

Regulatory norms

Chapter 17. General public expenditures Disposal

The general public expenditures disposal adopted by this law-

– „62 01 – **Service and Repayment of State Foreign Liabilities**

„62 02 – **Service and Repayment of State domestic Liabilities** „62 03 – The liabilities arising with Cooperation International financial organizations, „62 04 – The transfers for Autonomous Republics and local self-governments

„62 10 –The financial coverage of monetary bonuses Georgian state awards for „62 12 – The general state payments financed by donors „62 11 Settle the liability undertaken by Georgian Government within the framework of existing International agreements”- The Ministry of Finance Disposes of Budget Resources.

Chapter 18 Funds of Georgian State Budget

1. To set up a Georgian Government Reserve fund in amount of 50 000.0 thousand GEL and President Fund in amount of 5 000 thousand GEL within the Georgian State Budget in order to finance unforeseen expenditures of the state budget, their management be implemented under the Georgian legislation.

2. To set up Georgian Regional Development Fund in amount of 280 000 GEL and disposal of this fund implement under Georgian legislation.

3. Identify “Village support program” within fund of projects implemented in Georgian regions in amount of 50 000 thousand GEL and disposal of this amount implement under Georgian Government degrees.

4. “About projects in regions of Georgia provided by state budget of Georgia to be financed approval local and regional project selection procedures and criteria” accordingly identified the rule by government resolution 2013, February 7 №23 from funds of Regional infrastructure projects the amount will be allocated by LSG in case of Co-financing. The rule of co-financing by LSG is identified by state of Georgia.

5. Within the fund of projects implemented in regions of Georgia “for Rural Support Program” from allocated assignments amounts for municipalities or its part, in case of decision availability of the municipal representative body, may be used for infrastructure projects I the territory of municipality instead of specific rural.

6. Highland Community Development Fund define by the amount of 20 000 thousand GEL and its disposal to be implemented by the rule established from legislation of Georgia.

7. Fund of Execution of court decisions and debt accumulated in previous years define by the amount of 40 000.0 GEL and its disposal to be implemented by the decisions made by the Government of Georgia and accordingly to Georgian legislation. The ministry of Finance must reflect internally charge accumulated in previous years to cover debt and provided allotments by the execution of court decisions from treasury single account with legislation.

8. From the reserve fund of Georgian government or/and the Regional Development Fund the amount of the allocation of the budget proposals organizations upon requests, also from local

authorities and relevant bodies of the Autonomous Republics the Ministry of Finance will present to Prime Minister or the government of Georgia.

Article 19. Repay indebtedness

accumulated in previous years to cover the liabilities budgetary organizations for State budget funding may use appropriations allocated on them in 2016 provided that the new debt will not be allowed to accumulate for which the entire responsibility bears with the organizations.

Article 20. State Debt

1. For the Foreign State Commitments service and coverage the 2016 state budget allocates 628 700 thousand GEL:

a) Principal repayments- 360 000 thousand GEL, between them:

aa. for the Bilateral credits-140 000 thousand GEL

ab. for Multilateral Credits - 220 000 thousand GEL;

b) Payment of interest - 268 700 thousand GEL, between them:

b.1) for Bilateral credits - 75 700 thousand GEL;

b.2) for multilateral credits - 107 000 thousand GEL;

b.3) for State securities by Foreign Service obligations arising - 86 000 thousand GEL

2. To be given the right to the Ministry of Finance, within the foreign debt service and coverage provided allotments, the procedure prescribed by the Government of Georgia, reimburse from the funds of legal entities or funding the relevant programs from the legal entities for the realization and marketing of products and services.

3. Under the “No 204 of the 20 March 2016 on the amendments in the agreement between the Government of Georgia and the National Bank of Georgia on the activities of clearing the liabilities of the Government of Georgia to the National Bank of Georgia”, the amount of the interest to pay off to the national bank of Georgia is defined as 48 533.2 GEL (will be confirmed based on the additional agreement between the Government of Georgia and the national Bank of Georgia), whereas the amount of the principal repayment is – 35 000.0 GEL.

4. Under the “No 204 of the 20 March 2016 on the amendments in the agreement between the Government of Georgia and the National Bank of Georgia on the activities of clearing the liabilities of the Government of Georgia to the National Bank of Georgia”, the renewal of government bonds of the amount of 400 846.0 GEL, issued by the Government of Georgia on the 15 March, 2015 is defined at the amount of 360 846.0 GEL and 40 000.0 GEL for the government securities to be rollover into the government bonds for marketable operations.

5. Based on the issuance of the treasury obligations and treasury bonds the domestic liabilities adjustment is defined no more than 200 000.0 GEL net growth. Issuance of the treasury obligations and treasury bonds to be provided by the Ministry of Finance under the law of Georgia on “the state debt”. Ministry of Finance should register the coverage of treasury liabilities and treasury obligations, according to the decrease of the relevant article on budgetary receipts. 6. Ministry of Finance is obliged to use the existing net balance on the treasury universal account instead of treasury securities and treasury bonds. Herewith, net amount generated by the issuance of the treasury securities and treasury bonds, and instead of them, the use of net balance of the treasury universal account, should not totally exceed 200 000.0 GEL.

Article 21. Wages, bonuses, and appendages and allowances

1. To entitle Georgian Ministers and State Ministers with the agreement of the Georgian Government define service list and wages of the central ministry and territorial agencies under their supervision. Service list and the wages of the administration of the Georgian Government is defined by the Prime Minister.

2. The amendments in the approved service lists and wages should also be agreed with the Georgian Government, except the cases, when the monthly fund of the wage is not increased as a result of the changes, the employment number and position titles, as well as wages remain invariable.

3. According to the first paragraph of this article, service lists and wages of the supervised ministries, line departments and territorial agencies, which were conducted before the enforcement of this law, need not be agreed with the Government of Georgia.

4. During the period of 2016, bonuses, appendages and allowances for the employers of Georgian state, Abkhazian autonomous Republic, Adjara Autonomous Republic and self-governance agencies 205 budgetary organizations should be allocated according to the relevant approved budget. Herewith, during the period of 2016, the spending budgetary agencies of Abkhazian autonomous Republic, Adjara Autonomous Republic and self-governance agencies are entitled to increase no more than $\frac{1}{2}$ the approved allocations according to the article of the economic classification of the "Employers wage". 5. Under the allocation of the funds of the Georgian state budget, the spending agencies are entitled to exercise the decree of the 3rd paragraph of the Article 71, (Parliamentary notices №45, 21.11.1997, pgs. 55) of the law of 31 October, 1997 of Georgia on the "Public service", only on the employers, on which the above mentioned article was enforced before 1 January, 2006.

Article 22. The number of supernumerary employers, their wages and the wages of the employers of the legal entity of public law.

1. The number of the supernumerary employers of the budgetary organizations should not exceed 2% of servants' number. In those organizations, where 2% of servants' number is less than 5, the contracted employers should not exceed 5.

2. The average wage of supernumerary employers should not exceed the average wage of the employers, factual employer of the relevant budgetary organization.

3. The wage of the Head of LEPL should not exceed the wage of the first deputy minister of Georgia.

4. Average wage of the factual employees appointed on the position of the LEPL should not exceed 1 500 GEL.

5. Legal Public Entity shall not exceed the annual premium fund envisaged by the staff positions actually employed for remuneration for the year 20% of the cash flow.

6. This article shall not apply to restrictions on the autonomous republics and self-governing units and their establishment of legal entities and (non-profit) legal persons, Those public law legal entities, Which are considered as religious organizations by the Georgian legislation, public legal entity - public broadcasting, public schools, VET institutions and higher education institutions, As well as those legal entities of public law, Of which the state of

Georgia's, autonomous and self-financing does not exceed their budgets economic classification of expenditure as defined in Article 25% of the total revenues.

7. Exceptions from the limits under this article may be permitted the government's consent.
8. Exempt from the restrictions envisaged by this article of paragraph 7 does not require the agreement with the government, if it does not exceed the agreed amount of those exception, which was allowed for the budget organization / was subject for budgetary organization to 2015 years.

Article 23. Restrictions of spending of Georgian state budget by the Georgian ministries

1. 1. The Government of Georgia is authorized to suspend of the implementation in the framework of the state ministries budget funds by the budget classification codes and articles.
2. 2. Budgetary procedure envisaged by the Article 31 of the annual budget of specification of investment / capital projects envisaged for the purpose of payment of the expenses of the move is allowed only in agreement with the Government.
3. 3. The Government is authorized to determine the procurement dictionary (CPV) codes, according to the classification codes, in the frames of which, Georgian ministries and subject to control by the Budget organizations implementation of state purchases advance requires the Government consent.
4. 4. The ministries of Georgia to 10 days from the end of each quarter to the Ministry of Finance must submit information by them and by their subject to control the budgetary organizations, Under this law foreseen for them budgetary sources, "Government Procurement" accordance with the law implemented tenders as a result of economies of scale and economies of this further uses.
5. Ministry of Finance of Georgia submits to the government the information set forth in paragraph 4. Relevant decision of Georgian government is possible with the same clause of the economy or part appeal of defined under this Law the overall state fees, according to Georgian legislation.
6. Article 24. Georgia's diplomatic missions and consular posts abroad receipts spending "The Ministry of Foreign Affairs of the Ministry of budget spending units received by the consular fee, delegated his authority under the right of consular officials in the services provided by other budget revenues and fees for the registration and use of the" Rules of the President October 15, 2010 pursuant to the Decree №835, Georgia's diplomatic missions and consular posts abroad by the consular fee, Delegated under the right to his authority consular officials for services rendered fees and other budget revenues, the spending carried out at the site, To appropriate representation and the establishment under this law within the approved appropriations.

Article 25. Funding some of the measures by the Georgian Parliament

The right to be given to Parliament, In case of death of the Member of Parliament, approved allocations to fund the funeral and cemetery concerns with the event for him/her with this law.

Article 26. Funding some of the measures by the Ministry of Defense

1. The right to be given to the Ministry of Defense in 2015 "costs" and "non-financial assets growth," the financing of the allocations provided for in Articles, Whose uninterrupted implementation is necessary for reconstruction of the armed forces and purpose of raising defense to fulfill the obligations undertaken by the state to implement this law, the Ministry of Defense for "expenses" and "not a financial asset growth" within the provisions of the approved appropriations.
2. The Minister of Defense of Georgia in certain cases by the act of the individual administrative legal and imposed limit within the Ministry of Defense of Georgia the sub divisions (units) to buy goods, Work and services of the Minister of Defense of the same act of the structural units (units) are considered to be contracting entities and the public procurement legislation of the right - and responsibility.

Article 27. Internally Displaced Persons from the Occupied Territories of Georgia, Accommodation and Refugees of the measures to be implemented

IDP legal ownership of the residential area (where the refugees by the state has been settled and that the Ministry of Internally Displaced Persons, Refugees and Accommodation of Database was registered as a compact (organized) settlement, as well as the Ministry against the administration, household and utilities expenses (including facilities for IDPs, refugee and humanitarian status of persons with the used water, waste disposal, Garbage collection and disinfection-disinfestations, accommodation facilities and services to ongoing repair other costs) remuneration) administrative expenses to define month 2 gels. The financing is made in accordance with contractual obligations. Terms of the agreement and its execution of the documents required for the decision of the Minister of Internally Displaced Persons, Refugees and Displaced Persons Ministry.

Article 28. The measures to be implemented by the Ministry of Labor, Health and Social Affairs of Georgia

1. This law, the Ministry of Labor, Health and Social Affairs within the appropriations approved by the Ministry of Labor, Health and Social Affairs to carry out certain activities to continue and, if necessary, measures should be introduced by the co-payment of the compensation principle. Co-payment procedure, form and is defined by the government.

2. This law, the Ministry of Labor, Health and Social Affairs for the state programs - "social protection", "Community Health", "medical-social examination and control", "drugs state control", "Medical Rehabilitation of Medical Institutions" "labor and employment system reform program" - the measures provided for within the limits of financing, co-financing, account alignment with the rules and the basic principles defined by the Government, if the legislation does not provide otherwise. In the framework of "pension provision of the population" granted state pension and state compensation.

3. To be defined the state pension age pensioners cash amount:

- a) From 2016 years 1 July – 160 Lair;
- b) From 2016 years 1 July – 180 Lair.

In the framework of: "population groups targeted social assistance”:

- a) To be financed input of "social package" cash payouts / outlays;
- b) To be granted household subsidy "about social benefits monetization" in accordance with Resolution 2007 of January 11, №4 of Georgian government;

- c) Extended "social support" of the government decree of July 28, 2006 №145 provided subsistence allowance and reintegration assistance to pay for Georgian government's terms and conditions;
- d) Extend to displaced, refugee and humanitarian status of persons with benefits: a displaced person, a refugee or humanitarian status monthly allowances to be defined by GEL 45;
- e) Extend maternity and child care, as well as adoption and due to temporary disability benefits by the terms and conditions of the Ministry of Labor, Health and Social Affairs ;
- f) To be financed the help of the employee's employment duties for the health claims for damages as a result of passion, whose appointment and the rule defined by the Government;
- g) To be financed the measures related to the implementation of all necessary measures under this paragraph;
- h) To be financed other events determined by the Government.

6. The right to be given to the Government, to determine the 2015 Labor, Health and Social Affairs of State Programs / their events / volumes, the implementation of which continuous in 2016 from January 1, the Ministry of Labor, Health and Social Affairs of the system to be implemented in 2016, the programs before approving and those programs suppliers reveal the "public Procurement" of the law of a voucher or conditions.

7. In the system of the Ministry of Labor, Health and Social Affairs Ministry the relevant statutory allocations prior to approval of the proposed measures and their components or/and "About State Procurement" before the implementation of the requirements of the law or according to the terms of the voucher before relevant suppliers revealed extend 2015 Labor, Health and Social Affairs measured programs of which continuous exercise is necessary to fulfill the obligations assumed by the State, and the agreement must be signed on the same suppliers, if the legislation has not determined the other issues; At the same time, the user should be made aware of the Health and Social Issues Committee and the public law legal person– State Procurement Agency.

8. Within the programs of Ministry of Labor, Health and Social Affairs of the State In 2015, the works financed by this Law approved the funds by the Ministry of Labor, Health and Social Affairs.

9. Within the programs of Ministry of Labor, Health and Social Affairs of the State 2015 issued vouchers (Voucher appropriate conditions) and "Referral service" state program's "Natural disasters, catastrophes, emergencies, in conflicts regions for affected citizens and by the government of the other cases providing medical care to the population " within the components of decisions, which could not be financed in 2015, be funded by the law applicable to the budget for the programs.

10. Within the software code approved by the law „35 03 02 02 – Immunization“ procurement of vaccines and syringes made through UNICEF, by the simplified procurement, and the purchase of vaccines and syringes of which purchase cannot be implemented through the UNICEF, – “About State Procurement” According to the law of Georgia.

11. Within the software source code approved by the law „35 03 02 07 – TB management” Quality of diagnosis and treatment of all forms of TB universal access to events and within the software code „35 03 02 08 – HIV / AIDS control” Georgia HIV / AIDS prevention in the National Response Support, HIV / AIDS live performance improvement / treatment and care measures Pharmaceutical and other medical products procurement undertaken against HIV / AIDS, Tuberculosis and Malaria combating by the Global Fund set by the International Joint procurement agents, between them, The above-mentioned measures HIV / AIDS and TB drugs for first-line purchase within the appropriations under this law, And in the pharmaceutical and other health products procured, Which cannot be

procured through the fight against HIV / AIDS, Malaria and TB by the Global Fund set by the International Joint procurement agents, – „About State Procurement“ according to the law of Georgia.

12. For the functioning of Tbilisi municipality emergency operation required events must be financed from Tbilisi city municipality budget, with legislation.

Article 29. Compensation of the cost of natural gas supplied to Kazbegi Municipality and Dusheti Municipality mountainous rural population.

1. In Kazbegi Municipality and Dusheti Municipality mountainous villages (Seturni, Zakatkari, Jaghmiani, Bedoni, Benian-Begoni, Iukho, Muduru, Tskere, Tsikhiani, Sviana-Rostiani and Qorogho, also that villages, which granted status of the mountainous settlement according to the laws) for the permanent residents (abonents) define benefit of natural gas consumption monthly 700m³ From December 1, 2016 through May 15, 2015 and October 15, 2016 through November 30, 2016 (May and October– 350 m³). At the same time, given the opportunity to subscribers, the corresponding periods during the month to enjoy the privileges of unused next month, in particular, From December 1, 2015 unused credit be used in 2016 during the period of May 15, and the balance of benefits to be abolished on May 16, 2016, October 15, 2016, unused credit used during the period of May 15, 2017 The balance of benefits abolished on May 16, 2017.

2. The natural gas distribution company is required to reflect the benefit limit the provisions of paragraph exempt customers' registration cards beginning of each month and in the reporting period the unused credit.

3. Presented by the Natural gas distribution company and Administration duly certified by the relevant reports Georgian Energy Ministry must compensate From the period of December 1, 2015 through May 15, 2016 and October 15, 2016 through November 30, 2016 Kazbegi Municipality and Dusheti Municipality mountainous villages (Seturni, Zakatkari, Jaghmiani, Bedoni, Benian-Begoni, Iukho, Muduru, Tskere, Tsikhiani, Sviana-Rostiani and Qorogho) by permanent resident population (abonents) the limits set by the first paragraph and within the reporting period, the unused allowances In fact, the cost of natural gas consumed.

Article 30. On The former South Ossetian Autonomous District Temporary administrative units administration – the measures to be implemented by South Ossetian administration.

During the 2016 year on The former South Ossetian Autonomous District Temporary administrative units administration – the measures to be implemented by South Ossetian administration's – head of South Ossetia Administration is authorized by the law On the basis of its decision to grant a one-time aid from Administration approved appropriations.

Article 31. Measures to be taken by the Minister of Corrections and Legal Assistance of Georgia.

To be allowed Minister of Corrections and Legal Assistance of Georgia, within the program "Accused and convicted of the equivalent provision of medical care" implement funding of the completed works in 2015 by the law approved for the funds from the Ministry of Corrections.

Article 32. Measures to be taken in connection of the functioning of the General Court

1. By the article 15 of this law defined number of employees of the general courts does not limit, prescribed by law, judges of the General Court and the associated staff (Assistant, Secretary) appointment.

2. For the uninterrupted financing of events defined by the article 1 of this, if necessary, the government of Georgia should provide additional funds for the general courts.

Article 33. Public awareness with regard to the measures to be implemented

To allow the budgetary organizations, within the amount of allocations provide funding of events regards to public awareness.