



ევროკავშირი  
საქართველოსთვის  
The European Union for Georgia



## Newsletter

### **Public Forum and Project Closing Conference: *Budget Transparency and Civil Society Oversight of Public Spending in Georgia***

**February 27, 2017  
Tbilisi**

On February 27, 2017 Europe Foundation (EPF) held the 4<sup>th</sup> Public Forum and the Closing Conference of its EU-funded *Budget Transparency and Civil Society Oversight of Public Spending in Georgia* project. The event aimed at bringing together different stakeholders to discuss ways in which the project has contributed to improved budget transparency and accountability in Georgia and how the different sectors should proceed toward better oversight of budget spending on both the national and local levels.

After the welcoming addresses from EPF and the European Union Delegation in Georgia, the Ministry of Finance (MoF) representative talked about the modified format of the Public Finance Management (PFM) Reform Strategy Implementation Coordination Council, which will allow for the broader participation of civil society organizations thus contributing to improved cooperation between civil society and the Government. The Georgian participants were joined by two international experts – Dmytro Boyarchuk from Ukraine and Tatiana Savva from Moldova – who talked about the different ways of engaging civil society in monitoring of public spending and successful examples from Ukraine and Moldova. Based on these presentations, the participants were able to engage in discussion about what the Georgian public and non-governmental sectors can do to better address the issue of civic participation in Public Finance Management (PFM) reforms in Georgia. The event provided a forum for the CSOs that received grants from EPF to undertake monitoring of public spending in Georgia to share updates with the audience about their advocacy efforts within the EU-funded project. At the end of the event, the Program Manager from EPF showcased the results achieved within the project and outlined the ways in which the Foundation plans to focus its PFM efforts in the future.

**Ketevan Vashakidze**, President of EPF, gave opening remarks and highlighted the importance of the EU Delegation (EUD) to Georgia's support in promoting the Foundation's work in the PFM area. Ms. Vashakidze summarized the results achieved within the project and affirmed that EPF will continue working in this direction to promote civic participation across the PFM cycle and to contribute to improved transparency and accountability of governance.

In his opening remarks, **Irakli Khmaladze**, the Program Manager from EUD, thanked EPF for organizing the public forum and noted that the Delegation has a history of productive and successful cooperation with the Foundation. Mr. Khmaladze affirmed the Delegation's commitment to supporting budget transparency and civic participation in the budget processes because, regardless of the considerable progress achieved by Georgia across various indicators of the Open Budget Index, public engagement still remains an area in need of improvement. Mr. Khmaladze

expressed gratitude to the civil society organizations for their work in the PFM area and reaffirmed the need direct the efforts of different stakeholders toward enhancing budget transparency and accountability in public spending in Georgia.

**Natia Gulua**, Head of Budget Policy Division at the MoF Budget Department, mentioned that important progress has been made toward establishing the PFM oversight mechanism in coordination with EFP. Ms. Gulua talked about the first extended meeting of the PFM Reform Strategy Implementation Coordination Council at MoF, which was convened on February 10, 2017, where the findings and recommendations of the studies implemented by the EPF grantees were discussed with the representatives of relevant state agencies. The MoF representative expressed her expectations toward the role that the modified Council can assume in ensuring effective communication and coordination among relevant stakeholders in the PFM area.

The international consultants **Tatiana Savva** and **Dmytro Boyarchuk** shared their experiences of Moldova and Ukraine with respect to participatory budgeting and PFM oversight mechanisms. Tatianna Savva, the consultant from Moldova, overviewed the work of Expert-Group – an Independent Think Tank, and talked about successful examples of citizen engagement from *The Budgetary process in Moldova: Monitoring Transparency and Promotion of Public Control* project. The major aim of the project was to create conditions for better communication between the government institutions involved in the budget process and the civil society actors, so as to promote budget transparency and enhance public scrutiny in PFM processes. Ms. Savva presented [Budgetstories.md](#) – an online platform containing interactive infographics about public finance management, education, provisions of the Association Agreement, the budget calendar, budget allocations, budgetary journal, and other salient issues, which has proven to be an effective tool in public finance management in Moldova. Ms. Savva stressed the importance of cooperation and advocacy with the MoF to address the barriers that hinder civic participation in budgetary processes, and hence foster Government accountability. The influence of the media in promoting these advocacy efforts was also emphasized by the PRM expert. **Dmytro Boyarchuk**, the expert from Ukraine, talked about the experience of *Case Ukraine* in PFM oversight. Mr. Boyarchuk presented an online tool, *Price of the State* ([www.cost.ua](http://www.cost.ua)), utilized in Ukraine to track public revenue, expenditures, deficits, and debt, as well as to calculate how much a regular citizen pays in taxes each year, and how the government allocates taxpayer money. Mr Boyarchuk provided recommendations to Georgian CSOs on the ways to foster ownership over and efficient use of public resources by showcasing budget monitoring tools and infographics. The presentations by the invited experts triggered questions from the audience and invoked a discussion about PFM oversight mechanisms and how they are applied in practice. The questions basically applied to the ways in which these platforms are being promoted in the broader public, and monitored and sustained in the long run.

During the second part of the event, two out of the four CSOs that received grant support within the project – the Welfare Foundation and the Georgian Young Lawyers Association – presented the results of the advocacy efforts undertaken within the EU-funded project to monitor public spending in Georgia:

- i. Simon Gabrichidze, a representative of the **Welfare Foundation**, presented the recommendations developed based on the findings of monitoring the universal healthcare program, which were discussed at the meeting of the recently modified PFM Reform Strategy Implementation Coordination Council at MoF. According to Mr. Gabrichidze, the program's effectiveness is not monitored, being considered one of the most successful state reforms, and furthermore there is no demonstrated willingness from the side of the Government to make amendments to the program design – as mentioned, the program has not been

modified during the past 3 years. Furthermore, there is no mechanism to implement such changes and to ensure public engagement in this process (please see the full report in Georgian on the link below: <http://www.epfound.ge/georgian/mimdinare-programebi/tanamshromloba-biujetis-gamchvirvalobistvis/sajaro-forumebi.html>).

- ii. Irma Pavliashvili, a representative of the **Georgian Young Lawyer's Association**, provided an overview of the project's activities and achievements aimed at engaging citizens in participatory budgeting in Gori, Telavi and Rustavi municipalities. As unveiled by the assessment conducted within the project, citizens lack awareness about the mechanisms of civic engagement set forth in the existing legislation. Accordingly, Ms. Pavliashvili stressed the importance of broad public awareness to overcome civic indifference, especially at the local level. The grantee talked about the need to make revisions to the procedures and deadlines of the budgetary processes with the aim of allowing for increased civic engagement.

At the end of the conference, **Natia Meladze**, EPF's Program Manager, presented the Budget Monitoring Platform ([www.budgets.epfound.ge](http://www.budgets.epfound.ge)), developed in partnership with *Fundacja TechSoup*. The platform builds upon technical solutions implemented and tested by EPF partners in other European countries, and intends to promote the use of innovative e-solutions for increased utilization of Freedom of Information in Georgia.

Lastly, Ms. Meladze summarized the achievements of the EU-funded project, highlighting the following key deliverables: (i) the CSO Platform Partnership for Budget Transparency, uniting 13 CSOs based in Tbilisi and regions, was created to enhance coordination among civil society actors and increase their participation in a dialogue on improving public finance management and budget transparency; (ii) it has been agreed with the MoF that the format of the existing PFM Reform Strategy Implementation Coordination Council will be modified, expanding CSO participation in the meetings and tabling issues of concern for discussion and follow up; (iii) the project supported the capacity building of CSOs by providing a series of trainings for 37 Tbilisi-based and regional CSOs on PFM oversight mechanisms, so as to encourage improved citizen engagement in the implementation of PFM reforms; (iv) four monitoring grants were awarded (a total amount of GEL 135,519.5) to the Democratic Development Union of Georgia, the Young Economists Association of Georgia, the Georgian Young Lawyers Association, and the Welfare Foundation; (v) four public forums on budget transparency and civil society oversight of public spending were organized, with wide participation from the public sector, civil society, and the international community; (vi) an assessment report on the PFM Oversight Mechanisms in Georgia was issued and provided to all stakeholders to frame discussions on this topic; (vii) a guide on PFM oversight mechanisms was developed and PSAs and radio shows were produced and aired to encourage greater awareness and CSO-GoG interaction.

In addition to showcasing the project results, EPF's Program Manager discussed the challenges faced during the implementation, and talked about the Foundation's future plans with respect to supporting the work of the CSO Platform Partnership for Budget Transparency and engaging with the MoF to foster civil society oversight of public spending at both the national and local levels, as well as providing technical and financial support to CSOs to promote participatory budgeting and improved oversight of PFM processes in Georgia.