

CITIZEN'S GUIDE 2018

2018 STATE BUDGET

MINISTRY OF FINANCE OF GEORGIA
TBILISI, 2018 YEAR



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INTRODUCTION

The Citizen's Budget Guide explains to the citizens of Georgia how the Government plans to use funds mobilized through taxes and other revenues.

The Guide enables the Government to demonstrate to the people the goals set by the budget in a simple language. It also satisfies interests of those citizens who desire to receive additional information as they can refer to different sources that are specified in the Guide. The Guide facilitates creation of realistic expectations around specific policies and programs and helps to mobilize the population's support for the budget plan. In general, the Guide helps citizens to raise their awareness and knowledge concerning activities carried out by the Government and increases their ability to be engaged with the Government in the process of priority identification, budget planning and execution. As a result, an active and better informed society can more easily make significant contributions to the development of Georgia's governance system and socio-economic progress.

Information on the 2018 State Budget Law will give a clearer idea to all stakeholders about the budget system of Georgia, the priority directions of 2018 budget, envisaged activities, volume of receipts throughout the year and expenditures planned to achieve the set goals.

A summary guide to the current State Budget Law of Georgia, as well as information on budget and budgetary process may be found at the official website¹ of the Ministry of Finance of Georgia.

¹www.mof.ge

WHAT DOES THE TERM “BUDGET” MEAN?

The term “budget” comes from the English word “budget”, which means the bag. When the Government asked the Chamber of Deputies for the House of Commons in the Parliament of England, the Chancellor of the Treasury explained the portfolios (sacks), where the bill of state income and expenditure expenditure was drafted. This was called the opening of the budget.

In the modern sense the budget is a list of the income and expenditure of a person (family, business, organization, state, etc.), which is determined for a specific period of time, normally one year. More specifically, budget is a unity of revenue and expenditure.

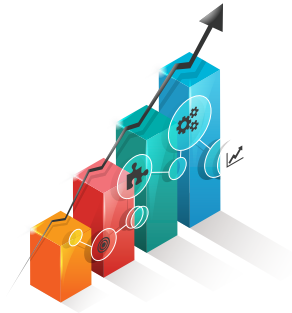
All revenues and payments of the State Budget of Georgia are carried out through the State Treasury System. It is one of the main components of state finances. State finances are, in turn, a major part of the country’s financial system, which is a tool for implementing economic, political and social functions of the state.

The Government and Parliament determine the government’s expected revenues, sources of income and expected expenses according to the programs. For example, defense, foreign affairs, social security, education, law enforcement, regional infrastructure, agriculture and other programs. In cases where the expected revenue is less than the cost, the government will consider the possibility of taking foreign debt under certain conditions, if it is profitable for the country and its coverage sources are possible.

Requirements and expenses increase in parallel with income and usually always exceed it. In fact, the joint budget implies the management of finances that allow the future to think about.

STATE BUDGET

The state budget is the most important financial document of the state. It is a set of programs, sub-programs and activities to be implemented by all agencies. The state budget of Georgia is approved by the Parliament of Georgia.



The Budget is a transparent planning document in which the Government, after consultation with various spending units, reaches agreement on distribution of State resources to achieve stated strategic priorities. During the process of formulating and refining the overall budget items, it is critically important to place this process in a rigorous fiscal framework that organizes the distribution of resources by pre-defined State priorities designed to achieve measurable goals.

The State budget has diversified functions and represents:

- ✓ The central Government's plan on how to find the finances to fulfill its obligations. It shows the type and amount of funds that shall be mobilized from different taxes such as value-added tax (VAT), excise tax, profit tax and other taxes.
- ✓ A plan on how the Government intends to spend the money it mobilizes: which activities are to be funded and how the revenues will be distributed among all the different sectors, such as education, defense, health, social welfare and so forth.
- ✓ A plan defining the limits for State debts and loans to be taken by the State. If expenditure is greater than revenue, the Government is required to borrow a specific amount of money to pay for those planned services that should be provided to its citizens, as well as pay the debts of previous years.
- ✓ The budget has an influence on the development of the national economy. Some types of expenditures – for example investments in education, science and infrastructure, and introduction of a new technology may increase productivity which will raise the income of citizens in future. On the

other hand, taxes reduce the populations' income and leave them with less money to spend. Therefore, the budget (receipts and expenditures) shall be balanced in a way to turn it into a strong leverage for the country's development.

- ✓ The budget is affected by national economic processes. In particular, in periods of strong economic growth, business activity is greater, employment increases and as a result, the country's tax revenues grow, especially from the tax on incomes. In such conditions, the Government is given an opportunity to fund more activities with its own resources. Therefore, the need for debts decreases.
- ✓ The budget is a strategic document. It includes information on the revenues and expenditures of previous years and can be helpful in forecasting future spendings.

Some key budget terms:

Budget – the unity of receipts, expenditures to be covered and the remaining balance (or deficit) with the purpose of fulfilling the functions and responsibilities of the Central, Autonomous Republics and Local Self-Government entities of Georgia which is prepared and approved by the relevant Central, Autonomous Republics, and Local Self-Government entities of Georgia.

Program Budget – Appropriations as allocated by the spending units for their various programs/subprograms. The main principle of Program Budgeting is to assign State funds to achieve predetermined and measurable goals; Considering this, the Program Budget is often referred to as a Results-Oriented Budget. The goal of Program Budgeting is to raise the effectiveness and transparency of State expenditures, increase the accountability of the State sector units and strengthen the relationship between money spent and results achieved. In addition to the programs/subprograms to be implemented by various spending units, the Budget Code determines the role of general expenditures.

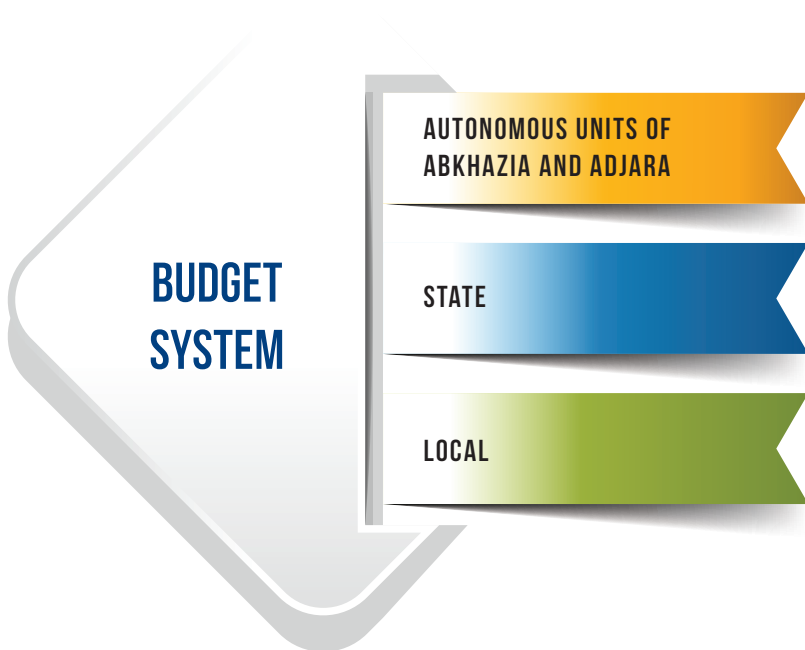
²Law of Georgia „On the Budget Code of Georgia“ specifies the type of expenditures, reserve funds and its limits (no more than 2% of the total budget).

Subprogram – is the complex of activities to be performed by a budgetary organization within the program(s) of the spending unit(s)².

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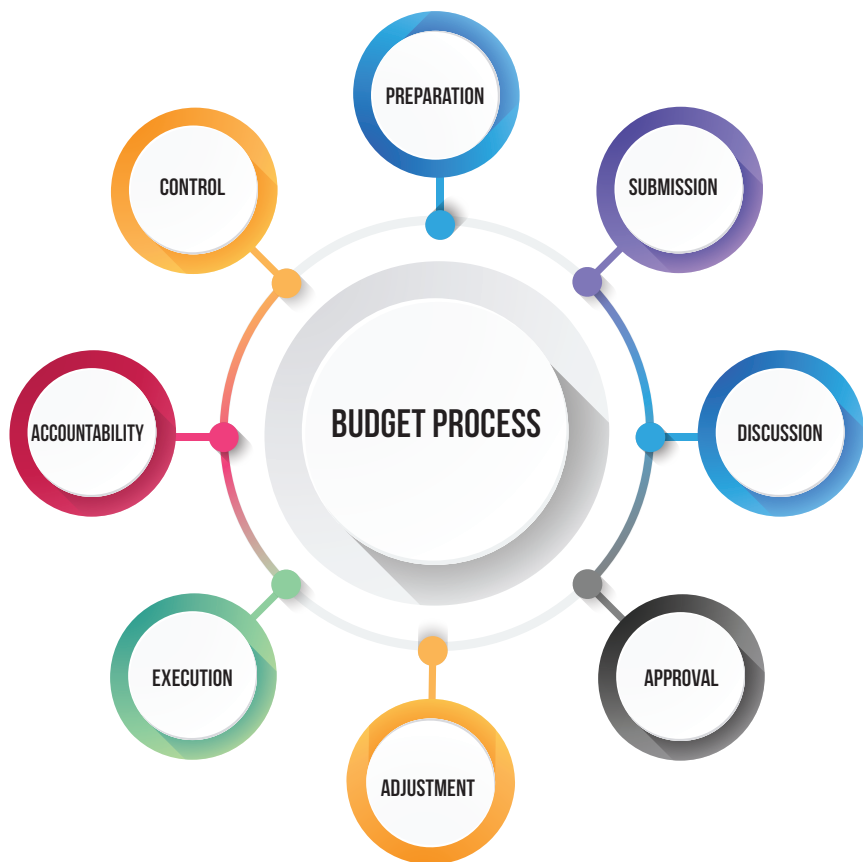
BUDGET SYSTEM OF GEORGIA

The budget is different levels, which unity creates a budget system. Georgia's budget system includes the state budget of Georgia, Budgets of Autonomous Units of Abkhazia and Adjara and Local budgets. In addition, the formation of financial policy is used as a "consolidated budget", which combines the existing budgets and is not a legal act, therefore not approved by the Parliament.



THE BUDGET PROCESS

State action on budget formation, review, approval, specification, performance, reporting and control is called budgetary process.



THE BASIC PRINCIPLES OF THE BUDGET SYSTEM OF GEORGIA

1

COMPREHENSIVENESS

complete reflection of all relevant details in the revenues, expenditures and balance in the budget

2

TRANSPARENCY

openness of the review procedures of the draft budget in the representative bodies, publishing of the reports on the approved budgets and execution, and availability of this information to the public

3

ACCOUNTABILITY

responsibilities of all participants in the budget process for their performed activities and the submitted information of the budget

4

INDEPENDENCE

independence of all levels of budget

5

UNITY

using the unified budget classification codes, unified accounting system, and unified principles of State financial control for all level budgets

6

UNIVERSALITY

all revenues directed for financing the overall budget expenditures

7

CONSOLIDATION

unified single treasury account system

AUTHORITY AND RESPONSIBILITY OF THE BUDGET PROCESS PARTICIPANTS



BASIC DATA AND DIRECTION (BDD) DOCUMENT

The draft annual budget preparation process begins with working on a Basic Data and Direction Document (BDD).

The BDD document is the main development plan of the country that includes information on mid-term macroeconomic and fiscal forecasts, as well as the main directions of Central, Autonomous Republics and Local Self-Government Bodies of Georgia.


BDD document spans over a four-year period, but is updated annually.

Preparation of the BDD document is a prerequisite for annual budget preparation. The Budget Code of Georgia defines the stages of the BDD document preparation, the type of information it should include and the timeframe for submission of the draft, revised and final versions to the Georgian Government and the Parliament.

The Government of Georgia approves the primary version of the BDD document for the next coming year, plus next three years.

STRUCTURE OF COUNTRY'S BASIC DATA AND DIRECTION (BDD) DOCUMENT

BDD DOCUMENT



Government's objectives, what is aspires to achieve in the mid-term period and what key action plans it has to reach these objectives

Brief analysis of the existing macro-economic situation in the country, actual and forecast figures of main macroeconomic indicators and their description

Final outcomes of the previous two years budget execution, actual indicators of the receipts and budget funded important activities

Aggregated indicators of consolidated and State budget of the current budget year and planning years and brief description of financial resource forecasts

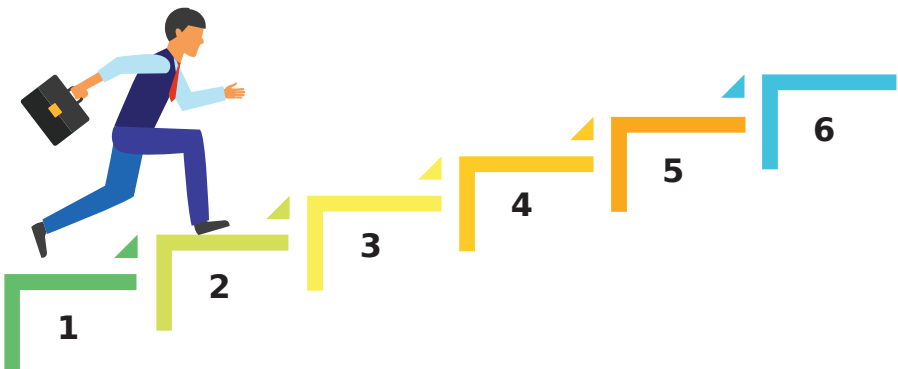
Estimated threshold volumes of the number of staff and appropriations of organizations under State budget funding for the planning years

Brief description of the programs to be carried out by the spending organizations within the frames of the Government set priorities

In the mid-term period, volume of funding of each planned program by the spending organizations within the frames of the Government set priority directions

BRIEF DESCRIPTION OF THE BUDGET PROCESS

- ✓ During the draft State budget preparation process, the line ministries determine their priorities;
- ✓ The Government agrees the priorities and budget parameters with the Parliament;
- ✓ Considering the Parliament's comments and recommendations, the Ministries approve mid-term priorities and their implementation strategies;
- ✓ BDD document is prepared on the basis of the priorities of the Ministries and reflects the estimated amount of funding (budget ceilings) and number of staff of spending units (including ministries and other spending units) as well as the funding of the spending organizations' programs;
- ✓ According to the BDD document, the Ministries fill budget proposals, based on which the Ministry of Finance prepares draft State budget law;
- ✓ The Government of Georgia submits the draft state budget to the Parliament of Georgia; after discussions, Parliament approves the Law on Annual State Budget.



1. Preparation of priorities by Ministries
2. Agreement of priorities and budget parameters with the Parliament
3. Approval of strategies by Ministries
4. Preparation of BDD document and approval of ceilings
5. Filling the budget requests
6. Preparation of state budget law

DESCRIPTION OF PUBLIC FINANCE REFORM

Public Finance Management Reform has begun since 2004, which implies the introduction of medium-term planning of costs, general improvement of the budgetary process, to match Budget classification to the international standards GFSM 2001 budgets of all levels and the transition to the program budget.

Georgia has developed a legislative basis that provides a healthy budget system. Recent regulations regarding the budget process have been reflected in the new Budget Code, which was approved in 2009 and has been operating since 2010. As a result, all legislative acts of the budgeting system have been merged into one law at the state, autonomous and local level, improved basic data and directions document (BDD), the program budget was introduced for the budgets of the central government, autonomous republics and municipalities, the Parliament approved the Organic Law on Economic Freedom, which is in force since 2014. It defines fiscal disciplinary rules for managing public finances, as well as the obligatory enforceable fiscal rules and exceptions.

Under the above-mentioned laws, Georgia's public finances are governed by a number of sub-legislative acts, the following: The classification approved by the Minister of Finance, which is based on the 2001 financial manual of the International Monetary Fund's public sector, methodology of drawing up the program budgeting approved by the Minister of Finance, investment projects management guide and methodology approved by the order of Government and Minister of Finance and Other.

Electronic Systems (e-PFMs) were created and fully harmonized for Budgeting (eBudget) and Treasury (eTreasury). The design and launch of an integrated, webbased, electronic PFMS is one of the greatest successes of the PFM reforms in the country. It has presently some 4,500 internal users. In parallel to the budget process and procedures of the Central Government, **the budget process and procedures**



at Local Self-Government level have developed into a comprehensive and well-implemented system, and further facilitated the rolling out of the e-Treasury and eBudget system to LSGs.

Midterm Budget planning was further reinforced and strong links developed among the documents which cover Government Programs, midterm fiscal framework, midterm action plans of individual line ministries and the annual budget approved by the parliament. **Program Based budgeting and Results Based planning has been introduced since 2012.** Implementation of results oriented budgeting still needs further elaboration and remains on the agenda of reform.



Major progress has been achieved in improving the budget process. This was already acknowledged by the PEFA 2012, which noted that the introduction of the program budgeting and better linkage between the BDD and annual budget allowed for linking budget allocation with strategic objectives. Through expansion of its programme budgeting and medium-term planning methodology to all line ministries for the Budget Law 2017,

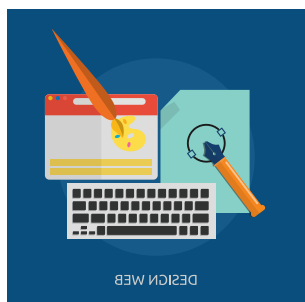
Georgia consolidated the significant progress in addressing challenges identified by the PEFA 2012. A number of measures were taken by the Ministry of Finance of Georgia to eliminate the challenges identified in the assessment. Among them, the program budget methodology was updated in 2015, which facilitated the development of industrial, sectoral and other types of strategies and action plans as well as regulation of content and procedural issues. As a result, **the relationship between the main directions of the country and the budget was strengthened.** The industrial and sectoral action plans prepared throughout the country cover the relevant cost estimates and In line with the annual budget law and The parameters defined by the Basic Data and Directions document for 4-year period.

Georgia experienced good progress in ensuring transparency of public finance in line with international standards. This is recognised in the Open Budget 2015 survey. Georgia's score of 66 places it among a grouping of high-scoring countries classified as substantially transparent, and marked a considerable improvement as compared with 10 years ago (33%). Georgia's

ranking in the 2015 Open Budget Survey was 16 among the 102 countries included in the survey. The 2015 report noted that Georgia makes seven of the eight key budget documents available to the public in a timeframe consistent with international standards. Only a Mid-Year Budget Review in the prescribed format was missing. Based on the findings of the survey MOF started preparing mid-year review and submitting it to the parliament together with the State Budget 6 month performance report. As part of the open budget survey document availability tracker Georgia is among the countries which develops all the documents checked by the survey. **According to the 2017 Open Budget Survey**, Georgia is among those countries preparing all the documents for the comprehensive research process, Including 6 month mid-year reviews.



Georgia has begun to make some progress in improving capital budgeting, and efforts were made both in the narrow sense of enhancing the information content of budget documentation in relation to capital expenditures, and also in the wider sense of initiating more systematic processes to raise the overall efficiency and effectiveness of public investment. Nevertheless, only tentative steps in the right direction have been taken so far and these need to be consolidated and extended if Georgia is to have a PIM system that compares well with international good practice”.



Significant advancement in the field of implementation of international standards of accounting in the public sector. Has been a major focus of Treasury reform for the past years. Under the IPSAS Implementation Action Plan the Ministry of Finance defined the main stages for transition to the accrual-based IPSAS by 2020.

The Treasury Single Account is extended and includes also local governments and public entities (LEPLs/NNLEs) except for public schools and kindergartens. As such, consolidated budget execution reports and information on available resources of central government, local government and public

entities are now available in real time, on a daily, monthly and annual basis. Treasury has developed regulations for managing cash resources accumulated on Treasury accounts and started running auctions in Bloomberg for deposit placements in commercial banks.

Georgia has implemented an impressive tax policy reform. Acknowledged by the World Economic Forum in its Global Competitiveness Report 2015–2016: tax rates are amongst the least problematic factors for doing business and Georgia's position amongst 140 countries is assessed as:

- Effect of taxation on incentives to invest: 13th place;
- Tax rate on profits: 9th place;
- Trade tariffs: 4th place;
- Effect of taxation on incentives to work: 15th place.

EU-funded technical assistance was prepared and published a book “Public Finance Management Reform in Georgia³⁴”, which is described in the European Union 10 years of cooperation in the framework of the reform and the future plans. All state institutions participating in public finance management reform were involved in the preparation of the book.

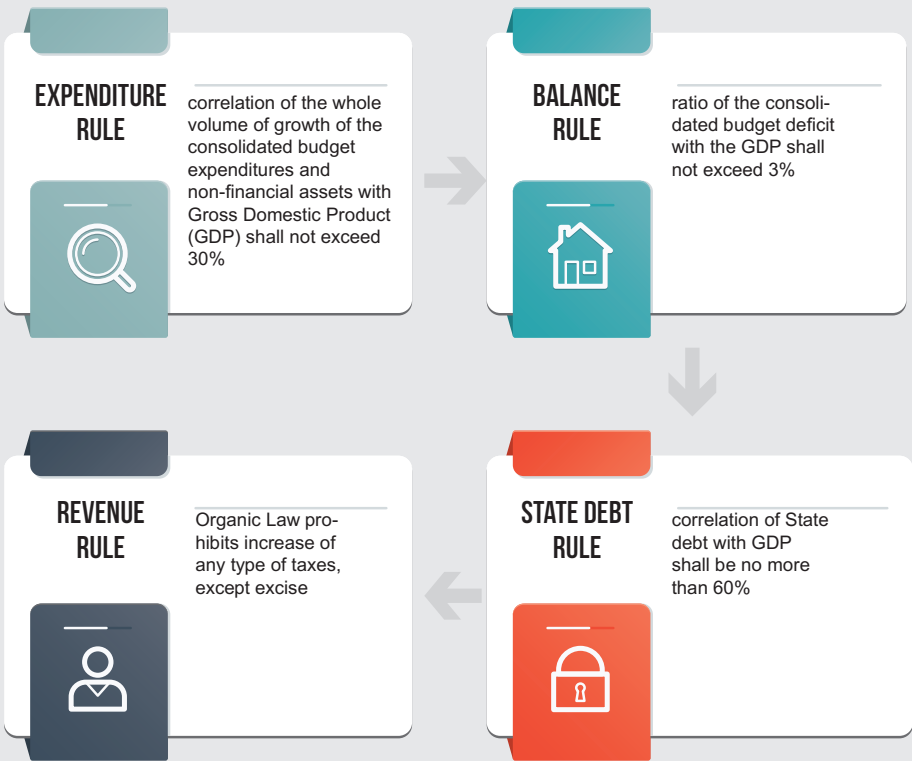


³⁴http://mof.ge/images/File/biujeti/European_Union_Finish_14_09_2017.pdf

MAIN FISCAL PROCEDURES IN GEORGIA

In 2011, Parliament adopted the organic law of Georgia **“On Economic Freedom”** that determines basic guarantees of economic rights and guaranteed freedom. Based on this Law, the State provides economic rights and freedom that should serve as the foundation for the social development, welfare and long-term, stable growth of economy. Freedom is the main principle of the economic policy that is reflected in the small-size government, responsible macro-economic policy, and low taxes.

To ensure welfare through long-term and stable growth of the economy, the following maximum thresholds of macro-economic parameters have been determined:



If Parliament's approved budget is not in compliance with the threshold or thresholds defined by the Law, the Government of Georgia must develop and submit to the Parliament of Georgia for approval the next two year budget parameters, considering the plan of refunding in the given thresholds and the period.

The Parliament of Georgia can approve a budget non-compliant with the given threshold or/and thresholds only if the ongoing year's budget was compliant to this threshold/thresholds, except in case of emergency or state of war or/and economic recession.

Identification of fiscal parameters for the mid-term period is based on both the general procedures defined by the legislation and existing macro-economic situation analysis in the country and the region.

STATE BUDGET STRUCTURE

The structure of the State Budget Law includes the following information:

- ✓ The first four Chapters give the main parameters of the State budget, including the breakdown of receipts and expenditures, by economic and functional classifications, deficit volume and sources of its funding, forecast volume of the State debt, etc.;
- ✓ The 5th Chapter presents budget identified priorities and description and objectives of the programs/subprograms planned within their frames (programs are grouped by priorities);
- ✓ In the 6th Chapter, programs are grouped by the spending organizations in charge of their implementation; also, the volume of appropriations per each program is presented. The same Chapter defines the volume of expenditures of general State importance;
- ✓ The 7th Chapter presents a detailed breakdown of transfers envisaged for Autonomous Republics and Local Self-Government units;
- ✓ The 8th Chapter gives the regulatory and transitional regulations of the Budget Law.

BUDGET

- I-Highlights of the state budget
- II-State budget revenues
- III-The state budget expenditures, non-financial assets and their functional classification
- IV-The state budget balance, financial assets and liabilities
- V-Spending priorities and programs
- VI-state budget allocations
- VII-Autonomous republics and local self-government transfers
- VIII-Regulatory Norms
- IX-Final Provisions

For greater transparency, the draft program budget is accompanied by informational annexes while being submitted to the Parliament, which provide in detail the information regarding the presented programs and capital projects, in particular:

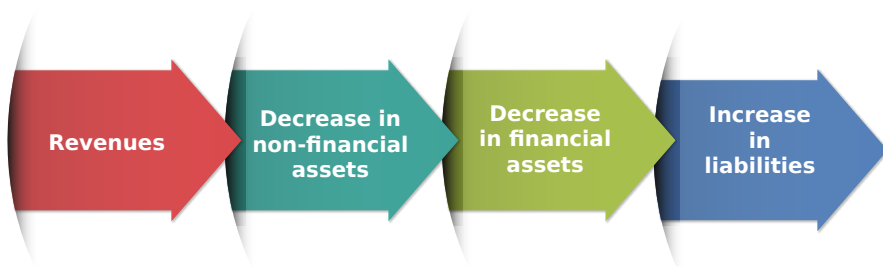
- ✓ The Program Budget annex describes each program and subprogram, their expected outcomes and outcome indicators, baseline and targeted indicator for each program, possible deviation from target indicator and possible risks;
- ✓ The Capital Budget annex gives information on the budget planned capital projects (including the total cost of the projects, sources of funding, terms of completion, etc.);
- ✓ Detailed breakdown of the budget programs and information on the budgetary organizations;

- ✓ Explanatory note of the State Budget includes information on the forecasts of the main macro-economic indicators (nominal and actual Gross Domestic Product, economic growth, inflation, investments, etc.);
- ✓ Brief description of ongoing year State budget execution;
- ✓ Package of legislative changes required for enactment of the annual Budget Law.

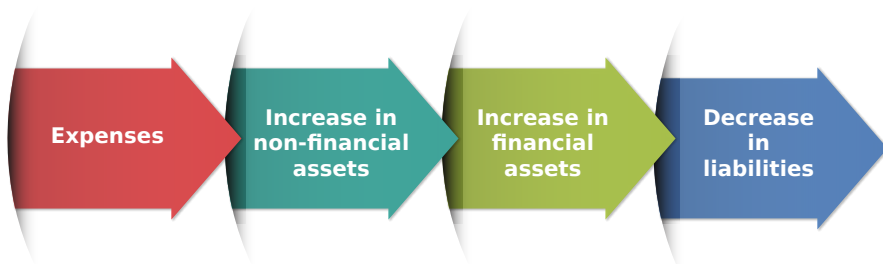
Etc.

Receipts and expenditures to the State Budget are recorded through **Budgetary Classifications**, which enable the grouping of budget revenues and expenditures by economic character, functional activities, organizational structure, and other characteristics. In recent years, the system of budgetary classification has significantly improved. As of 2012, program classification was introduced for the budget process planning, execution and State budget-related reporting.

Budget receipts are the aggregate of monetary resources received by the budget in the given accounting period:



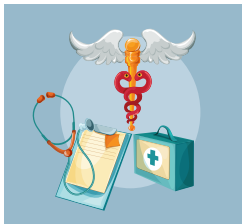
Budget expenditures are the aggregate of monetary resources to be allotted from the budget in the given accounting period:



2018 BUDGET GENERAL REVIEW

2018 budget is prepared to implement the government program **“Freedom, Rapid Development, Welfare”**, the main purpose of which is to ensure the social welfare of the population and the economic development of the country. For measures to be taken into account by the Government 4-point action plan of the reforms it is important to maximize the efficient use of fiscal resources to achieve the desired results.

State Budget Priorities



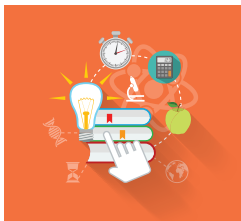
1. Available quality healthcare and social service



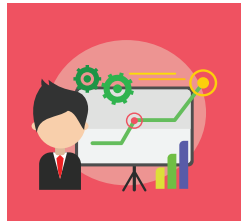
2. Defense, public order and safety



3. Regional development, infrastructure and tourism



4. Education, science and professional training



5. Improvement of macro-economic stability and investment environment



6. Institutional development and legal support of the country interests



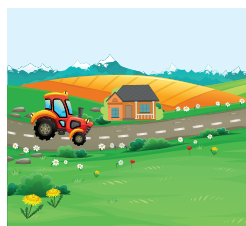
7. State support and reintegration of IDPs (internally displaced people) and migrants



8. Culture, religion, support to youth and sports



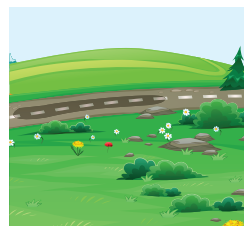
9. International relations and Euro-Atlantic Integration



10. Agriculture



11. Court system



12. Environment protection and management of natural resources

1. Access to good quality healthcare and social services

- ✓ The mechanism of financing the primary health care system will be improved and the role and importance of the family physician will increase;
- ✓ The response to the disease response will be focused on the prevention of disease development, as well as the diagnosis of disease and the prevention of complications;
- ✓ The possibility of involvement in C- hepatitis elimination program will have all patients in the future;
- ✓ Improvement of the Mental Health Program Quality as Inpatient, Outpatient and Community Based Services Level;
- ✓ Special attention will be paid to maternal and child health – the plan for regionalization of perinatal medical centres will be implemented throughout Georgia. children's immunization in accordance with national calendar and provision of pregnant and infants with preparations, essential for healthy development, will be continued.
- ✓ Will be taken the basis for modern and high-quality methods of treatment of oncological diseases;
- ✓ System reform will be implemented to increase access to medicines, as a result, the vulnerable groups of population will increase access to outpatient medication.

- ✓ New model of cumulative pension system will be implemented, which will become the guarantee for decent existence in pension age;
- ✓ Research carried out in the labor market and will be closely coordinated between job seekers and employers.

2. Defense, public order and safety

- ✓ In order to develop strong and effective system, the government of Georgia will approve and implement four year's programme;
- ✓ Professional education will be available for the convict;
- ✓ Will be introduced a new face of non-custodial sentence - internship for adolescent convicts;
- ✓ Will continue the gradual rehabilitation and modernization of penitentiary institutions;
- ✓ Criteria for transparent and impartial evaluation of the prosecutors' activities will be worked out. Prosecutors' training and qualification improvement programs will continue;
- ✓ In the system of the Ministry of Internal Affairs will be implemented analyses based police system, to ensure maximal efficiency of crime prevention and police operation;
- ✓ Border Management System Reform will be completed in the scheduled time frame;
- ✓ Cooperation will be improved with international police structures, especially with EUROPOL;
- ✓ Independent and effective operation of State Safety Service will be ensured.

3. Regional development, infrastructure and tourism

- ✓ Continued and fast pace will lead to construction of new highways, Reconstruction of existing roads and upgrade-modernization of road infrastructure;
- ✓ The foundation of the century was laid on the construction of the Anaklia sea port;
- ✓ Construction and rehabilitation projects of water supply and sewerage facilities will be continued in a number of towns and villages;
- ✓ Waste management will be implemented according to European standards, Conducting the requirements of the national legislation of existing landfills and gradual closure;

- ✓ The infrastructure of the country will be built within 8000 km of infrastructure, As a result, an additional 800,000 people will get Internet access and over 90% of the country's population will have access to the Internet;
- ✓ The process of electrification and re-metering will continue, where special emphasis will be made on villages and mountainous areas;
- ✓ Will continue supporting the implementation of socio-economic development strategies and action plans of regions;
- ✓ will continue social and economic support for the high mountain regions, promotion of local production development.

4. Education, science and vocational education

- ✓ Improvement of the infrastructure of preschool education institutions and establishment of new institutions;
- ✓ Pre-school age adolescents will be supported by school readiness groups in both nursery schools and schools;
- ✓ To achieve high standards of general education quality, high standards of new, teaching and teaching authorization standards will be introduced;
- ✓ Higher standards-based curriculum, programs and manuals will be developed to meet new, modern requirements;
- ✓ The system of unified national exams will be developed. The role of modern technologies will increase in the process of conducting the exams;
- ✓ The state will provide teachers with career growth through their continuous professional development;
- ✓ E-learning platform will be created, through which the lessons of distance learning will be introduced in Georgian language, Georgian geography and history for Diaspora representatives;
- ✓ Various programs for vocational training and retraining will be implemented;
- ✓ Facilitate scientific cooperation with scientific centers and universities abroad and implementation of joint projects;
- ✓ For the purpose of positioning Georgia as a regional educational center, will be implemented a large project to attract foreign students to higher educational institutions of Georgia - "Learn to Georgia".

5. Improvement of macro-economic stability and investment environment

- ✓ The continuous process of optimization of expenditure will be continued, which will be directed towards the release of funds and their priority;

- ✓ Administrative expenses will be reduced and their growth will be restricted in the future;
- ✓ Budget transparency will increase;
- ✓ State debt will be maintained in relation to GDP, at the level of the country's stable credit rating and a positive investment image;
- ✓ Independence of the National Bank will be untouchable
- ✓ Contributing to the growth of lending GEL;
- ✓ Tax administration will be improved;
- ✓ The existing programs for promotion of entrepreneurship will continue;
- ✓ Uniform space "Business House" will be created, where all relevant state agencies will serve private business with one window principle;
- ✓ With purpose of stimulating economic growth in Georgia, besides improvement of business climate the government of Georgia plans implementation of large scale reforms;
- ✓ Signing EU – Georgia Association Agreement, in particular DCFTA, Georgia gets important opportunities for its economy, in terms of increase of export, attracting investments and improving productivity in the country;
- ✓ Export potential of Georgian products and diversification of export markets will increase;

The government's policy will be focused on strengthening economic component of diplomatic representations of Georgia abroad and implementation of the system of commercial attaches.

6. Institution development and legal support of the country interests

- ✓ Step by step establishment of a public service career model that provides employment and career advancement in terms of objective criteria;
- ✓ Implementation of entire system for policy planning and monitoring will be continued throughout Georgia, which is based on the idea of development of transparent, result focused public engagement principle and accountability;
- ✓ The state will continue to ensure strict protection of property rights;
- ✓ Development of internal and external control mechanisms will continue;
- ✓ Effective measures will be taken to promote public awareness and personal data protection;
- ✓ Georgia as a recognized leader in the fight against corruption and co-chair country of the Open Government Partnership (OGP) Will continue to work to make his achievements more effective in the fight against corruption.

- ✓ The regulatory norms for access to public information will be improved and a new law on freedom of information will be developed;
- ✓ The existing practice of issuing public information will be arranged.

7. State support and reintegration of IDPs (internally displaced people) and migrants

- ✓ will continue building of multi-dwelling houses for IDP families;
- ✓ Continuation of private property ownership of those residential areas, which are occupied by IDPs;
- ✓ The work is ongoing, on the one hand with donors and the other hand with the investors In order to build new housing for IDPs both in cities and in rural areas within private and public partnership;
- ✓ The process of legalization of residential and land parcels for eco-migrant families will continue;
- ✓ The role of social worker will increase with regard to families with problems.

8. Culture, religion, support to youth and sports

- ✓ According to the EU Association Agreement, the Ministry of Culture and Protection of Monuments of Georgia elaborated and the government approved “Strategy of Culture 2025“, which defines vision, goals and objectives of the state in the field of culture;
- ✓ The legislation related to culture and protection of monuments will be improved; Cultural Heritage Code will be elaborated;
- ✓ Continues to search for alternate ways to look for funding for culture and diversification;
- ✓ Infrastructure projects will be implemented to preserve the heritage of culture and monuments;
- ✓ Will be increased access to culture for the general public, particularly for the population of the regions, for ethnic minorities and persons with disabilities;
- ✓ Continuing to promote the development of art education, enhancement of qualification of field specialists;
- ✓ The football and rugby combined squares of international standards are built;
- ✓ The role of local self-governments will increase toward youth policy.

9. International relations and Euro-Atlantic Intergratio

- ✓ The work will continue to facilitate the full implementation of the EU Monitoring Mission's mandate in the occupied territories of Georgia;
- ✓ Within the framework of the peaceful settlement policy of the conflict, special attention will be paid to the reconciliation of the population divided by the war and occupation lines and confidence building;
- ✓ Government policy will be directed towards promoting greater involvement of Georgia in international cultural life;
- ✓ will continue establishment and enhancement of contacts between cities and regions of Georgia and foreign countries;
- ✓ Encourage development and promotion of cultural and intellectual potential of Georgia through active cooperation with the United Nations Educational, Scientific and Scientific Organization (UNESCO);
- ✓ Digital diplomacy will continue to establish direct contacts with citizens;
- ✓ Cooperation will be continued with civil society, which offers opportunity for successful implementation of the Association Agreement, consolidation of public opinion regarding EU integration, and mobilization of available knowledge.

10. Agriculture

- ✓ Increase competitiveness in agro-food sector, stable growth of high quality products, food security, food safety and rural development;
- ✓ Important attention will be paid to the study of degraded soil and measures to restore and improve their fertility;
- ✓ The uniform policy of rural development will be developed, Which will focus on raising the level of living and increasing economic activity;
- ✓ Landslide (water-protected and drenched) lands will be increased;
- ✓ Irrigation (irrigation) and drying systems (drainage) systems will be developed and improved;
- ✓ Attention will be paid to increase the knowledge of the employees in the field, Development of research-oriented activities on agribusiness and development of relevant extension packages;
- ✓ Food safety, veterinary and Phyto sanitary fields will be approximated with respective EU legislation, envisaged by DCFTA plan, which will be implemented within the terms provided by Association Agreement;
- ✓ The relevant measures will be implemented in the development of bio-agro-farming in the country as well as in the direction of climatic agricultural practices;
- ✓ The information system of agriculture products market will be improved;

Important attention will be paid to popularization of agro-food products in local and international markets.

11. Court system

- ✓ Third wave of justice system reform will be continued and finalized;
- ✓ Reform of the High Council of Justice will be implemented;
- ✓ Reform of High School of Justice will be implemented;
- ✓ Electronic distribution system of cases will be introduced in the court of pilot procedure;
- ✓ Commercial boards and chambers will be created in the system of common courts, Which will be specialized in discussing commercial and tax cases;
- ✓ Will assist mediation as an alternative means of settlement, establishment and development.

12. Environment protection and management of natural resources

- ✓ Continuous implementation of modern environmental principles and standards;
- ✓ Environmental governance will be improved with modern approaches;
- ✓ will be established an environmental impact assessment system based on transparent procedures;
- ✓ An effective environmental responsibility system will be set up for prevention and elimination (compensation) of environmental damage;
- ✓ The new regulatory norms will be implemented to maintain and sustain biodiversity and sustainable use of biological resources;
- ✓ Effective mechanisms for forest care, protection and restoration will be ensured, Which will help to maintain and improve the quantitative and qualitative indicators of forests;
- ✓ Hydrometeorological observation network will be expanded, The modeling capabilities will be enhanced and the national notification of early private will be introduced;
- ✓ Improvement of atmospheric air, water and soil quality monitoring and evaluation system;
- ✓ Continuation of the integrated water management system, Which is based on European principles of pool management;
- ✓ Wili be improved the quality of nuclear and radiation safety. A new system of radioactive waste management will be created;
- ✓ Activities to promote environmental awareness and environmental awareness will be extended and expanded.

PLANNED ACTIVITIES

For measures to be taken into account by the 4-point action plan of the reforms and to achieve the desired results it is important to maximize the efficient use of fiscal resources.

During the development of the state budget of 2018, the country's economic growth indicator was taken into consideration during the current year and next year for a variety of international financial institutions as of forecasts, as well as the region's economic trends.

Important investments are planned in the state infrastructure in 2018-2021 year. These investments should encourage economic activity in the private sector. In addition, the projects will have the effects of economic growth not only during their implementation, but after their completion. Infrastructure projects will be implemented throughout the country (Roads, bridges, tunnels, airports, resort zones, construction and rehabilitation of water and energy infrastructure), which will facilitate the improvement of the economic situation of the Georgian regions and the population living there by creating new jobs. Between them:

- ✓ Construction and Reconstruction of Tbilisi-Senaki-Leselidze Road (Chumateli-Argveta) - 250 mln GEL;
- ✓ East-West express highway corridor improvement project (Zemo Osiauri-Rikoti) – 80 mln GEL;
- ✓ Construction of Grigoleti-Choloki section of Senaki-Poti-Sarpi motorway – 60 mln GEL;
- ✓ Construction of the road and tunnel on the Kvemo-Kobi section of Mtskheta-Stepantsminda-Larsi highway - 53 mln GEL;
- ✓ Sustainable Urban Transport Development Investment Program - 70 mln GEL;
- ✓ Urban Service Improvement Program - 15 mln Gel, Which takes into account the drinking water and sewage systems construction and rehabilitation (Mestia, Anaklia, Ureki, Poti, Zugdidi, Jvari, Chiatura, Gudauri, Bolnisi, Marneuli), Construction and rehabilitation of Kutaisi water supply system and rehabilitation of Abasha main pipeline;

The additional funding for these infrastructural projects is envisaged by additional resources available for 2018.

Optimization of costs starting from 2017 continues and in 2018 the costs determined by the 23.5% of GDP (24.4% in 2017) and by 2021 will be reduced by 20.7%.

The draft law is in line with the marginal parameters envisaged by the Law of Georgia on Economic Freedom:

- ✓ Consolidated budget deficit (GFSM 2001) with respect to GDP - 1.3% (Marginal rate - 3%);
- ✓ Total cost of compounding budget expenditures and non-financial assets in respect of GDP - 29.9% (Marginal rate - 30%);
- ✓ The volume of state debt relating to GDP - 44.2% (Marginal rate - 60%);

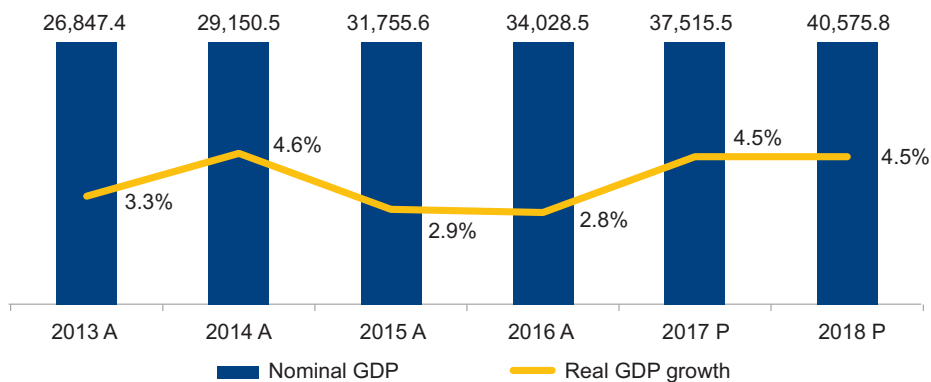
MAIN MACROECONOMIC PARAMETERS

Fiscal and macroeconomic indicators are planned by conservative approach for 2018. Real growth of GDP is 4.5% by 2018, while the GDP deflator forecast is 3.5%. In the medium term, the real growth forecast for the economy is expected to be 5.0% -6.0%, while the GDP deflator is 3.0%.

Based on macroeconomic indicators, the nominal GDP of 2018 is 40.6 billion GEL and by 2021 it is predicted to increase to 52.1 billion GEL.

Budget deficit to GDP ratio will be 1.3%, provided by the Georgian legislation (Which is based on the GFSM 2001 classification), it should also be taken into consideration that the modified deficit is used as an indicator of fiscal framework in the program cover of the IMF, which, in contrast to the GFSM 2001 classification, discusses the operations carried out by financial assets, as a source of deficit formation. According to this methodology, Deficit to GDP ratio will be 3.0% by 2018, while the medium-term will be reduced to 2.5%.

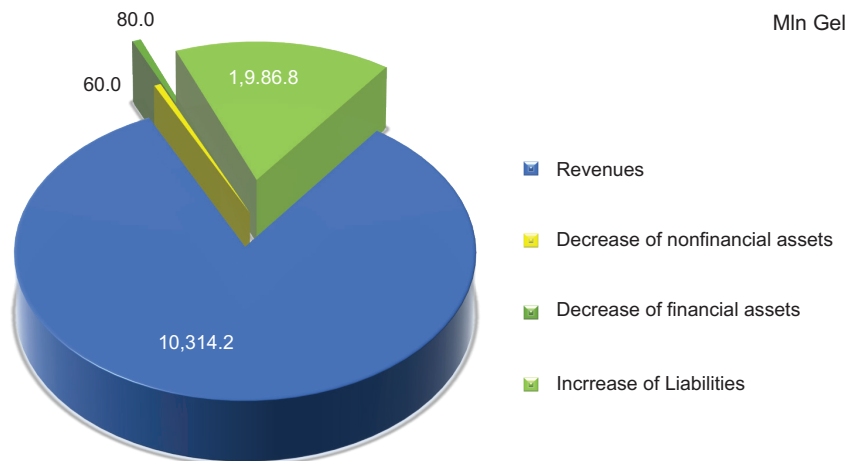
Name	2016 Actual	2017 Plan	2018 Plan
Real GDP growth	2.8%	4.5%	4.5%
Nominal GDP	34,028.5	37,515.5	40,575.8
Average annual inflation	2.1%	5.5%	3.5%
Inflation by the end of the year	1.8%	5.5%	3.0%
State debt in percentages % to GDP	44.4%	42.9%	43.1%



STATE BUDGET RECEIPTS

2018 State Budget receipts have been defined as GEL 12,441.0 mln which exceeds the 2017 indicator by GEL 953.8 mln and amounts to 30.7% of GDP. Compared to 2017, increase of receipts is basically linked to increase of tax receipts.

Structure of State Budget Receipts



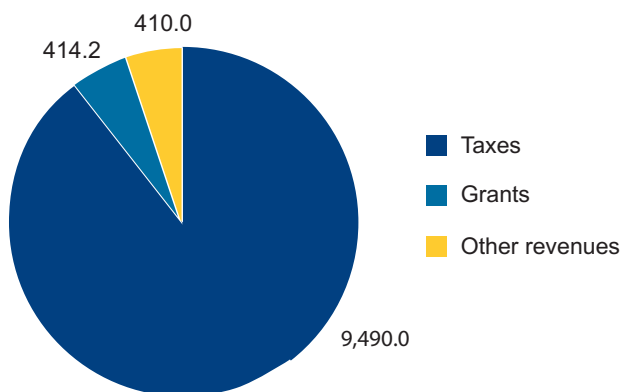
State Budget receipts

82.9% of 2018 State budget receipts come from revenues that total GEL 10,314.2, which is 25.4% of GDP.

Structure of State Budget Revenues

Mln Gel

Name	2016 Actual	2017 Plan	2018 Plan	Deviation (2018-2017)
Revenues	8,580.0	9,696.2	10,314.2	618.0
Taxes	7,986.8	8,980.0	9,490.0	510.0
Grants	296.8	331.2	414.2	83.0
Other revenues	296.4	385.0	410.0	25.0



Taxes

According to the 2018 State budget, GEL 9,490.0 million is expected to be collected through taxes, among them:

- ✓ Income tax forecast indicator was determined by 2 780.0 million GEL;
- ✓ Profit tax forecast indicator was determined by 630.0 million GEL;
- ✓ VAT tax forecast indicator was determined by 4 400.0 million GEL, which is 9.9% of GDP;
- ✓ Excise forecast indicator was determined by 1 450.0 million GEL;
- ✓ Import tax forecast indicator was determined by 60.0 million GEL;
- ✓ Other tax forecast parameters were defined by 170.0 million GEL.

2018 budget tax forecast indicator exceeds the planned indicator of 2017 by GEL 510.0 million. The tax revenues comprise 76.9 percent of the State Budget receipts and 23.4 percent of the GDP.

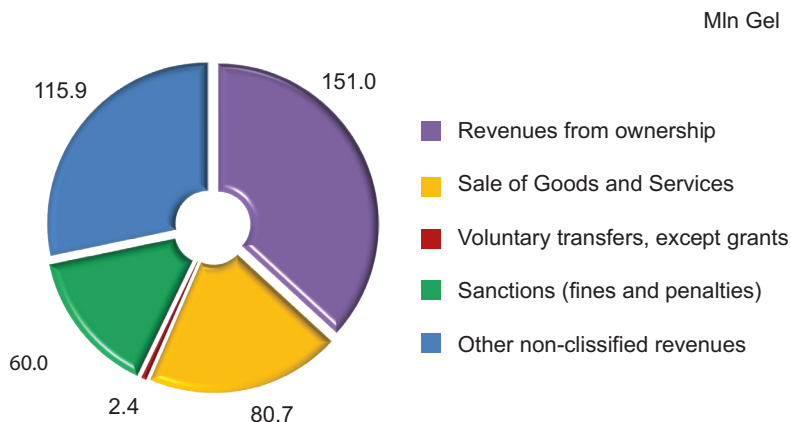
Grants

In the 2018 state budget the grants forecast parameter is more than 83.0 million GEL compared to 2017 and amounts 414.2 million GEL, which comprises 3.3% of the total State budget receipts and 1.0% of GDP.

Other revenues

In 2018 State budget GEL 410.0 million is expected to be collected through other revenues that are GEL 25.0 mln more than the corresponding indicator in 2017 which comprises 3.3% of the total State budget receipts and 1.0% of

GDP. Revenues from ownership (dividends and interest of the State-owned enterprises or those under shared ownership, lease), administrative fees (licenses, permissions, registration fees) and fines make up a significant share of other revenues.



Decrease in nonfinancial assets

For 2018 State Budget, GEL 60.0 million is estimated to be collected through the nonfinancial assets, which is GEL 30.0 million less than the corresponding indicator for 2017.

Decrease in financial assets

For 2018 state Budget, decrease in financial assets has been defined as GEL 80,0 mln which is GEL 5.0 million less than corresponding indicator for 2017 and Represents the return of loans issued from the state budget in previous years.

Increase in liabilities

GEL 1,986.8 mln has been mobilized in the 2018 State budget through taking a loan by the State. These are:

- ✓ Issue of state securities - 400.0 million GEL.
- ✓ The funds received from German Development Credit Bank (KfW) - 125.0 million GEL.
- ✓ From France Development Agency (AFD) receivables - 180.0 million GEL.

- ✓ Acceptable funds from the Macrofinance Assistance Program (MFA) (EU) - 45.0 million GEL.
- ✓ Receivables for the Long-term investment, preferential credits to the Government of Georgia By the international finance organizations and foreign governments - 1,236.8 million GEL.

The increase in liabilities is 16.0% of the total budgetary resources and 4.9% of GDP.

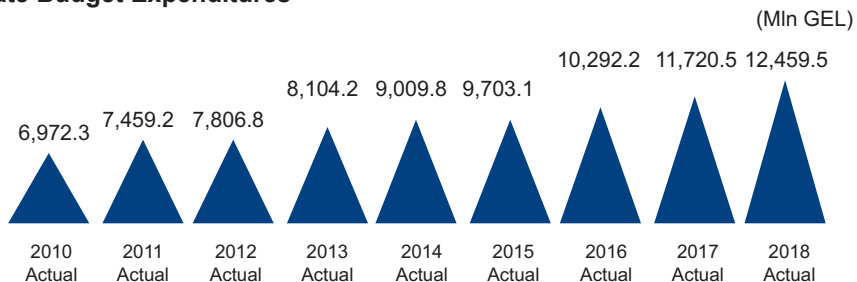
STATE BUDGET EXPENDITURES

According to the 2018 State budget, the total volume of planned expenditures is GEL 12,459.5 mln. It is GEL 739.0 mln more compared to the 2017 approved budget and amounts to 30.7% of GDP. Among them are: Budgetary funds – GEL 11,058.5 mln, GEL 164.2 mln for grants and credits GEL 1,236.8 million. State budget receipts represent the source of funding of State budget expenditures. It is planned to use the free funds (balance) existing on the state budget account.

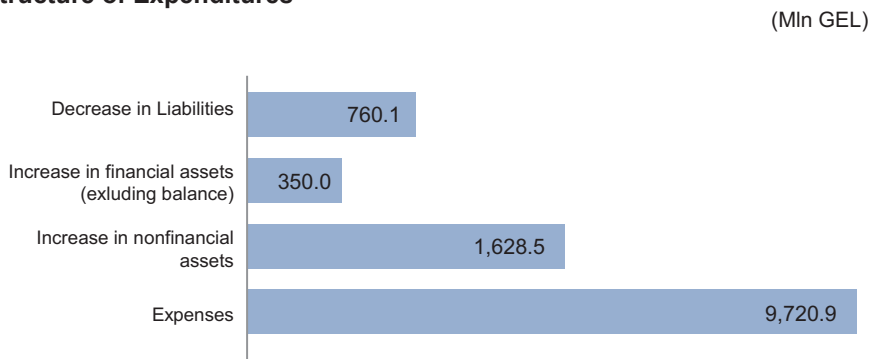
Mln Gel

Name	2016 Actual	2017 Plan	2018 Plan
Expenditure	10,292.2	11,720.5	12,459.5
Expenses	8,741.8	9,157.2	9,720.9
Increase in nonfinancial assets	662.4	1,017.2	1,628.5
Increase in financial assets (exluding balance)	495.6	1,019.9	350.0
Decrease in liabilities	392.4	526.2	760.1

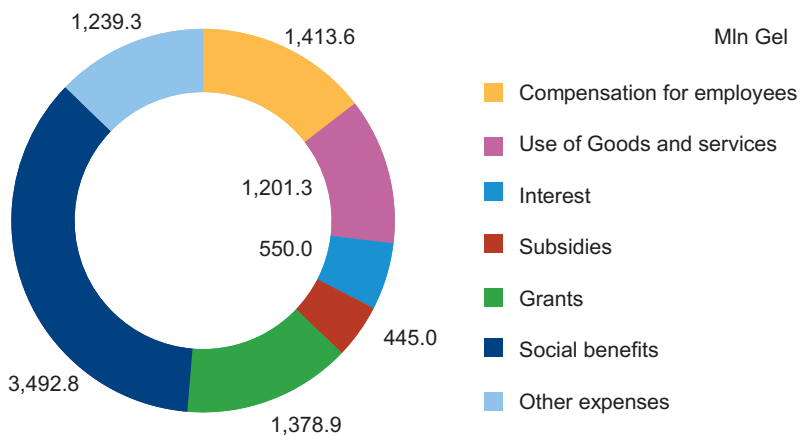
State Budget Expenditures



Structure of Expenditures

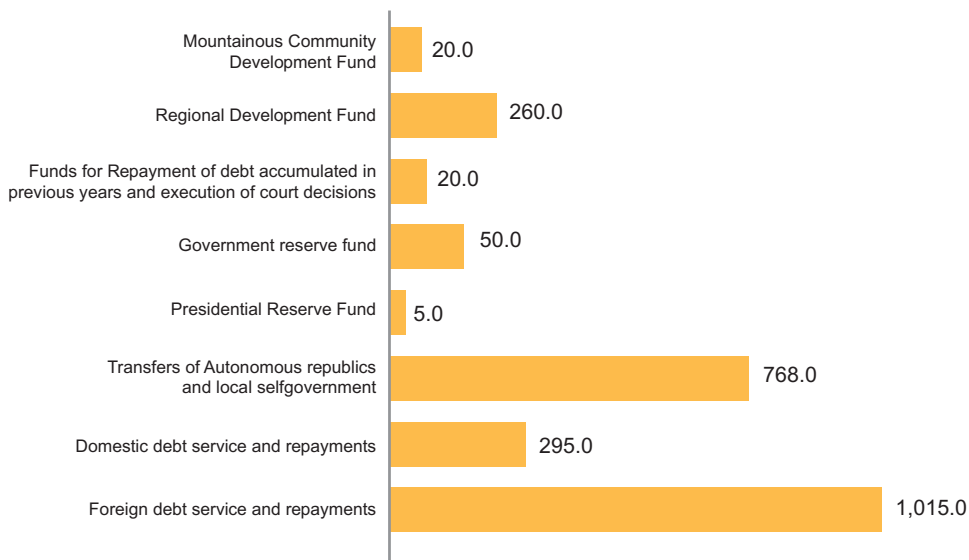


Structure of expenses



Structure of State Budget Funds

Min Gel



2018 STATE BUDGET RECEIPTS, PAYMENTS AND CHANGES IN THE BALANCE

Thousand GEL

Name	2016 Actual	2017 Plan	2018 Plan	Deviation (2018-2017)
Total Revenues	10,374,024.0	11,487,175.0	12,440,998.0	953,823.0
Revenues	8,580,032.1	9,696,160.0	10,314,248.0	618,088.0
Taxes	7,986,750.3	8,980,000.0	9,490,000.0	510,000.0
Income tax	1,978,136.4	2,570,000.0	2,780,000.0	210,000.0
Profit tax	1,055,936.5	740,000.0	630,000.0	-110,000.0
Vat	3,286,393.4	4,020,000.0	4,400,000.0	380,000.0
Excise	1,069,658.1	1,435,000.0	1,450,000.0	15,000.0
Import tax	70,040.6	65,000.0	60,000.0	-5,000.0
Other taxes	526,585.3	150,000.0	170,000.0	20,000.0
Grants	296,827.0	331,160.0	414,248.0	83,088.0
Other revenues	296,454.8	385,000.0	410,000.0	25,000.0
Decrease in nonfinancial assets	246,291.0	90,000.0	60,000.0	-30,000.0
Decrease in financial assets	88,717.2	85,000.0	80,000.0	-5,000.0
Loans	87,994.3	85,000.0	80,000.0	-5,000.0
Stocks and other capital	718.5	0	0	0.0
Other Account Receivable	4.4	0.0	0.0	0.0
Increase in liabilities	1,458,983.7	1,616,015.0	1,986,750.0	370,735.0
Domestic liabilities	378,381.9	400,000.0	400,000.0	0.0
External liabilities	1,080,601.8	1,216,015.0	1,586,750.0	370,735.0
Total Expenditure	10,292,234.0	11,720,475.0	12,459,500.1	739,025.1

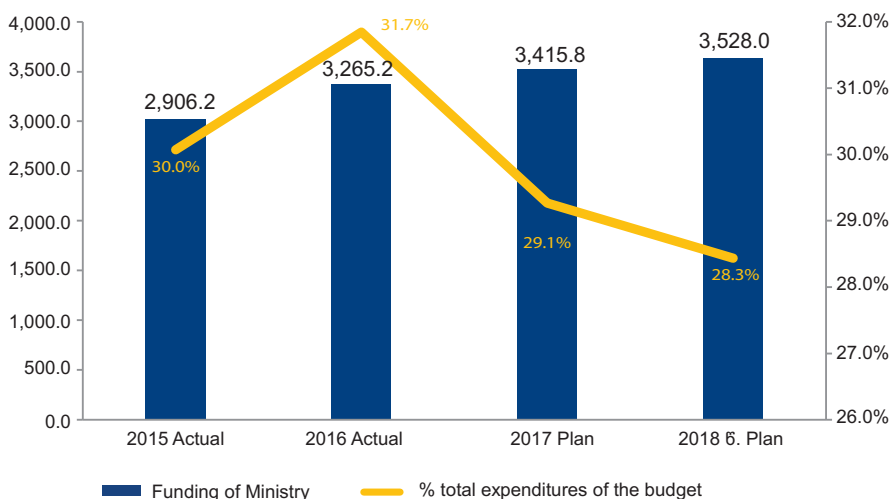
Name	2016 Actual	2017 Plan	2018 Plan	Deviation (2018-2017)
Expenses	8,741,830.8	9,157,212.8	9,720,893.3	563,680.5
<i>Compensation for employees</i>	<i>1,452,292.5</i>	<i>1,397,505.1</i>	<i>1,413,619.1</i>	<i>16,114.0</i>
<i>Use of Goods and services</i>	<i>1,117,790.3</i>	<i>1,176,952.6</i>	<i>1,201,306.1</i>	<i>24,353.5</i>
<i>Interest</i>	<i>397,707.3</i>	<i>493,190.0</i>	<i>550,038.0</i>	<i>56,848.0</i>
<i>Subsidies</i>	<i>333,993.0</i>	<i>418,669.0</i>	<i>444,958.0</i>	<i>26,289.0</i>
<i>Grants</i>	<i>960,452.6</i>	<i>1,046,483.6</i>	<i>1,378,959.2</i>	<i>332,475.6</i>
<i>Social benefits</i>	<i>3,150,058.1</i>	<i>3,313,177.0</i>	<i>3,492,758.0</i>	<i>179,581.0</i>
<i>Other expenses</i>	<i>1,329,537.0</i>	<i>1,311,235.5</i>	<i>1,239,254.9</i>	<i>-71,980.6</i>
Increase in nonfinancial assets	662,400.4	1,017,203.7	1,628,529.8	611,326.1
Increase in financial assets	495,571.2	1,019,871.5	349,995.0	-669,876.5
<i>Currency and public deposits</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Loans</i>	<i>285,239.1</i>	<i>343,262.5</i>	<i>266,800.0</i>	<i>-76,462.5</i>
<i>Stocks and other capital</i>	<i>210,332.1</i>	<i>676,609.0</i>	<i>83,195.0</i>	<i>-593,414.0</i>
Decrease in liabilities	392,431.6	526,187.0	760,082.0	233,895.0
<i>Domestic liabilities</i>	<i>59,945.4</i>	<i>95,187.0</i>	<i>35,082.0</i>	<i>-60,105.0</i>
<i>External liabilities</i>	<i>332,486.2</i>	<i>431,000.0</i>	<i>725,000.0</i>	<i>294,000.0</i>
Changes in the balance	81,790.0	-233,300.0	-18,502.1	-214,797.9

FUNDING OF PRIORITY ACTIVITIES FORESEEN BY 2018 BUDGET

Access to High-quality Healthcare System and Social Provision

Mln.Gel

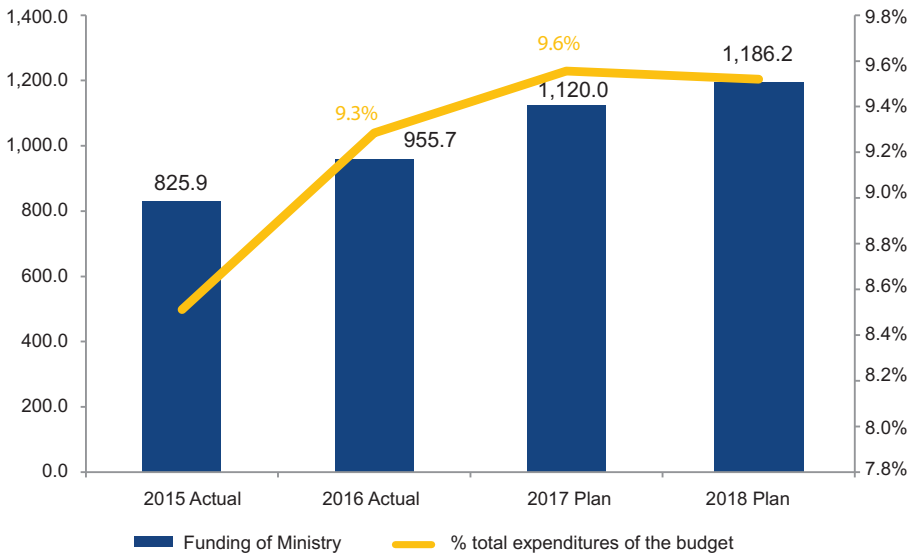
Name	2015 Actual	2016 Actual	2017 Plan	2018 Plan
Ministry of Labor, Health and Social Protection of Georgia	2,906.2	3,265.2	3,415.8	3,528.0
Inc. social programs	3,034.0	2,256.7	2,438.0	2,465.9
Inc. Health care State programs	790.6	920.9	894.5	983.6
<i>Inc. universal health care of the population</i>	<i>573.6</i>	<i>681.3</i>	<i>660.0</i>	<i>704.0</i>



Education, science and vocational education

Mln.Gel

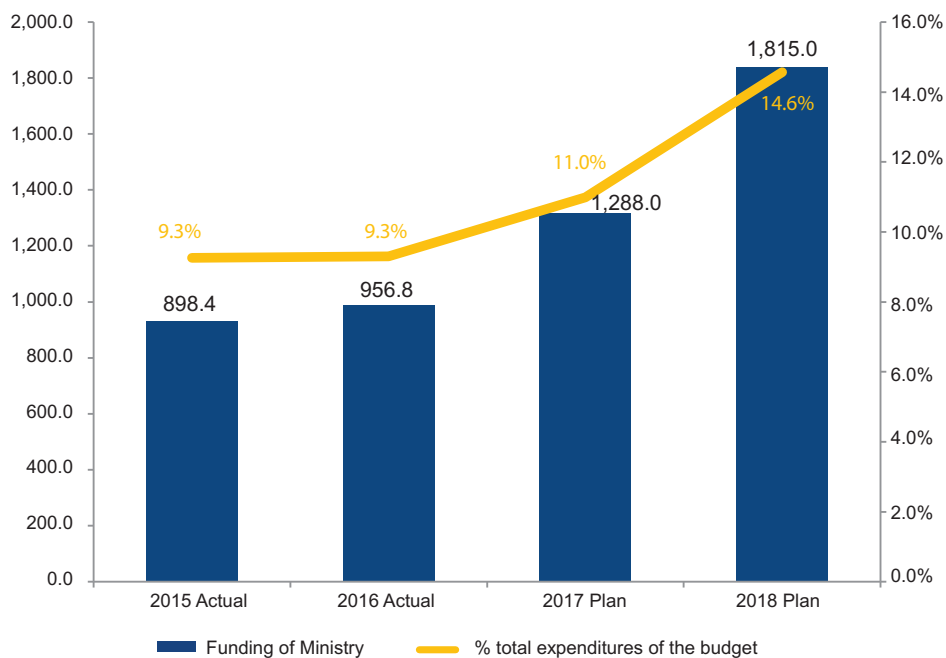
Name	2015 Actual	2016 Actual	2017 Plan	2018 Plan
Ministry of Education and Science of Georgia	825.9	955.7	1,120.0	1,186.2
Inc. voucher funding of schools	429.7	517.1	575.5	598.9
Inc. infrastructure development of educational institutions	76.3	53.4	88.8	71.0
Inc. provision of pupils with books	5.6	7.3	16.9	22.9
Inc. support to science	56.0	62.6	61.4	65.6



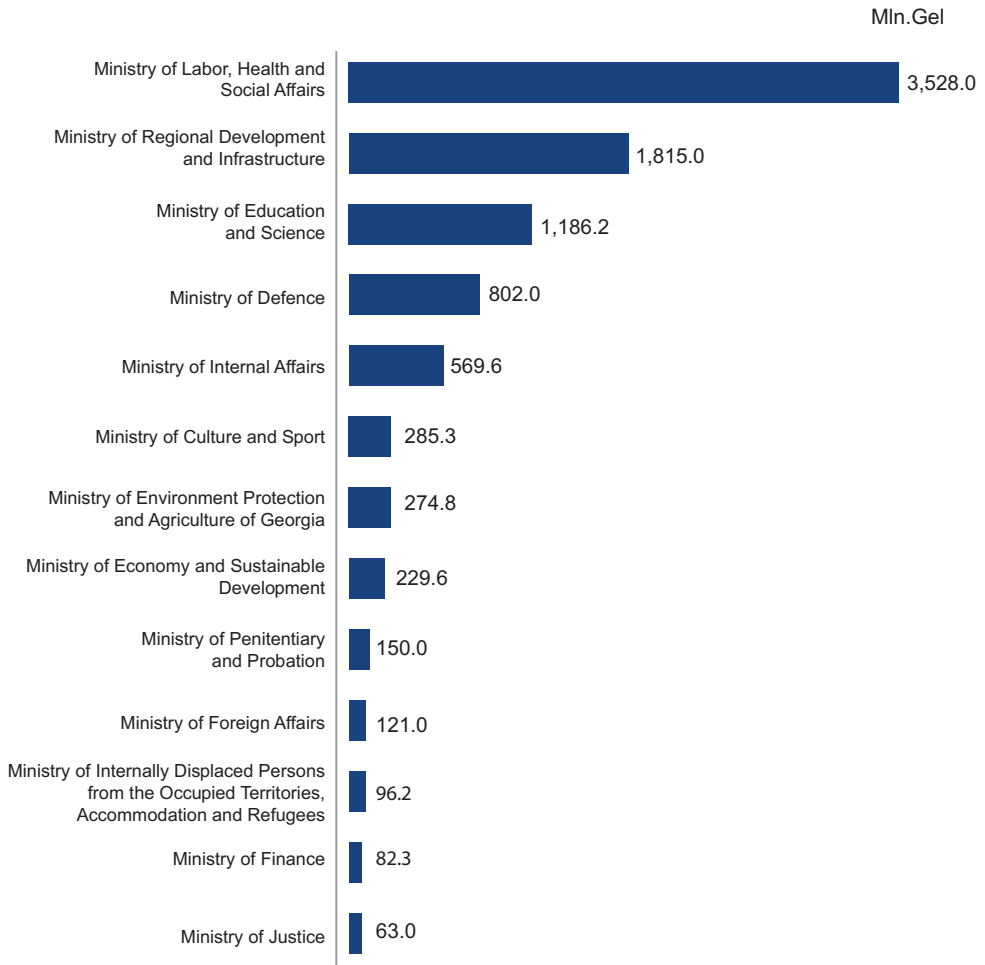
Regional Development and Infrastructure

Mln.Gel

Name	2015 Actual	2016 Actual	2017 Plan	2018 Plan
Ministry of Regional Development and Infrastructure of Georgia	898.4	956.8	1,288.0	1,815.0
Inc. road infrastructure	488.4	529.8	854.8	1,310.8
Inc. regional and municipal infrastructure rehabilitation	192.3	213.7	184.0	288.5
Inc. water infrastructure	137.5	166.1	197.9	196.0



DISTRIBUTION OF STATE BUDGET APPROPRIATIONS BY MINISTRIES



FUNDING OF SPENDING ORGANIZATIONS AND PROGRAMS IN 2016-2018

In thousand Gel

Code	Name	2016 Actual	2017 Plan	2018 Plan	
				Total	Inc. State budget funds
00 00	Grand Total	10,292,234.1	11,720,475.0	12,459,500.0	11,058,502.0
01 00	Parliament of Georgia and existing parliamentary organizations	55,667.4	60,131.0	62,131.0	62,131.0
01 01	<i>Legislative Activities</i>	<i>47,744.9</i>	<i>52,091.0</i>	<i>52,091.0</i>	<i>52,091.0</i>
01 02	<i>Library activities</i>	<i>7,482.9</i>	<i>7,590.0</i>	<i>9,590.0</i>	<i>9,590.0</i>
01 03	<i>State regulation of heraldic activities</i>	<i>439.7</i>	<i>450.0</i>	<i>450.0</i>	<i>450.0</i>
02 00	Administration of the President of Georgia	13,983.4	9,800.0	9,800.0	9,800.0
03 00	Apparatus of the National Security Council of Georgia	1,949.3	1,800.0	1,800.0	1,800.0
03 01	<i>Apparatus of the National Security Council of Georgia</i>	<i>1,949.3</i>	<i>1,800.0</i>	<i>1,800.0</i>	<i>1,800.0</i>
04 00	Administration of the Government of Georgia	19,423.7	16,500.0	16,500.0	16,500.0
04 01	<i>Administration of the Government of Georgia</i>	<i>18,183.9</i>	<i>15,822.0</i>	<i>15,822.0</i>	<i>15,822.0</i>
04 02	<i>The Office of Tax Ombudsman</i>	<i>505.3</i>	<i>678.0</i>	<i>678.0</i>	<i>678.0</i>
04 03	<i>Office of the Economic Council of Georgia</i>	<i>734.5</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
05 00	State Audit Service	15,645.5	14,517.2	14,517.2	14,517.2
05 01	<i>Office of State Audit Office</i>	<i>15,020.5</i>	<i>14,517.2</i>	<i>14,517.2</i>	<i>14,517.2</i>
05 02	<i>LEPL - Institute of Public Audit</i>	<i>625.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
06 00	Central Election Commission of Georgia	69,985.8	60,500.0	67,058.2	67,058.2
06 01	<i>Development of election environment</i>	<i>10,214.2</i>	<i>11,197.4</i>	<i>11,250.0</i>	<i>11,250.0</i>
06 02	<i>Measures to hold elections</i>	<i>46,007.2</i>	<i>35,321.7</i>	<i>40,103.2</i>	<i>40,103.2</i>
06 03	<i>Promotion of election institution development and civil education</i>	<i>888.6</i>	<i>1,195.9</i>	<i>1,170.0</i>	<i>1,170.0</i>
06 04	<i>Funding of political parties and non-governmental sector</i>	<i>12,875.8</i>	<i>12,785.0</i>	<i>14,535.0</i>	<i>14,535.0</i>
07 00	Constitutional Court of Georgia	3,393.9	4,110.0	4,150.0	4,150.0
08 00	Supreme Court of Georgia	7,140.6	7,700.0	8,400.0	8,400.0

Code	Name	2016 Actual	2017 Plan	2018 Plan	
				Total	Inc. State budget funds
09 00	Common Courts of Georgia	52,833.5	59,000.0	71,150.0	71,150.0
09 01	<i>Development and Promotion of Common Courts System</i>	<i>51,386.1</i>	<i>57,470.0</i>	<i>69,530.0</i>	<i>69,530.0</i>
09 02	<i>Training and retraining of judges and court employees</i>	<i>1,447.4</i>	<i>1,530.0</i>	<i>1,620.0</i>	<i>1,620.0</i>
10 00	Supreme Council of Justice of Georgia	2,598.4	2,700.0	3,750.0	3,750.0
11 00	Administration of the State Representative – Governor in Abasha, Zugdidi, Martvili, Mestia, Senaki, Chkhorotskhu, Tsalenjikha, Khobi Municipalities and in the Self-Governing city of Poti	807.2	800.0	800.0	800.0
12 00	Administration of the State Representative – Governor in Lanchkhuti, Ozurgeti and Chokhatauri Municipalities	694.8	610.0	610.0	610.0
13 00	Administration of the State Representative – Governor in Baghdati, Vani, Zestaponi, Terjola, Samtredia, Sachkhere, Tkibuli, Tskhaltubo, Chiatura, Kharagauli, Khoni Municipalities and in the Self-Governing city of Kutaisi	800.0	735.0	735.0	735.0
14 00	Administration of the State Representative – Governor in Akhmeta, Gurjaani, Dedoplistskaro, Telavi, Lagodekhi, Sagarejo, Sighnaghi and Kvareli Municipalities	740.7	725.0	725.0	725.0
15 00	Administration of the State Representative – Governor in Dusheti, Tianeti, Mtskheta and Kazbegi Municipalities	649.2	592.0	595.0	595.0
16 00	Administration of the State Representative – Governor in Ambrolauri, Lentekhi, Oni and Tsageri Municipalities	618.3	585.0	585.0	585.0

				2018 Plan	
Code	Name	2016 Actual	2017 Plan	Total	Inc. State budget funds
17 00	Administration of the State Representative – Governor in Adigeni, Aspindza, Akhaltsikhe, Akhalkalaki, Borjomi and Ninotsminda Municipalities	510.3	595.0	595.0	595.0
18 00	Administration of the State Representative – Governor in Bolnisi, Gardabani, Dmanisi, Tetrtskharo, Marneuli, Tsalka Municipalities and in the Self-Governing city of Rustavi	908.2	860.0	860.0	860.0
19 00	Administration of the State Representative – Governor in Gori, Kaspi and Khashuri Municipalities	594.9	625.0	625.0	625.0
20 00	State Security Service of Georgia	103,950.8	118,000.0	124,000.0	124,000.0
20 01	Provide state security	103,950.8	118,000.0	109,075.0	109,075.0
20 02	Promotion of operational-technical activities	0.0	0.0	14,925.0	14,925.0
21 00	Emergency Management Service	64,370.7	62,010.0	82,010.0	82,010.0
21 01	Raising the level of civil security	58,918.6	58,100.0	78,100.0	78,100.0
21 02	Creation and management of state material reserves	400.2	310.0	310.0	310.0
21 03	Office of the State Security and Crisis Management Board of Georgia	5,051.9	3,600.0	3,600.0	3,600.0
22 00	Office of State Minister of Georgia on Reconciliation and Civic Equality	1,599.7	1,215.0	1,600.0	1,600.0
23 00	Ministry of Finance of Georgia	78,862.5	82,300.0	82,300.0	82,300.0
23 01	Management of public finances	17,883.7	20,150.0	20,275.0	20,275.0
23 02	Mobilization of revenue and improvement of taxpayer services	34,638.3	33,800.0	33,800.0	33,800.0
23 03	Prevention of economic crime	17,933.4	18,555.0	18,430.0	18,430.0
23 04	Electronic and analytical provision of finance management	7,418.8	7,900.0	7,900.0	7,900.0

Code	Name	2016 Actual	2017 Plan	2018 Plan	
				Total	Inc. State budget funds
23 05	<i>Increase the qualification of employees in the financial sector</i>	890.7	895.0	895.0	895.0
23 06	<i>Accounting, reporting and audit supervision</i>	97.6	1,000.0	1,000.0	1,000.0
24 00	Ministry of Economy and Sustainable Development of Georgia	337,446.5	673,767.0	229,550.0	147,300.0
24 01	<i>Develop and implement economic policies</i>	19,560.0	19,158.0	22,035.0	22,035.0
24 02	<i>Regulation of technical and construction sphere</i>	1,175.3	1,067.0	1,210.0	1,210.0
24 03	<i>Development of standardization and metrology</i>	1,241.6	806.0	845.0	845.0
24 04	<i>Management and Development of Accreditation Process</i>	149.3	140.0	140.0	140.0
24 05	<i>Promote tourism development</i>	27,973.1	52,464.0	52,115.0	52,115.0
24 06	<i>State Property Management</i>	41,805.7	281,515.0	7,825.0	7,825.0
24 07	<i>Development of entrepreneurship</i>	41,105.7	41,699.0	41,680.0	41,680.0
24 08	<i>Development of Innovations and Technologies in Georgia</i>	9,361.5	8,208.0	5,020.0	5,020.0
24 09	<i>Transfer of liabilities under international agreements in the field of transport and subsidizing transportation costs</i>	4,276.5	6,000.0	6,000.0	6,000.0
24 10	<i>Promotion of marine vocational education</i>	425.3	380.0	380.0	380.0
24 11	<i>Measures of reimbursement of the cost of natural gas supplied to the residents of Kazbegi municipality and the mountainous villages of Dusheti municipality</i>	4,087.6	6,650.0	8,000.0	8,000.0
24 12	<i>Georgian National Innovations Ecosystem Project (IBRD)</i>	334.8	5,000.0	10,000.0	0.0
24 13	<i>Construction and Rehabilitation of Energy Infrastructure</i>	4,999.7	12,100.0	21,600.0	0.0
24 14	<i>Development of a system of electrical power transmission network</i>	154,381.7	104,000.0	52,700.0	2,050.0
24 15	<i>Improvement of the population's electricity and natural gas supply</i>	20,544.8	70,500.0	0.0	0.0

				2018 Plan	
Code	Name	2016 Actual	2017 Plan	Total	Inc. State budget funds
24 16	Construction of Baku - Tbilisi - Kars railway line Marabda - Akhalkalaki - Kerchakhi section of land ownership - compensation	48.9	80.0	0.0	0.0
24 17	Redemption of land ownership in the territory of Anaklia (within the Action Plan) for the construction of the Anaklia Deepwater Port - Compensation	0.0	64,000.0	0.0	0.0
24 18	Development of Ski Infrastructure in Upper Svaneti (Government of France)	5,975.1	0.0	0.0	0.0
25 00	Ministry of Regional Development and Infrastructure of Georgia	965,842.5	1,288,047.0	1,815,000.0	747,950.0
25 01	Development and management of regional and infrastructure development policies	6,491.0	4,880.0	8,680.0	8,680.0
25 02	Road Infrastructure Improvement Measures	529,797.2	854,827.0	1,310,820.0	543,720.0
25 03	Rehabilitation of regional and municipal infrastructure	213,730.8	183,990.0	288,500.0	146,700.0
25 04	Restoration and rehabilitation of water supply infrastructure	166,081.2	197,950.0	196,000.0	46,650.0
25 05	Solid waste management program	26,279.7	46,400.0	11,000.0	2,200.0
25 06	Support for IDPs	23,462.6	0.0	0.0	0.0
26 00	Ministry of Justice of Georgia	102,608.9	62,015.0	63,000.0	61,000.0
26 01	Elaboration and management of state policy for legal support and legal support of the country's interests, Including the reform of the criminal justice system	38,382.6	7,485.0	7,485.0	7,485.0
26 02	Supervision over investigation, support of state prosecution, crime prevention and prevention program	35,048.9	35,000.0	36,000.0	36,000.0
26 03	Ensure the National Archival Foundation's commitment, the introduction of modern technologies of service and access to documents	6,745.0	7,450.0	7,450.0	7,450.0

Code	Name	2016 Actual	2017 Plan	2018 Plan	
				Total	Inc. State budget funds
26 04	<i>Training of staff of the Ministry of Justice of Georgia and development of training center</i>	2,429.3	1,885.0	1,885.0	1,885.0
26 05	<i>E-governance development</i>	2,278.4	2,135.0	2,135.0	2,135.0
26 06	<i>United State Information Technology Development</i>	1,695.3	590.0	590.0	590.0
26 07	<i>Crime prevention and resocialization of former prisoners</i>	1,468.7	1,285.0	1,285.0	1,285.0
26 08	<i>Development and availability of services of Justice House</i>	1,985.6	3,800.0	4,170.0	4,170.0
26 09	<i>Land Market Development (WB)</i>	40.7	2,385.0	2,000.0	0.0
26 10	<i>Development and availability of services of the State Services Development Agency</i>	11,435.2	0.0	0.0	0.0
26 12	<i>LEPL - National Agency of Public Registry Development and Accessibility</i>	1,099.0	0.0	0.0	0.0
27 00	Ministry of Penitentiary and Probation	143,029.4	139,100.0	150,000.0	150,000.0
27 01	<i>Establishment of a penitentiary system of international standards</i>	134,154.9	131,970.0	143,600.0	143,600.0
27 02	<i>The perfect probation system</i>	7,430.7	6,130.0	5,400.0	5,400.0
27 03	<i>Training and professional development of staff for the penitentiary and probation system</i>	1,443.7	1,000.0	1,000.0	1,000.0
28 00	Ministry of Foreign Affairs of Georgia	113,234.7	117,845.0	120,950.0	120,950.0
28 01	<i>Implementing foreign policy</i>	111,961.5	116,930.0	119,915.0	119,915.0
28 02	<i>Increasing qualification of civil servants toward the international relations</i>	326.3	385.0	385.0	385.0
28 03	<i>To inform the public about Georgia's integration into European and Euro-Atlantic structures</i>	946.8	530.0	650.0	650.0
29 00	Ministry of Defense of Georgia	745,977.2	748,000.0	802,000.0	780,000.0
29 01	<i>Defense management</i>	491,552.2	466,067.0	312,237.0	312,237.0
29 02	<i>Professional military education</i>	18,677.5	43,098.0	43,452.0	43,452.0

				2018 Plan	
Code	Name	2016 Actual	2017 Plan	Total	Inc. State budget funds
29 03	Healthcare and social security	49,237.6	53,757.0	54,600.0	54,600.0
29 04	Management, control, communication and computer systems	6,778.6	9,743.0	9,540.0	9,540.0
29 05	Infrastructure development	20,154.1	32,069.0	21,000.0	21,000.0
29 06	International peace keeping missions	39,159.5	35,270.0	40,445.0	40,445.0
29 07	Scientific research and development of military industry	35,187.4	28,322.0	28,322.0	28,322.0
29 08	Maintenance / development of defense capabilities	0.0	0.0	128,245.0	128,245.0
29 09	Logistic support	2,852.4	1,674.0	142,159.0	142,159.0
29 10	Strengthening Capacity of Georgian Armed Forces (SG)	82,377.8	78,000.0	22,000.0	0.0
30 00	Ministry of Internal Affairs of Georgia	530,212.0	540,590.0	569,590.0	569,590.0
30 01	Public order, protection of the state border and development / deepening of international cooperation	507,867.6	520,610.0	549,610.0	549,610.0
30 02	Raising the level of protection of the physical and juridical persons (including property), diplomatic representations, national treasure protection and security	10,168.7	10,160.0	10,160.0	10,160.0
30 03	Preparation and retraining of qualified personnel for law enforcement agencies, digitalization of archive funds, scientific-research activities and citizen services	6,586.1	6,170.0	6,170.0	6,170.0
30 04	Provision of health services for the system of the Ministry of Internal Affairs of Georgia and the employees of the State Security Service of Georgia	5,589.6	3,650.0	3,650.0	3,650.0
31 00	Ministry of Environment Protection and Agriculture of Georgia	371,911.4	358,695.0	274,765.0	213,372.0
31 01	Environmental Protection and Rural Development Program	19,510.6	17,095.0	18,361.0	18,361.0
31 02	Food safety, plant protection and epizootic safety	26,730.4	51,246.6	35,910.0	35,910.0

Code	Name	2016 Actual	2017 Plan	2018 Plan	
				Total	Inc. State budget funds
31 03	Viticulture and winemaking development	43,582.2	26,998.4	25,060.0	25,060.0
31 04	To conduct scientific-research activities in agriculture	9,340.5	4,970.0	5,150.0	5,150.0
31 05	United AgroProject	165,059.9	110,190.0	82,170.0	72,170.0
31 06	Support for agricultural cooperatives	2,500.1	4,870.0	7,750.0	7,750.0
31 07	Modernization of amelioration systems and promotion of agro-sector development	68,841.1	113,110.0	61,680.0	18,680.0
31 08	Environmental supervision	10,899.0	9,080.0	10,891.0	10,891.0
31 09	Establishment and management of the protected areas system	10,082.2	10,035.0	14,643.0	6,250.0
31 10	Establishment and management of the forest system	8,459.5	9,180.0	10,445.0	10,445.0
31 11	Establishment and management of a national construction system	731.8	400.0	820.0	820.0
31 12	Access to environmental information and environmental education programs	4,692.3	630.0	985.0	985.0
31 13	Nuclear and radiation protection	945.7	890.0	900.0	900.0
31 14	Monitoring, forecasting and prevention of environmental protection	535.9	0.0	0.0	0.0
32 00	Ministry of Education and Science of Georgia	955,729.1	1,120,010.0	1,186,215.0	1,069,425.0
32 01	Development of state policy in the field of education and science and management of programs	28,712.0	26,929.0	29,630.0	29,630.0
32 02	Preschool and general education	572,018.2	650,188.0	678,065.0	678,065.0
32 03	professional education	21,353.7	29,580.0	40,800.0	40,800.0
32 04	high education	120,036.7	128,859.0	133,840.0	133,840.0
32 05	Support science and scientific research	62,615.4	61,440.0	65,600.0	65,600.0
32 06	inclusive education	4,242.1	5,134.0	5,135.0	5,135.0
32 07	Development of infrastructure and educational institutions	79,064.8	115,980.0	97,210.0	97,210.0
32 08	State promotion activities in the field of youth	5,321.7	3,845.0	4,200.0	4,200.0
32 09	Millennium Challenge Georgia - Second Project	62,364.4	93,055.0	101,235.0	14,745.0

				2018 Plan	
Code	Name	2016 Actual	2017 Plan	Total	Inc. State budget funds
32 10	Rehabilitation of Tbilisi Public Schools and Enhancing Energy Efficiency Project	0.0	4,000.0	10,200.0	200.0
32 11	Construction of Hydraulic Research Laboratory in the Structure of Georgian Technical University (Unicredit Bank)	0.0	1,000.0	20,300.0	0.0
33 00	Ministry of Culture and Sport of Georgia	252,382.3	242,590.0	285,255.0	285,255.0
33 01	Development of culture and sport policy and management of programs	31,705.0	7,895.0	7,455.0	7,455.0
33 02	Promotion and popularisation of art development in Georgia	89,110.9	55,744.3	80,795.0	80,795.0
33 03	სახელოვნებო და სასპორტო განათლების ხელშეწყობა	20,902.0	19,871.0	22,640.0	22,640.0
33 04	Protection of cultural heritage and perfection of museum system	16,201.3	15,709.7	22,001.0	22,001.0
33 05	Promotion of sports development	73,275.7	89,335.0	124,600.0	124,600.0
33 06	Social protection measures for culture and sport figures	7,123.0	7,035.0	7,560.0	7,560.0
33 07	Support investments and infrastructure projects in culture and sport	14,064.4	47,000.0	20,204.0	20,204.0
34 00	Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia	85,264.8	99,790.0	96,200.0	96,200.0
34 01	Development of state policy and management of programs for the promotion of internally displaced persons and migrants	11,473.6	10,076.0	12,870.0	12,870.0
34 02	Resettlement of IDPs in the settlements and improve their living conditions	73,422.0	89,287.0	82,645.0	82,645.0
34 03	Provision of IDPs with livelihood sources	369.1	427.0	685.0	685.0
35 00	Ministry of Labor, Health and Social Affairs of Georgia	3,265,213.3	3,415,800.0	3,528,000.0	3,528,000.0
35 01	Management of Labor, Health and Social Security Programs	57,737.2	49,296.0	47,630.0	47,630.0

Code	Name	2016 Actual	2017 Plan	2018 Plan	
				Total	Inc. State budget funds
35 02	<i>Social protection of the population</i>	2,256,684.4	2,438,000.0	2,468,300.0	2,468,300.0
35 03	<i>The health care of the population</i>	920,946.6	894,454.0	983,370.0	983,370.0
35 04	<i>Rehabilitation and equipping of medical institutions</i>	27,654.3	30,000.0	25,000.0	25,000.0
35 05	<i>Labor and Employment System Reform Program</i>	2,190.9	4,050.0	3,700.0	3,700.0
36 00	LEPL - Legal Aid Service	4,848.6	5,800.0	6,380.0	6,380.0
37 00	LEPL - State Service of Veterans Affairs	6,263.0	6,400.0	5,700.0	5,700.0
38 00	LEPL - Financial Monitoring Service of Georgia	1,147.9	2,150.0	2,150.0	2,150.0
39 00	N(N)LE - Solidarity Foundation of Georgia	256.5	260.0	260.0	260.0
40 00	Special State Protection Service of Georgia	54,907.2	55,000.0	55,500.0	55,500.0
40 01	<i>Ensure security of persons and objects protected</i>	47,453.2	47,500.0	48,000.0	48,000.0
40 02	<i>Maintenance of state facilities</i>	7,454.0	7,500.0	7,500.0	7,500.0
41 00	Office of the Public Defender of Georgia	6,014.4	4,800.0	5,500.0	5,500.0
41 01	<i>Enhancement of the functioning of the Office of Public Defender of Georgia (Office of the Public Defender of Georgia)</i>	6,014.4	4,800.0	5,500.0	5,500.0
42 00	LEPL - Public Broadcaster	44,498.6	46,405.0	52,522.0	52,522.0
42 01	<i>Promotion of broadcasting</i>	44,498.6	46,405.0	52,522.0	52,522.0
43 00	LEPL - Competition Agency	1,776.3	1,900.0	2,100.0	2,100.0
44 00	Administration of the temporary administrative-territorial unit on the territory of the former South Ossetian Autonomous District - South Ossetia Administration	3,507.5	2,460.0	2,460.0	2,460.0
44 01	Administration of the temporary administrative-territorial unit on the territory of the former South Ossetian Autonomous District - South Ossetia Administration	2,297.8	2,060.0	2,120.0	2,120.0
44 02	<i>N(N)LE - Folk Song and Dance Ensemble "NARTBI"</i>	800.0	400.0	340.0	340.0

				2018 Plan	
Code	Name	2016 Actual	2017 Plan	Total	Inc. State budget funds
44 03	<i>N(N)LE - football club Tskhinvali Tskhinvali</i>	409.7	0.0	0.0	0.0
45 00	Patriarchate of Georgia	25,696.7	25,000.0	25,000.0	25,000.0
45 01	<i>Grant of Faculty of Religious Education</i>	15,379.7	14,683.0	14,683.0	14,683.0
45 02	<i>N(N)LE - St Svimon Kananeli Theological Center for the Patriarchate of Georgia</i>	295.0	295.0	295.0	295.0
45 03	<i>N(N)LE - Grant to the educational center of Batumi and Lazeti Eparchy</i>	1,768.0	1,768.0	1,768.0	1,768.0
45 04	<i>Grant to the Holy Nino Patriarch of Georgia, Orphanage, Homeless and Careless Children</i>	959.0	959.0	959.0	959.0
45 05	<i>Grant to be transferred to the Patriarchate of Georgia, St. Martyr Catherine's Cathedral</i>	261.0	261.0	261.0	261.0
45 06	<i>Grant to the St. Andrew the First Called Theological Center of the Patriarchate of Georgia</i>	447.0	447.0	447.0	447.0
45 07	<i>Grant to the Rehabilitation Center of St. George Mtats- mindeli Monastery</i>	230.0	230.0	230.0	230.0
45 08	<i>Grant to be transferred to St. Andrew the First Called Georgian University of Georgian Patriarchate</i>	2,000.0	2,000.0	2,000.0	2,000.0
45 09	<i>Grant to be transferred to the N(N)LE of the Patri- archate of Georgia (TA) Abbaseridze University</i>	2,304.0	2,304.0	2,304.0	2,304.0
45 10	<i>N(N)LE – Grant to be transferred to the Children's Rehabilitation and Adapta- tion Center for Deafness</i>	100.0	100.0	100.0	100.0
45 11	<i>Subsidizing measures of Georgian Patriarchy TV</i>	800.0	800.0	800.0	800.0
45 12	<i>N(N)LE – Grant to the Training Center of Akhalka- laki and Kumudo Diocese</i>	500.0	500.0	500.0	500.0
45 13	<i>N(N)LE Poti Educational and Cultural Improvement Center</i>	653.0	653.0	653.0	653.0
46 00	LEPL – Levan Samkha- rauli National Forensic Bureau	3,500.0	2,500.0	4,200.0	4,200.0

Code	Name	2016 Actual	2017 Plan	2018 Plan	
				Total	Inc. State budget funds
47 00	LEPL – Statistics National Service of Georgia - GeoStat	7,892.0	7,575.0	8,500.0	8,500.0
47 01	<i>Planning and management of statistical works</i>	<i>4,570.1</i>	<i>4,050.0</i>	<i>5,000.0</i>	<i>5,000.0</i>
47 02	<i>State Program for Statistical Works</i>	<i>3,020.2</i>	<i>3,380.0</i>	<i>3,500.0</i>	<i>3,500.0</i>
47 03	<i>The general description of the population and housing</i>	<i>301.7</i>	<i>145.0</i>	<i>0.0</i>	<i>0.0</i>
48 00	LEPL - Georgian National Academy of Sciences	3,887.1	3,850.0	4,000.0	4,000.0
49 00	Georgian Chamber of Commerce and Industry	1,290.1	1,000.0	1,000.0	1,000.0
49 01	<i>Georgian Chamber of Commerce and Industry</i>	<i>1,290.1</i>	<i>1,000.0</i>	<i>1,000.0</i>	<i>1,000.0</i>
50 00	LEPL - Civil Service Bureau	1,173.6	1,250.0	1,400.0	1,400.0
51 00	Personal Data Protection Inspector's Office	1,704.4	1,900.0	2,000.0	2,000.0
52 00	LEPL - State Agency for Religious Issues	5,281.3	5,330.0	5,330.0	5,330.0
52 01	<i>LEPL - State Agency for Religious Issues</i>	<i>781.3</i>	<i>830.0</i>	<i>830.0</i>	<i>830.0</i>
52 02	<i>Funding of Religious Associations</i>	<i>4,500.0</i>	<i>4,500.0</i>	<i>4,500.0</i>	<i>4,500.0</i>
53 00	LEPL - Department of State Language	0.0	0.0	500.0	500.0
54 00	Private and public co-operation agency	0.0	0.0	500.0	500.0
55 00	Georgian Intelligence Service	14,999.7	13,500.0	13,500.0	13,500.0
56 00	Payments of general state importance	1,731,744.4	2,217,805.8	2,585,176.7	2,535,661.7
56 01	<i>Service and repayment of foreign state obligations</i>	<i>502,549.4</i>	<i>685,000.0</i>	<i>1,015,000.0</i>	<i>1,015,000.0</i>
56 02	<i>Domestic state liabilities service and repayment</i>	<i>237,636.3</i>	<i>274,150.0</i>	<i>295,000.0</i>	<i>295,000.0</i>
56 03	<i>Liabilities related to international financial institutions</i>	<i>8,973.8</i>	<i>7,900.0</i>	<i>17,000.0</i>	<i>17,000.0</i>
56 04	<i>Transfers to the autonomous republics and local self-government units</i>	<i>905,190.6</i>	<i>675,080.0</i>	<i>768,000.0</i>	<i>768,000.0</i>
56 05	<i>Reserve Fund of the President of Georgia</i>	<i>0.0</i>	<i>5,000.0</i>	<i>5,000.0</i>	<i>5,000.0</i>
56 06	<i>Reserve Fund of the Government of Georgia</i>	<i>0.0</i>	<i>40,000.0</i>	<i>50,000.0</i>	<i>50,000.0</i>
56 07	<i>Fund for Enactment of Debt Causes and Court Decisions in Previous Years</i>	<i>11,313.8</i>	<i>40,000.0</i>	<i>20,000.0</i>	<i>20,000.0</i>

				2018 Plan	
Code	Name	2016 Actual	2017 Plan	Total	Inc. State budget funds
56 08	<i>Fund of projects to be implemented in the regions of Georgia</i>	0.0	274,000.0	260,000.0	260,000.0
56 09	<i>High Mountain Settlement Development Fund</i>	0.0	20,000.0	20,000.0	20,000.0
56 10	<i>Financial provision for issuing simultaneous cash bonuses for Georgia's state awards</i>	48.4	299.8	200.0	200.0
56 11	<i>Co-financing operating expenses and other liabilities based on international agreements</i>	948.1	1,000.0	757.0	757.0
56 12	<i>Co-financing the accumulated pension scheme</i>	0.0	0.0	80,000.0	80,000.0
56 13	<i>General state fees financed by donors</i>	65,083.9	130,376.0	54,219.7	4,704.7
56 14	<i>Measures to promote converting bank loans in foreign currencies to individuals in national currency</i>	0.0	65,000.0	0.0	0.0
57 00	LEPL - Georgian State Insurance Supervision Service	1,284.1	1,180.0	0.0	0.0
58 00	LEPL - Georgian National Investment Agency	1,602.2	1,750.0	0.0	0.0
58 01	<i>Planning and Management of Investment Policy</i>	1,011.8	950.0	0.0	0.0
58 02	<i>Promote attracting investments</i>	590.4	800.0	0.0	0.0
59 00	LEPL - Georgian National Intellectual Property Center - "Sakpatenti"	438.2	0.0	0.0	0.0
59 01	<i>LEPL - Georgian National Intellectual Property Center - "Sakpatenti"</i>	438.2	0.0	0.0	0.0
60 00	LEPL - Technological Institute	420.0	0.0	0.0	0.0
61 00	Office of the State Minister of Georgia for Diaspora Issues	1,519.7	0.0	0.0	0.0

AMOUNT OF THE TRANSFER TO THE LOCAL SELF-GOVERNING UNITS BASED ON THE DRAFT 2018 STATE BUDGET AMOUNTS TO GEL 768 000.0 THOUSAND

In thousand Gel

Name of Autonomous Republics and Self-Governing units	Total transfers	Equalization transfer	Targeted transfer	Special transfer
Autonomous Republic of Abkhazia	8,000.0			8,000.0
Tbilisi city Municipality	389,266.9	345,806.9	460.0	43,000.0
Adjara Municipality	1,099.6	1,074.6	25.0	
Batumi city Municipality	40,286.4	40,286.4		
Kobuleti Municipality	6,443.2	6,443.2		
Khelvachauri Municipality	3,928.7	3,928.7		
Keda Municipality	4,538.2	4,538.2		
Shuakhevi Municipality	0.0	0.0		
Khulo Municipality	1,456.0	1,456.0		
Akhmeta Municipality	5,118.5	4,988.5	130.0	
Gurjaani Municipality	5,947.3	5,787.3	160.0	
Dedoplistskharo Municipality	1,002.9	817.9	185.0	
Telavi Municipality	9,845.7	9,560.7	285.0	
Lagodekhi Municipality	6,543.0	6,323.0	220.0	
Sagarejo Municipality	5,994.5	5,784.5	210.0	
Sighnaghi Municipality	2,660.5	2,515.5	145.0	
Kvareli Municipality	3,062.0	2,927.0	135.0	
Kutaisi city Municipalit	25,898.0	25,678.0	220.0	
Chiatura Municipality	5,647.3	5,415.3	232.0	
Tkibuli Municipality	2,792.2	2,642.2	150.0	
Tskhaltubo Municipality	5,675.0	5,505.0	170.0	
Baghdati Municipality	3,744.9	3,616.9	128.0	
Vani Municipality	6,074.3	5,929.3	145.0	
Zestaponi Municipality	6,269.8	6,029.8	240.0	
Terjola Municipality	6,224.7	6,064.7	160.0	
Samtredia Municipality	4,693.1	4,506.1	187.0	
Sachkhere Municipality	7,507.8	7,317.8	190.0	

Name of Autonomous Republics and Self-Governing units	Total transfers	Equal-ization transfer	Targeted transfer	Special transfer
Kharagauli Municipality	4,364.4	4,226.4	138.0	
Khoni Municipality	6,080.1	5,920.1	160.0	
Poti city Municipality	1,378.8	1,118.8	260.0	
Zugdidi Municipality	19,537.9	19,187.9	350.0	
Abasha Municipality	5,109.6	4,962.6	147.0	
Martvili Municipality	5,655.8	5,500.8	155.0	
Mestia Municipality	2,602.1	2,477.1	125.0	
Senaki Municipality	4,681.6	4,486.6	195.0	
Chkhorotskhu Municipality	5,007.2	4,835.2	172.0	
Tsalenjikha Municipality	5,189.7	5,011.7	178.0	
Khobi Municipality	2,010.0	1,800.0	210.0	
Gori Municipality	21,011.8	20,708.8	303.0	
Kurta Municipality	2,122.6	2,032.6	90.0	
Eredvi Municipality	1,968.1	1,923.1	45.0	
Kaspi Municipality	3,721.0	3,546.0	175.0	
Kareli Municipality	7,058.6	6,845.6	213.0	
Tighvi Municipality	1,565.9	1,385.9	30.0	150.0
Khashuri Municipality	7,365.8	7,140.8	225.0	
Rustavi city Municipality	15,450.3	14,950.3	500.0	
Bolnisi Municipality	305.0	0.0	305.0	
Gardabani Municipality	260.0	0.0	260.0	
Dmanisi Municipality	3,881.2	3,751.2	130.0	
Tetritskharo Municipality	4,111.6	3,894.6	217.0	
Marneuli Municipality	6,253.8	6,003.8	250.0	
Tsalka Municipality	1,092.6	983.6	109.0	
Lanchkhuti Municipality	6,458.6	6,238.6	220.0	
Ozurgeti Municipality	9,554.0	9,301.0	253.0	
Chokhatauri Municipality	2,260.4	2,077.4	183.0	
Adigeni Municipality	3,377.5	3,240.5	137.0	
Aspindza Municipality	526.0	400.0	126.0	
Akhalkalaki Municipality	215.0	0.0	215.0	
Akhaltzikhe Municipality	5,831.0	5,561.0	270.0	
Borjomi Municipality	190.0	0.0	190.0	

Name of Autonomous Republics and Self-Governing units	Total transfers	Equal-ization transfer	Targeted transfer	Special transfer
Ninotsminda Municipality	2,095.7	1,930.7	165.0	
Akhlagori Municipality	2,413.3	2,323.3	90.0	
Dusheti Municipality	3,615.9	3,508.9	107.0	
Tianeti Municipality	3,372.8	3,236.8	136.0	
Mtskheta Municipality	2,923.0	2,555.0	368.0	
Kazbegi Municipality	85.0	0.0	85.0	
Ambrolauri Municipality	6,941.5	6,801.5	140.0	
Lentekhi Municipality	2,828.5	2,723.5	105.0	
Oni Municipality	3,055.4	2,952.4	103.0	
Tsageri Municipality	4,750.4	4,592.4	158.0	
Total	768,000.0	705,080.0	11,770.0	51,150.0

Note: The delegated powers include “Public Health”, “On Military Duty and Military Service”, “Military Service Law”, “Ministry of Internally Displaced Persons - Refugees”, “Defending the dead and After the War Commemorating soldiers user”, “Development of mountainous regions” and other laws on the financing of measures envisaged by the authorities.

FUNCTIONAL CLASSIFICATION OF EXPENSES AND INCREASE IN NONFINANCIAL ASSETS OF STATE BUDGET OF GEORGIA

Expenses of State Budget of Georgia and increase in nonfinancial assets are recorded by functional classification and looks as follows:

Code	Name	2016 Actual	2017 Plan	2018 Plan
7	Total Expenditures	9,404.2	10,174.4	11,349.4
7.1	General State service	1,749.8	1,999.2	2,122.7
7.2	Defence	678.6	675.9	729.4
7.3	Public order and Safety	1,010.8	1,032.4	1,115.6
7.4	Economic activity	1,122.6	1,385.2	1,949.9
7.5	Environment protection	57.7	40.8	61.0
7.6	Household-utility service	51.4	35.7	40.8
7.7	Health Care	1,024.7	999.5	1,087.0
7.8	Recreation, culture and religion	274.5	238.2	324.4
7.9	education	1,024.0	1,187.9	1,236.6
7.10	social protection	2,410.1	2,579.6	2,682.0

