

Georgia: Civil Society Report
by Institute for Development of Freedom of Information (IDFI)

An input to the UNCAC Implementation Review Mechanism:
Fourth year of review of UNCAC Chapters II and V

14 November 2023

This is the executive summary of a civil society parallel report from May 2023 reviewing Georgia’s implementation and enforcement of selected articles in UN Convention against Corruption (UNCAC) Chapters II (Preventive Measures) and V (Asset Recovery). The report was supported by the UNCAC Coalition and is intended as a contribution to the UNCAC peer review process of Georgia covering those two chapters. The full report is available on the UNCAC Coalition’s website.¹

While progress has been made to integrate UNCAC provisions into its legal framework, Georgia lags behind in effective implementation. Institutions are characterized by a general lack of independence due to the lingering influence of the executive branch.

Assessment of the Review Process

Has the government disclosed information about the country focal point?	Yes	The information is not published. However, following IDFI’s complaint, the Government of Georgia (AOG) disclosed the information.
Was the review schedule published somewhere?	No	The second review cycle was scheduled for 2018, however was postponed. Neither information about the timeline nor the schedule has been published.
Was civil society consulted in the preparation of the self-assessment checklist?	No	
Was the self-assessment checklist published online or made available to civil society?	No	The self-assessment checklist has not been published nor provided to civil society. The AOG shared it with IDFI in response to a complaint.

¹ The report was published on the UNCAC Coalition website in May 2023:
<https://uncaccoalition.org/uncacparallelreportgeorgia/>.

Did the government agree to a visit to the country?	N/A	The AOG did not confirm this, adding that it was not in charge of coordinating the UNCAC assessment process.
Was a country visit undertaken?	N/A	
Was civil society invited to provide input to the official reviewers?	No	
Was the private sector invited to provide input to official examiners?	No	
Has the government committed to publishing the full country report?	N/A	

Main Findings and Recommendations (R)

Anti-Corruption Bodies and Policies

The Administration of the Government of Georgia (AOG) is in charge of the preventative anti-corruption body. However, the AOG has not drafted policy documents in the past two years, the Anti-Corruption Council (ACC) has not met since 2019 and its Secretariat only exists formally. The Law of Georgia on the Fight Against Corruption² introduced an independent Anti-Corruption Bureau mandated with anti-corruption policy development, monitoring and publishing public officials' asset declarations and monitoring political financing. The Bureau also operates the whistleblowing online portal, reports to the Parliament annually and to the ACC periodically.

R: *Develop evidence-based anti-corruption policy documents. Establish corruption risk-assessment practices in public entities.*

Public Sector Employment

The Law of Georgia on Remuneration in Public Institutions defines the scope of the civil service and a merit-based evaluation system for civil servants. However, this does not apply to all legal entities, leaving certain members of the civil service unregulated.

R: *Introduce senior civil servant (executive secretary) positions clearly delineating political and administrative functions. Ensure full operation of the Civil Service Law of Georgia on Legal Entities of Public Law.*

Political Financing

² <https://matsne.gov.ge/document/view/33550?publication=80>.

The Law on Political Financing sets rules and grounds for donations which apply to state-controlled entities. The transparency and legality of political funds are monitored by the State Audit Office of Georgia, which is ineffective in responding to cases of alleged political corruption. The Agency's management has complained that the function of monitoring political finances is incompatible with its core activities, and under its current mandate, it is unable to investigate possible cases of political corruption.

R: Create an independent anti-corruption agency with the independence, authority and public trust to investigate high-profile corruption cases, including on political corruption.

Codes of Conduct, Conflicts of Interests and Declaration of Assets

Codes of conduct for public officials, conflicts of interests and asset declarations are implemented in national law, with regulated merit-based eligibility conditions and training programs. However, the Code of Ethics fails to provide an individualized approach for institutions. In 2022, the asset declaration publication and monitoring system was transferred to the Anti-Corruption Bureau which verifies the accuracy of declarations, but does not prevent conflict of interest and corruption-related offenses.

R: Improve the law governing conflicts of interests, with clear regulations on revolving door cases. Define the obligation of public institutions to develop codes of ethics and practical instruments for their implementation.

Whistleblower Protection

Until September 2023, the Civil Service Bureau ran an online whistleblowing reporting channel³ but civil servants' awareness of the electronic portal was low. Since September, the Anti-corruption Bureau would operate the same functions regarding whistleblower protection and reporting. Whistleblowing legislation excludes the private sector and establishments outside the civil service exercising delegated public authority.

R: Revise whistleblower protection legislation and create a stand-alone law in line with international standards.

Public Procurement

The transparent public procurement system encompasses most of the public sector. Exemptions from competitive procurement are clearly defined; however, single-source procurement remains common. The e-procurement system covers all procurement processes and functions. Procurement complaints are properly addressed, and the review body operates independently and impartially, however, non-governmental stakeholders have noted shortcomings regarding fairness and transparency. There are few cases of prosecution of corruption offenses and enforcement of conflict-of-interest restrictions in the procurement process. Key procurement data and statistics are published online,⁴ but the open data format is outdated.

³ <https://acb.gov.ge/>.

⁴ <http://procurement.gov.ge/>.

R: Provide for durable limitations on using simplified procedures in public procurement. Comply with international standards on revealing beneficial ownership of participants in public procurement. Ensure publication of machine-readable data of procurement on a regular basis.

Management of Public Finances

There is a transparent process for adopting the national budget involving public participation, with a state budget expenditure system. Timely reporting on revenue and expenditures is ensured, and accounting and audit standards are applied. Risk management systems are actively employed under the current legislation. However, the public finance management system remains weak, lacking a cost-effectiveness evaluation mechanism and coordination between policy planning and financial management structural units during the budget planning.

R: Increase coordination between relevant units and public awareness of participation mechanisms.

Access to Information and Participation of Society

Access to information regulations have been in force since 1999 but are not in line with international standards. There is no standalone legislation regulating access to information, although the obligation to adopt one has been foreseen in several international instruments since 2013. The proactive publication of information is foreseen by government decree, but this obligation is not fulfilled by public entities.

Civil society participation in the decision-making process was not obligatory until 2022. However, despite the absence of legally binding obligations, several public institutions exercised good practices in terms of involving civil society organizations in policy-making in previous years.

R: Adopt standalone legislation on access to public information in conformity with international standards. Establish an oversight body for access to information.

Judiciary and Prosecution Services

Legislation provides for a wide range of preventive measures ensuring the integrity of the judiciary and prosecution authorities. Nevertheless, the appointment of Supreme Court judges is not in conformity with international standards, and judicial governance bodies are not independent and impartial. There are deficiencies in the selection and promotion of judges and court presidents, with Parliament electing the Supreme Court Chairperson. Grounds for disciplinary liability and dismissal of prosecutors are ambiguous.

R: Revise the selection procedure for Supreme Court and other judges in line with international best practice standards.

Private Sector Transparency

The registration procedure for companies is simplistic, and ensuring transparency remains challenging. There is a lack of preventive measures in anti-corruption Action Plans, and there is no beneficial ownership registry. According to the Law of Georgia on Accounting, Reporting

and Auditing, companies are divided into four categories, out of which only three are responsible for conducting accounting practices and audits, and publishing those documents on a portal⁵ run by the Service for Accounting, Reporting and Auditing Supervision.

R: Ensure the establishment of a Beneficial Ownership Register with public, timely and verified open format data.

Anti-Money Laundering

There is a comprehensive regulatory and supervisory anti-money laundering regime covering the appropriate tools for money-laundering deterrence and detection. Georgia's Financial Intelligence Unit enjoys operational independence, however lacks adequate human resources. Potential money laundering cases are insufficiently detected and investigated.

R: Conduct comprehensive national risk assessment of money-laundering and terrorism financing.

Asset Recovery

The International Private Law regulates the recognition of decisions of foreign countries. Measures for the direct recovery of property and confiscation procedures are regulated by international agreements, domestic law on International Private Law, Criminal Law, the Georgian Law on Enforcement Proceedings, and bylaws. Other States Parties are entitled to claim ownership as third parties over assets acquired through the commission of an offence in confiscation procedures in courts in Georgia.

R: Effectively implement the national toolkit for asset recovery through international cooperation. Publish statistical data about the number of requests for legal assistance on asset recovery submitted by other States and requests sent to other States by national authorities.

⁵ <https://reportal.ge/en>.