

TRANSPARENCY OF FOREIGN STATE FUNDING IN GEORGIA

POLICY PAPER SUMMARY



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Eastern Partnership Civil Society Forum Georgian National Platform is an association of local and international non-commercial legal entities registered in Georgia, aiming to promote and implement the goals set by the Joint Declarations of the Prague, Warsaw and Vilnius Eastern Partnership Summits and the EU-Georgia Association Agreement of European Neighborhood Policy and other joint events.

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Summary

The present resume is a short summary of a policy document, which discusses the benefits and risks of projects implemented with the state funds of foreign countries. It assesses the existing environment and presents the dangers caused by a lack of transparency of funding coming from foreign countries, especially the Russian Federation. The policy document, based on the best international practice, elaborates effective ways and recommendations for the Government of Georgia.

Dozens of countries and foundations implement projects in Georgia, in varied fields and domains. Most of the projects are crucial in developing the Country politically and economically. Despite this, there are specific cases when the activities of a foreign country directly conflict with the declared values and fundamental interests of Georgia.

The Liberal Academy – Tbilisi conducted the research “The Impact of Russian Soft and Hard Power in Georgia”, which clearly demonstrated that the Russian state funds policies and the activities they carry in Georgia are not only non-transparent, but also pose significant risks for the security and stability of Georgia.

In order to evaluate the transparency of the funding of foreign countries, we reviewed both Georgia’s strategic partners and large donors (such as USAID), and the Russian Federation Section of the Swiss Embassy to Georgia and the four large Russian state funds (Russian World, Rossotrudnichestvo; Alexander Gorchakov Public Diplomacy Fund; The Foundation for Supporting and Defending Compatriots Living Abroad). We monitored their web-sites, which supplied significant data for consideration.

The research shows, that both the USAID and the EU Delegation to Georgia’s websites display diverse information about their respective organization’s budgets, activities, partners and other organizational activity details, as well as, information about grant competitions, projects funded, deadlines and programs. It must be noted, that other Western or American funds frequently post incomplete information about their activities carried out in Georgia, which does not allow us to gather comprehensive data about their work.

The research findings are radically different from the Russian Federation Section of the Swiss Embassy and Russian state fund websites. Even partial information about their activities is rare, while information on funding is completely absent.

Based on additional research, including interviews, media analysis and analysis of other research, the Russian state funded activities are frequently portrayed as educational, cultural, scientific, social or research projects, but in reality their goal is to engage in aggressive anti-Western and anti-liberal propaganda aiming to increase the number of the supporters of the Russian Federation in Georgia.

The analysis of Georgia's legislative base clearly indicates, that asymmetric and hybrid threats coming from the Russian Federation are not adequately met with respective effective response mechanisms. Given this, Russia is able to easily avoid legal requirements, increase pressure, and augment the areas of its influence in the Country.

Given the existing challenges, it is important that the Government of Georgia takes operational steps to reduce the risks presented and enhances democratic instruments to fight propaganda and Russia's "soft power".

The policy document presents three, varied models to react to the problem, which will significantly improve the existing environment.

Each approach has its pluses, however all three models propose political and legal changes, implementing international best practices and standards of transparency, and aim to enhance national security and democracy.

Model 1

- To establish a unified registry of non-entrepreneurial legal entities registered in Georgia which are funded by foreign countries;
- To proactively publish information required by the Law of Georgia on Grants Article 5(1), by the registry, which states that the grant contract must contain information about the aim, amount, specific goals, deadlines and basic requirements for the grants established by the donor towards the grantee;
- To legally hold responsible any registered non-entrepreneurial legal entity receiving funding from a foreign country, to update the Registry as explained in the previous bullet point (information required by the Article 5(1) of the Law);
- To ensure the transparency of the Registry data at the legislative level. The information stored at the Registry must be publicly accessible for any individual;
- To allow the registering agency to verify the data uploaded to the Registry. Simultaneously, it should be allowed to cooperate with the tax and other authorities.

Model 2

- To legally restrict funding from foreign countries which do not recognize Georgia's territorial integrity and sovereignty to non-entrepreneurial entities registered in Georgia.

Model 3

- To establish a unified Registry, which presents data on non-entrepreneurial legal entities funded by Russian state resources;
- To impose responsibility upon legal non-entrepreneurial entity receiving funding from Russian state funds, to present data in accordance with the requirement of the Law of Georgia on Grants Article 5(1);
- To actively monitor any legal non-entrepreneurial entities which receive funding from Russian state funds, by the Ministry of Internal Affairs.

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