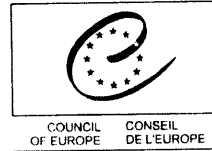




60  
YEARS  
ANS  
2009



Strasbourg, 7 April 2009

**CDL(2009)061**  
Engl. only

**Opinion No. 526 / 2009**

**EUROPEAN COMMISSION FOR DEMOCRACY THROUGH LAW**  
**(VENICE COMMISSION)**

**EXPLANATORY NOTE OF THE ORGANIC LAW  
OF GEORGIA  
ON POLITICAL UNIONS OF CITIZENS**

# **Fostering Development of Political Parties in Georgia**

## **A new party-financing scheme**

On 30 December 2008, parliament of Georgia adopted amendments to the Law on Political Parties. Adoption of the law was preceded by intensive dialogue between opposition parties and the ruling party under the auspices of The Anti-Crisis Council<sup>1</sup> (hereinafter Council) auspices.

The amendments put in place the following key principles:

### **RESTORATION OF BUDGETARY FUNDING FOR POLITICAL PARTIES WHO REFUSED TO SERVE THEIR TENURE IN PARLIAMENT AFTER THE MAY 2008 PARLIAMENTARY ELECTIONS.**

Financing of those political parties will be resumed from January 1, 2009 pursuant to old formula of party financing, which includes a basic part, as well as an additional sum assigned for MPs elected through proportional system and the component relevant to the votes received.

### **BUDGETARY FUNDING FOR ADDITIONAL OPPOSITIONAL PARTIES**

In line with existing laws, until now, nine parties<sup>2</sup> were recipients of financing from the state budget. The new scheme makes it possible for launching of budgetary funding for six additional parties<sup>3</sup>

### **SIGNIFICANT RAISE OF BUDGETARY FUNDS AVAILABLE FOR OPPOSITION PARTIES AND DECREASE OF FUNDING FOR THE RULING UNITED NATIONAL MOVEMENT**

476,442GEL will be allocated for opposition parties additionally. In parallel, budgetary funding for the ruling United National Movement decreased by 108,000GEL.

### **FUND FOR RESEARCH ACTIVITIES**

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<sup>1</sup> The Anti-Crisis Council was created upon initiative of the President of Georgia comprising of representatives of the Government, the ruling party, members of parliamentary and extra-parliamentary opposition. The aim of the Council is to discuss agenda for furthering democratic reforms, strengthen role of opposition political life of Georgia, facilitate exchange of views between the Government and the opposition, monitor distribution of humanitarian aid to victims of the Russian aggression and to guide/oversee the post-aggression reconstruction process. The Council is chaired by an opposition MP Gia Tortladze.

<sup>2</sup> Labor party, United National Movement, Conservatives, Political Party "Kartuli Dasi", Political Party "Chven Tviton", G. Targamadze Christian-Democrats, Industrialists, Republicans

<sup>3</sup> S. Zurabishvili - Georgia's Way – 79,407GEL;  
Koba Davitashvili - People's Party – 79,407GEL;  
Movement For United Georgia – 70,407GEL;  
Political Association National Forum – 70,407GEL  
Political Union New Rights – 79,407GEL;  
Political Movement Freedom – 79,407GEL;

1,040,000 GEL will be allocated for supporting research activities, conferences, business trips, seminars and activities carried out by political parties. This sum will be distributed in proportion to the basic funds assigned directly from the state budget. Furthermore, 1,040,000 GEL will be allocated for non-governmental and think tank organizations affiliated with political parties.

The amendments result in the following monetary changes for specific political actors:

- Funding of the United Opposition bloc (formerly composed of nine parties) will amount 1,201,604 GEL, including 905,604 GEL from the state budget and 296,000 GEL from the fund.
- Funding of Labor Party of Georgia will amount 497,338 GEL, including 391,338 GEL from the state budget and 106,000 GEL from the fund.
- Funding of the United National Movement will amount 2,040,185 GEL, including 1,827,185 GEL from the state budget and 213 000 GEL from the fund.

As a result of alteration of the existing formula of party-financing, a political party with more than 30 members in the parliament elected through the proportional system will receive 100GEL for each next (above 30) member, instead of 600GEL. As a result, funding for the United national Movement, with 48 MPs elected through proportional system, is reduced by 108,000GEL. Before this amendment the United National Movement received 1,935,185GEL from the state budget.

- Funding of the Republican Party will amount 354,748GEL, including 248,748 GEL from the state budget and 106,000GEL from the fund.
- Funding of Industry Will Save Georgia will amount 345,947GEL, including 239,947GEL from the state budget and 106,000GEL from the fund.
- Funding for the Christian Democratic Movement will amount 786,651GEL, including 573,651 GEL from the state budget and 213,000GEL from the fund.

# **New Scheme of Political Party Financing in Georgia**

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Tbilisi, Georgia

December 2008

# Novelties in Financing of the Political Parties

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- Additional parties will receive the budgetary funds
- Financing of the opposition parties increased considerably
- The direct financing of the United National Movement decreased
- The new forms of financing established

## Existing Financing

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### **8 parties received the funds:**

- Labor Party
- United National Movement
- Conservatives
- Georgian DASI
- We ourselves
- G. Targamadze “Christian-Democrats”
- Industrialists
- Republicans

**Total 3818031 GEL**

# Party Financing

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**6 parties will be financed in addition:**

- S. Zurabishvili “Georgia’s Way”
- Koba Davitashvili “People’s Party”
- Irakli Okruashvili “For United Georgia”
- National Forum
- New Rights
- Koko Gamsakhurdia “Freedom”

Each  
**79 407 GEL**

**Total 476 442 GEL**

## Party financing

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- Additional 476 442 GEL is allocated for oppositional parties.
- The direct financing is not reduced for any oppositional party
- The direct financing of the United National Movement will be reduced by 108 000 GEL in comparison with 2008.



## New forms of Financing

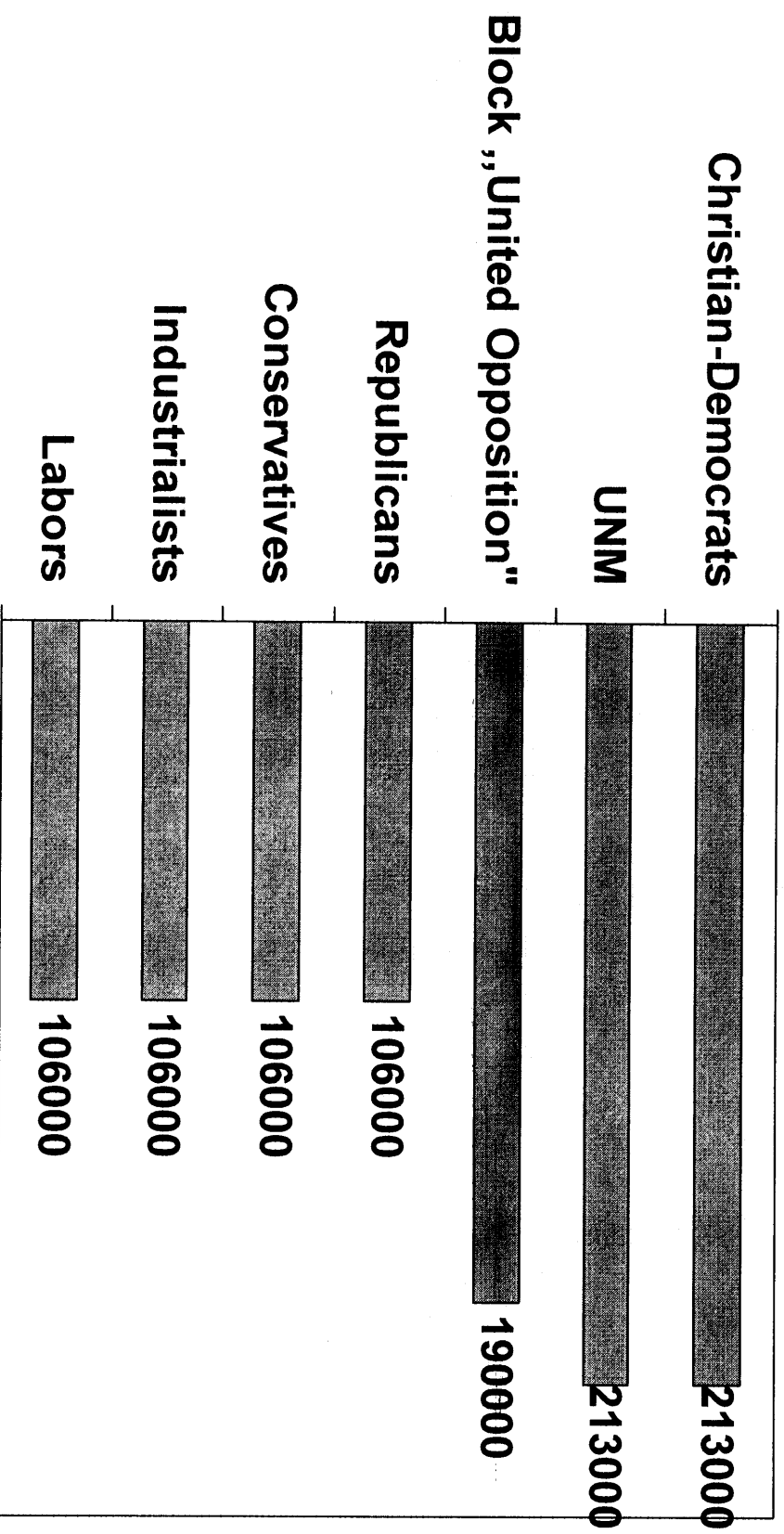
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- In addition to the direct financing, there will be the fund for the development of parties
- The fund will provide the finances
  - Directly to the parties
  - To the NGOs

Goal: financing of the research activity, training, business trips, conferences

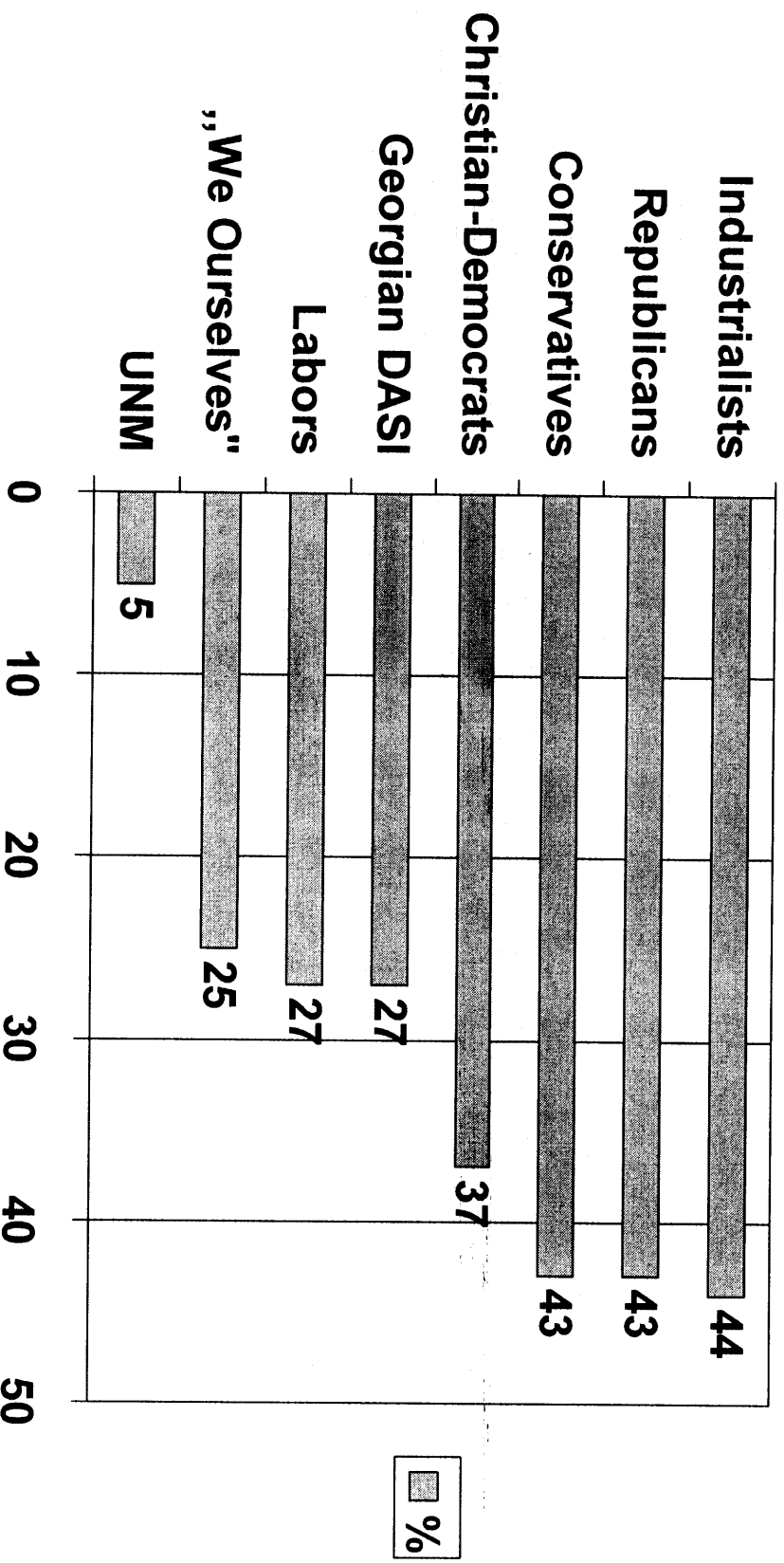
# Financing from the Fund

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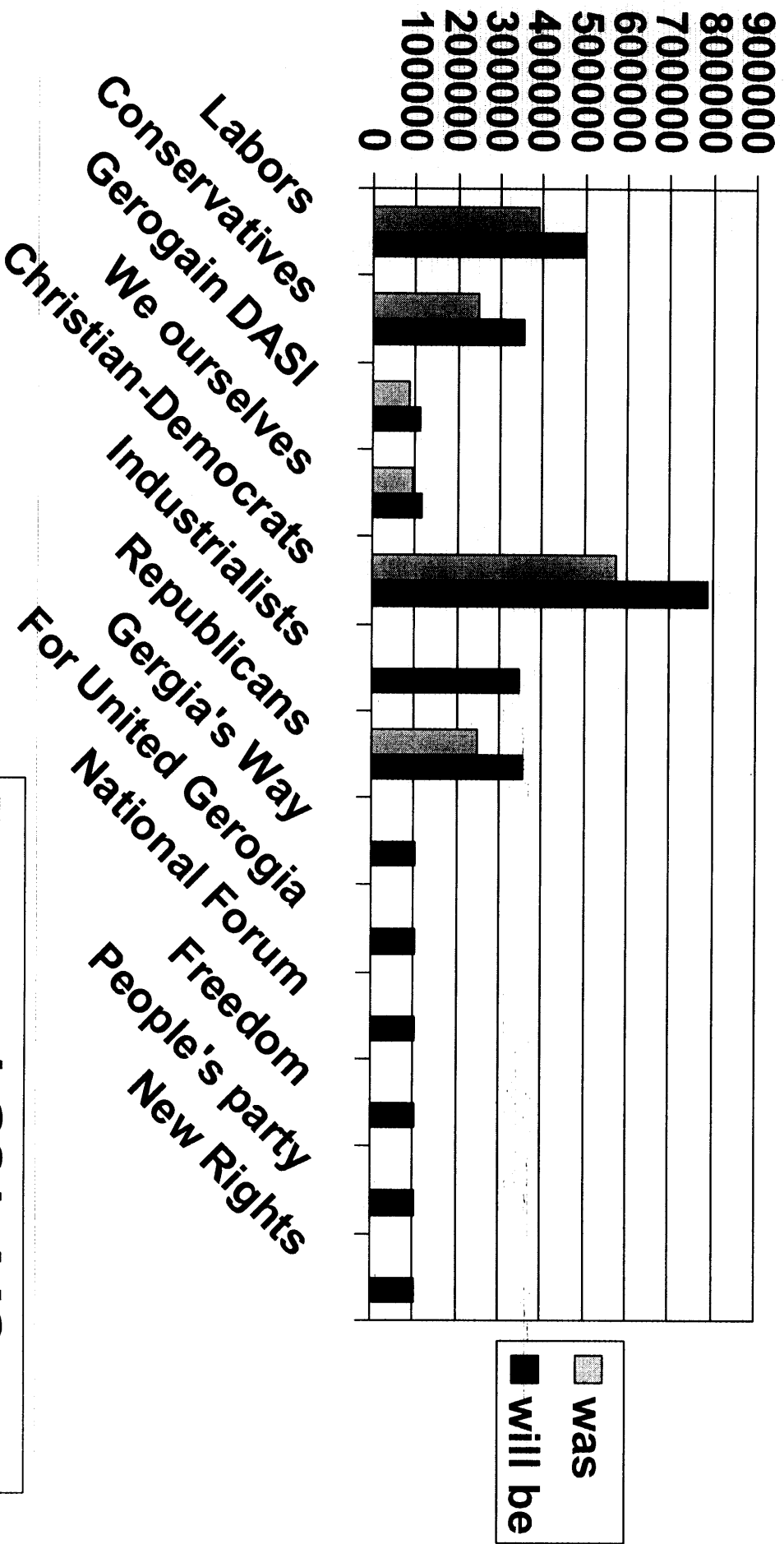


# Increase of total sum of party financing in %

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# The total sum of financing of oppositional parties is being increased



Totally by **1 381 442 GEL**

# Block “United Opposition”

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The general financing amounts to 1 201 604 GEL

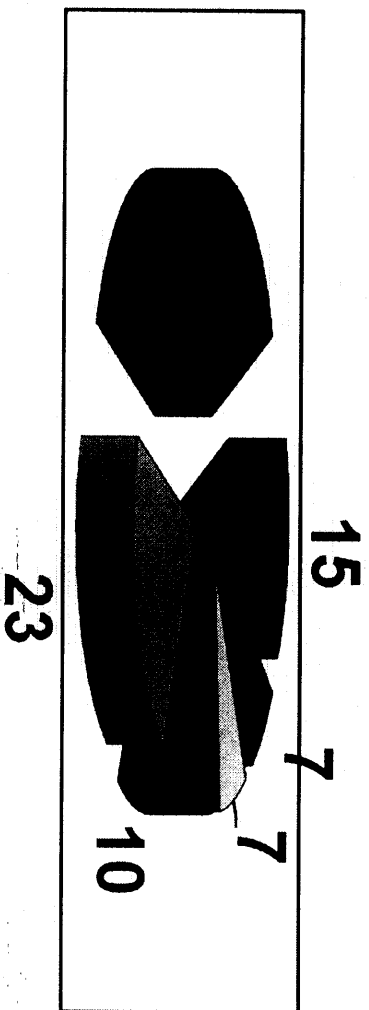
Including:

- 905 604 – from budget
- 296 000 – from Fund

23% of total funding

# Distribution of finances among the subjects of the last parliamentary elections

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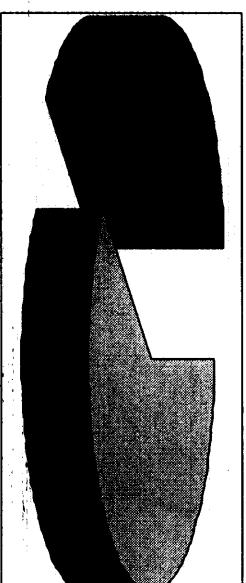
- United Opposition       UNM
- Christian-Democrats     Industrialists
- Republicans                 Labors

# As a result of the increase of financing the oppositional parties will receive in total 61% of funding

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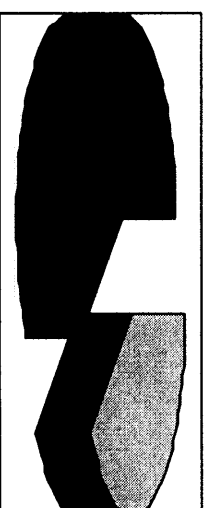
## Party financing

- Opposition 61%
- United National Movement 39%



## Election outcomes

- Opposition 40%
- United National Movement 60%



# The increased amount of party financing

Increase of party financing for 2009								
Political association	Old	Increase	Fund	New financing	Incr. %	Share of financing		
Labor Party	391338		106000	497338	27	10		
National Movement	1935185	-108000	213000	2040185	5	39		
Conservative	248748		106000	354748	43	7		
Giorgi Targamadze	573651		213000	786651	37	15		
Industrialists	239947		106000	345947	44	7		
Republicans	248748		106000	354748	43	7		
Georgian Dasi	86607		23000	109607	27	2		
We ourselves	93807		23000	116807	25	2		
S. Zurabishvili "Georgia's Way"		79407	23000	102407		2		
Koba Davitashvili "People's Party"		79407	23000	102407		2		
Irakli Okruashvili "For United Georgia"		79407	23000	102407		2		
National Forum		79407	23000	102407		2		
New Rights		79407	23000	102407		2		
Political Movement "Freedom"		79407	23000	102407		2		
Total	3818031	368442	1040000	5226473				