret information (other than state secrets provided for by Georgian legislation) from public institutions, individuals, legal entities (including payment service providers), and other entities.

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<sup>13</sup> On the amendments to the Organic Law of Georgia on Political Associations of Citizens | LEPL Legislative Herald of Georgia (matsne.gov.ge). <https://new.matsne.gov.ge/ka/document/view/6179745?publication=0>

The powers stipulated in subparagraph “c” of paragraph 2<sup>1</sup> of Article 34<sup>1</sup> clearly echo the disproportionate and repressive powers granted to the Ministry of Justice under Article 8 of the “Russian Law.”<sup>14</sup> As described in the first subchapter of Chapter III below, the Anti-Corruption Bureau attempted to use these powers in favor of the ruling party as early as September 2024.

According to the new wording of paragraph 4 of the same article, the Anti-Corruption Bureau will request the information specified in subparagraph “c” of paragraph 2<sup>1</sup>, which does not belong to public information, based on a court decision. For this purpose, the Anti-Corruption Bureau will submit an application to the court at its location.

According to paragraph 5 of the same article, all subjects from which the Anti-Corruption Bureau requests information specified in this law shall provide the information they have at their disposal. Violating this obligation, under the new wording of paragraph 5 of Article 34<sup>2</sup>, will result in a warning or a fine of GEL 1,000 for an individual, a fine of GEL 5,000 for a qualified party, and a fine of GEL 2,000 for other subjects. Under paragraph 5<sup>1</sup> of the same Article 34<sup>2</sup>, providing false information by an individual during a questioning by the Anti-Corruption Bureau or during an interrogation before a magistrate judge based on the request of the Anti-Corruption Bureau will result in a fine of GEL 2,000.

## **4.2. OVERSIGHT ACTIVITIES OF THE ANTI-CORRUPTION BUREAU**

Since the oversight of political parties has become a mandate of the Anti-Corruption Bureau, oversight standards of political financing have deteriorated, raising serious questions about its independence and political neutrality.

### **4.2.1. THE ANTI-CORRUPTION BUREAU AGAINST CIVIL SOCIETY**

On September 24, 2024, the head of the Anti-Corruption Bureau, Razhden Kuprashvili, issued a decision against Transparency International Georgia and its executive director, Eka Gigauri,<sup>15</sup> designating both the organization and its executive director as entities with “declared electoral goals,” thus subjecting them to the restrictions established in Chapter III of the aforementioned Organic Law.

When making this decision, the head of the Anti-Corruption Bureau ignored the application of paragraph 6 of Article 26<sup>1</sup> of the Organic Law on Political Associations of Citizens and incorrectly and arbitrarily interpreted Article 7<sup>1</sup> and paragraph 1 of Article 26<sup>1</sup> of the same Organic Law.

As factual grounds for the decision against Transparency International Georgia and Eka Gigauri, the head of the Bureau cited the statements made by the executive director of the TI Georgia that the non-governmental sector was launching a voter information campaign: “This will have a broad and mass character before the elections. We plan to reach all citizens, firstly, to explain to them what these elections mean, that it is a choice between Russia and Europe, and they should think about this, and secondly, how important it is that they go to the elections.”<sup>16</sup> Other factual circumstances cited by the head of the Anti-Corruption Bureau are of a similar nature.

Such a statement is nothing more than an expression of the author’s activities within the boundaries of freedom of expression and civic engagement. Therefore, before making a decision, the head of the Anti-Corruption Bureau was obliged to follow paragraph 6 of Article 26<sup>1</sup> of the Organic Law on Political Associations of Citizens and establish that such activities cannot be

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<sup>14</sup> See the first subchapter of this chapter above.

<sup>15</sup> Decision N03/028-24 of the Head of Anti-Corruption Bureau, dated September 24, 2024, <https://bit.ly/4gHyDGs>

<sup>16</sup> Decision N03/028-24 of the Head of Anti-Corruption Bureau, dated September 24, 2024; para. 8.

considered the grounds for the application of the restrictions set forth in Chapter III of the aforementioned Organic Law to the plaintiffs. However, the head of the Anti-Corruption Bureau did not consider this provision of the Organic Law at all.

Moreover, in the aforementioned decision, the head of the Anti-Corruption Bureau arbitrarily interpreted the norms of Article 7<sup>1</sup> and paragraph 1 of Article 26<sup>1</sup> of the Organic Law.

In particular, according to paragraph 1 of Article 26<sup>1</sup> of the Organic Law, “the restrictions determined under this chapter with respect to a party shall apply to persons who have declared electoral goals and who use relevant financial and other tangible resources to achieve these goals.”

The same Organic Law’s Article 7<sup>1</sup> explains what a “declared electoral goal” means: “A declared electoral goal is a factual circumstance where it is evident that a specific person has a desire to come to power through participation in an election. The declaration shall be made publicly and aimed at forming public opinion.”

Based on the analysis of these norms, for a person to be subject to the restrictions set out in Chapter III of the Organic Law, the person 1) must declare about his/her electoral goal; and 2) must use relevant financial and other tangible resources to achieve this goal. On the other hand, a declared electoral goal exists when: 1) the person has a desire to come to power through participation in an election; 2) he/she publicly declares about this desire; and 3) such a declaration aims at shaping public opinion.

Accordingly, before taking a decision, the head of the Anti-Corruption Bureau should have established whether all three conditions set out in Article 7<sup>1</sup> of the Organic Law were presented, and if considered that they were, which would automatically confirm the presence of the first condition of paragraph 1 of Article 26<sup>1</sup>, he should have also established whether the second condition of paragraph 1 of Article 26<sup>1</sup> was present.

However, the Anti-Corruption Bureau did not choose this legal path because there is no public statement made by Transparency International Georgia and/or its executive director, Eka Gigauri, that the organization and/or its executive director have a desire to come to power through participation in elections. Therefore, had the Anti-Corruption Bureau followed the norms of the Organic Law, it would have been barred already at the very first stage of the analysis from taking a decision on the application of the restrictions set forth in Chapter III of the Organic Law to Transparency International Georgia and Eka Gigauri.

That’s why the Anti-Corruption Bureau just arbitrarily altered the norms of Articles 7<sup>1</sup> and paragraph 1 of Article 26<sup>1</sup> of the Organic Law. It first removed “A declared electoral goal is a factual circumstance where it is evident that a specific person has a desire to come to power through participation in an election” from the norm; then it determined that a declared electoral goal also exists when there is a political campaign against another political party to influence public opinion in this way; and finally, it removed the term “declared electoral goal” and replaced it with a “political goal,” for which to exist, according to the head of the Bureau’s interpretation, it is sufficient to “arouse interest and hope” for the defeat of a particular political party.<sup>17</sup> By such an arbitrary alteration of the norms of the Organic Law, the head of the Anti-Corruption Bureau violated the legal regime established by the Constitution of Georgia and legislation concerning lawmaking.

Equally arbitrary is the “interpretation” by the head of the Anti-Corruption Bureau of paragraph 1 of Article 26<sup>1</sup> of the Organic. In this regard, his decision against TI Georgia and Eka Gigauri reads: “Unlike Article 7<sup>1</sup>, the conjunction ‘and’ in paragraph 1 of Article 26<sup>1</sup> should not be

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<sup>17</sup> Ibid., paras. 20-24.



regarded as a cumulative requirement. It is for this very purpose that the words ‘and other’ are included. Consequently, even where a person does not use financial resources but, for example, contributes to the achievement of the electoral goal through his/her personal or indirect involvement, the condition specified in paragraph 1 of Article 26<sup>1</sup> should be considered to exist.” Accordingly, in this case too, the legal regime concerning lawmaking was violated and the norm of the law arbitrarily altered by transforming cumulative conditions into alternative conditions and replacing one condition with another.

On October 1, 2024, the Prime Minister of Georgia, Irakli Kobakhidze, endorsed the decisions of the head of the Anti-Corruption Bureau for being “legal” correct but, from a “pragmatic” standpoint, urged him to reverse them.<sup>18</sup>

The next day, on October 2, the head of the Anti-Corruption Bureau called a special new briefing to announce that he was revoking the decisions of September 24, 2024, against Transparency International Georgia and its executive director, as well as against Choose Europe and its representatives.<sup>19</sup>

Although this decision by the head of the Anti-Corruption Bureau was a step in the right direction, it once again confirms the reasonable suspicion that the Anti-Corruption Bureau is not an independent institution and is merely a body fulfilling the wishes of the highest, formal or informal, representatives of the government.

#### **4.2.2. TRANSPARENCY OF OVERSIGHT CONDUCTED BY THE ANTI-CORRUPTION BUREAU**

Transparency International Georgia expressed concerns about deteriorating standards of transparency in the oversight conducted by the Anti-Corruption Bureau over political parties even before the start of the pre-election period. In a report published in June 2024, we emphasized that since the Bureau has been mandated to oversee parties, it has become increasingly difficult to obtain information about its activities in the area of political finance oversight. Responses to information requests are incomplete and formalistic, with references made to the website when the requested information is not available there.<sup>20</sup> Furthermore, the legal grounds for the initiation of proceedings regarding connections between political parties and non-governmental organizations, including international non-governmental organizations, were completely vague.<sup>21</sup> At that time, the Anti-Corruption Bureau refused to provide additional information regarding the proceedings to Transparency International Georgia. Additional clarity on this issue still does not exist.

It is noteworthy that the Anti-Corruption Bureau has not yet published the interim report on the monitoring conducted by it during the pre-election period. The standard for the publication of three-week declarations of political parties has also deteriorated; the Anti-Corruption Bureau refused to follow the best practices introduced by the State Audit Office and no longer publishes documents submitted by the parties in a format suitable for processing, along with their scanned versions, making them difficult to analyze.

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<sup>18</sup> Radio Liberty, “Kobakhidze considers it appropriate for the Anti-Corruption Bureau to revoke the status it has given to TI,” October 1, 2024, <https://www.radiotavisupleba.ge/a/33142075.html>.

<sup>19</sup> Radio Liberty, “Razhden Kuprashvili revokes the decision he took against Transparency International Georgia,” October 2, 2024, <https://www.radiotavisupleba.ge/a/33143057.html>; “Razhden Kuprashvili also annulled the decision related to Choose Europe,” October 2, 2024, <https://www.radiotavisupleba.ge/a/33143151.html>.

<sup>20</sup> *Georgia’s Political Finance in 2023*, Transparency International Georgia, 28.06.2024, pg. 36, <https://bit.ly/3YuxkDE>

<sup>21</sup> Ibid.