

CITIZEN'S GUIDE

2022



LAW ON STATE BUDGET

MINISTRY OF FINANCE OF GEORGIA
TBILISI, 2021

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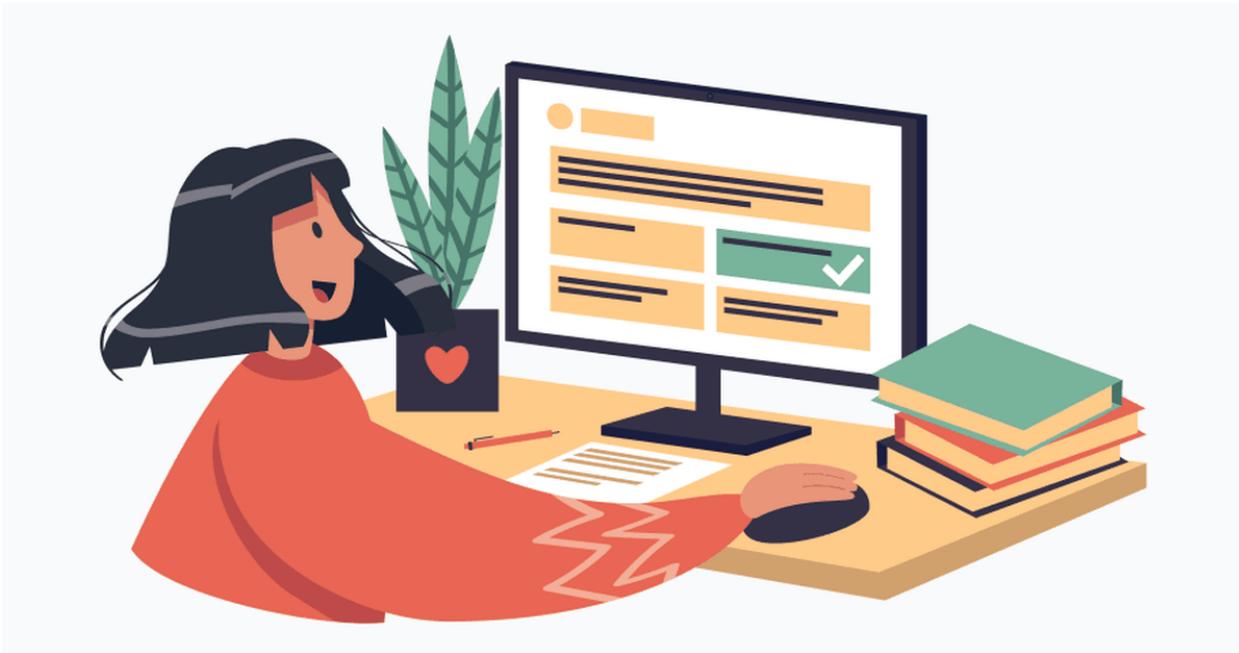
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About the Guide

The state's priority is to protect its own population, promote their social integration, achieve economic stability and competitiveness on the world market for each citizen, as well as explain to the citizens where the money comes from and where it goes in the state budget. This priority can only be implemented through active citizens. That is why a Citizen's Guide is being prepared on an annual basis, which would help enabling community members become more active.



The purpose of the Guide is to provide the wider public with the key issues envisaged by the law of Georgia on State Budget. Using the Guide, all interested persons will learn what the term budget means, what components the budget system consists of, become familiar with the budget process steps, the legal basis for managing the budget process, reforms implemented in recent years in the field of public finance management and the results achieved, get an idea about priority areas of the state budget 2022, as well as the activities planned by the state budget, on the amount of revenues to be received by the state during the year and the costs to be born in achieving the objectives set.

brief guide to the State Budget of Georgia 2022, the budget and other additional information related to the budget/budgetary process is available to the public through the official website¹ of the Ministry of Finance of Georgia.

Family Budget

What is a budget? This is the knowledge of how to manage your income. Budgeting is beneficial for individuals and families as well as for business people and governments.

All family members should be involved in budgeting so that everyone feels obliged to follow the plan drafted. A budget drafted jointly will help each family member better manage their family income. Needs and costs increase along with revenue and, usually, always exceed it. In fact, a joint budget involves managing finances in a way that allows for thinking about the future.

¹ www.mof.ge

When determining a family budget, expected income and expenses such as food, utilities, transportation, vacation, necessary family disbursements such as home, car and other consumer loan repayments and bank interest payments are to be considered, as well as the possibility of saving some money. It is important to assess the costs to be born during the year with regard to the family income. If the family income appears to be insufficient to cover the planned costs, priorities should be identified to reduce costs, or alternatives should be considered to increase revenues, e.g.: overtime working hours, transfer to a new job or finding an additional job. If the family believes that their situation is temporary, or if they wish to start a new business and do not have sufficient funds, its members may consider obtaining a loan, but, at the same time, they should also consider and find sources of the loan repayment.

If family income exceeds daily expenses, savings can be made to make long-term plans. Alternatively, such amount may be spent on improving the current situation; for example, they may buy a new car, appliances or improve living conditions.

In some ways, the family is a small model of the state, and the process of drafting the state budget by the government runs in some cases similar to the process described above. The government and parliament determine the government's expected revenues, sources of revenue, and expected spending by programs. Examples include programs of defense, foreign affairs, social security, education, law enforcement entities, regional infrastructure, agriculture etc. In cases where expected revenues are less than expenses, the government considers the possibility of obtaining external debt under certain conditions if it is beneficial to the country and it is possible to find the sources of its repayment

What Does The Term „Budget” Mean?

The term “budget” is derived from the English word “Budget” which means sack. When the Government asked the House of Commons for money in the English Parliament, the Chancellor of the Treasury opened a portfolio (sack) containing a draft State Income-Expense Account. This was called opening the budget.

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

All receipts and payments of the state budget of Georgia are accomplished through the State Treasury System. It is one of the key components of public finances. State finances, in turn, are a key part of the country's financial system, which is an instrument to implement economic, political and social functions of the state

Legal Basis of Budget System

Constitution of Georgia

Organic Law of Georgia on Economic Freedom

Budget Code of Georgia



Legislative and subordinate legal acts

Local Self-Government Code Organic Law of Georgia

Acts issued by the Central, Autonomous Republics and Local Authorities

State Budget

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



Budgeting is a transparent planning in which the government and spending agencies and budgetary organizations reach a sort of agreement on the allocation of state resources according to strategic priorities. In the process of refining and improving the formulation of the budget process, it is important to incorporate this process into the established fiscal framework and to allocate resources effectively to achieve the goals set.

The budget has a multifaceted function, namely:

- ❖ The budget is a plan developed by central governments for how the government will seek funding to meet its commitments. What kind and amount of money should be mobilized for this purpose from various taxes such as value added tax, excise tax, profits and other taxes.
- ❖ The budget is a plan for how the government should spend the funds it mobilizes. What measures should be funded and how the revenue should be distributed to different areas. Namely, education, defense, health, social protection, etc. to other areas.
- ❖ The budget determines limits of state debt and loans to be obtained by the government. If spending exceeds revenue, the government has to contract a certain debt to cover the cost of services provided to its population and pay off debts of previous years.
- ❖ The budget affects the development of the national economy. Some costs (such as education and science, as well as the introduction of new technologies) may increase productivity, which also will lead to an increase in the population income in future. On the other hand, taxes reduce the income of the population and leave them less money to spend. Therefore, the budget (receipts and payments) should be balanced so that it becomes a powerful lever for the country's development.
- ❖ The budget itself is influenced by national economic processes. In particular, in conditions of high economic growth, business becomes more active, employment volumes increases, and consequently, the income of both the citizens and the country's budget increases, especially tax revenue. Under these conditions, the government obtains the opportunity to finance more activities. However, the need to contract debts becomes reduced.
- ❖ The budget is a strategic document. In addition, the budget includes information on funds raised and spent by the government in previous years, as well as forecast information with regard to future spending of the funds.

Basic terms:

Budget - a set of receipts to be received, payments to be made and changes in balances in fulfilling the functions and obligations of the Central, Autonomous Republics and local authorities of Georgia that are approved by the relevant central, autonomous republics and local authorities of Georgia.

Program Budget - allocations are made in accordance with spending agencies and programs/sub-programs to be implemented by them. The basic principle of a program budget is to direct public funds to achieve predetermined results, and, with that in mind, program budgets are often referred to as results-oriented budgets; the purpose of a program budget is to increase the efficiency of public spending, to strengthen the link between funding for public sector institutions and the results they achieve.

Besides the programs and sub-programs to be implemented by spending agencies, the Budget Code defines payments of general state importance².

² The Law of Georgia on the "Budget Code of Georgia" establishes what these types of payments may be, which also implies reserve funds and the limit set for reserve funds (no more than 2% of the total budget).

Program - is a set of activities to be carried out by a budget organization(s) to achieve the priority goals set by the budget, grouped by similar content and implemented to achieve a single final outcome.

Subprogram - is a set of activities to be carried out by a budget organization(s) within the spending agency program.

Surplus - if the planned budget revenue exceeds the expenditure share, we may speak of a budget surplus.

Deficit - if the planned budget expenses exceed the revenue share, we may speak of a budget deficit.

Spending Institution - a budget organization envisaged under the first rank in the budget program classification.

Budgetary Organization - a spending agency and/or an organization authorized to allocate funds within programs / sub-programs envisaged by the budget that drafts its own budget, executes the budget, and reports in accordance with established norms, procedures and rules.

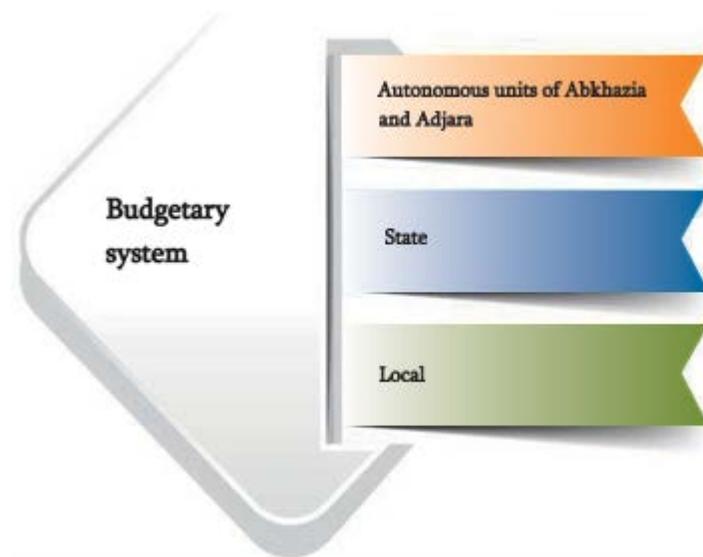
Budgetary System of Georgia

Budgets may be of different levels, the unity of which creates the budgetary system. The budgetary system of Georgia comprises the state budget of Georgia, the budgets of the autonomous units of Abkhazia and Adjara, and the local budgets.

In addition, the terms “consolidated budget” and “unified state budget” are used when formulating financial policies.

Consolidated Budget incorporates existing budgets and is not a normative act, thus, it shall not be approved by the Parliament of Georgia.

United State Budget is a consolidated budget of the central budget, unified republican budgets of the autonomous republics, and the unified municipal budgets of the self-governing units, which shall not be endorsed by any governmental representative body.

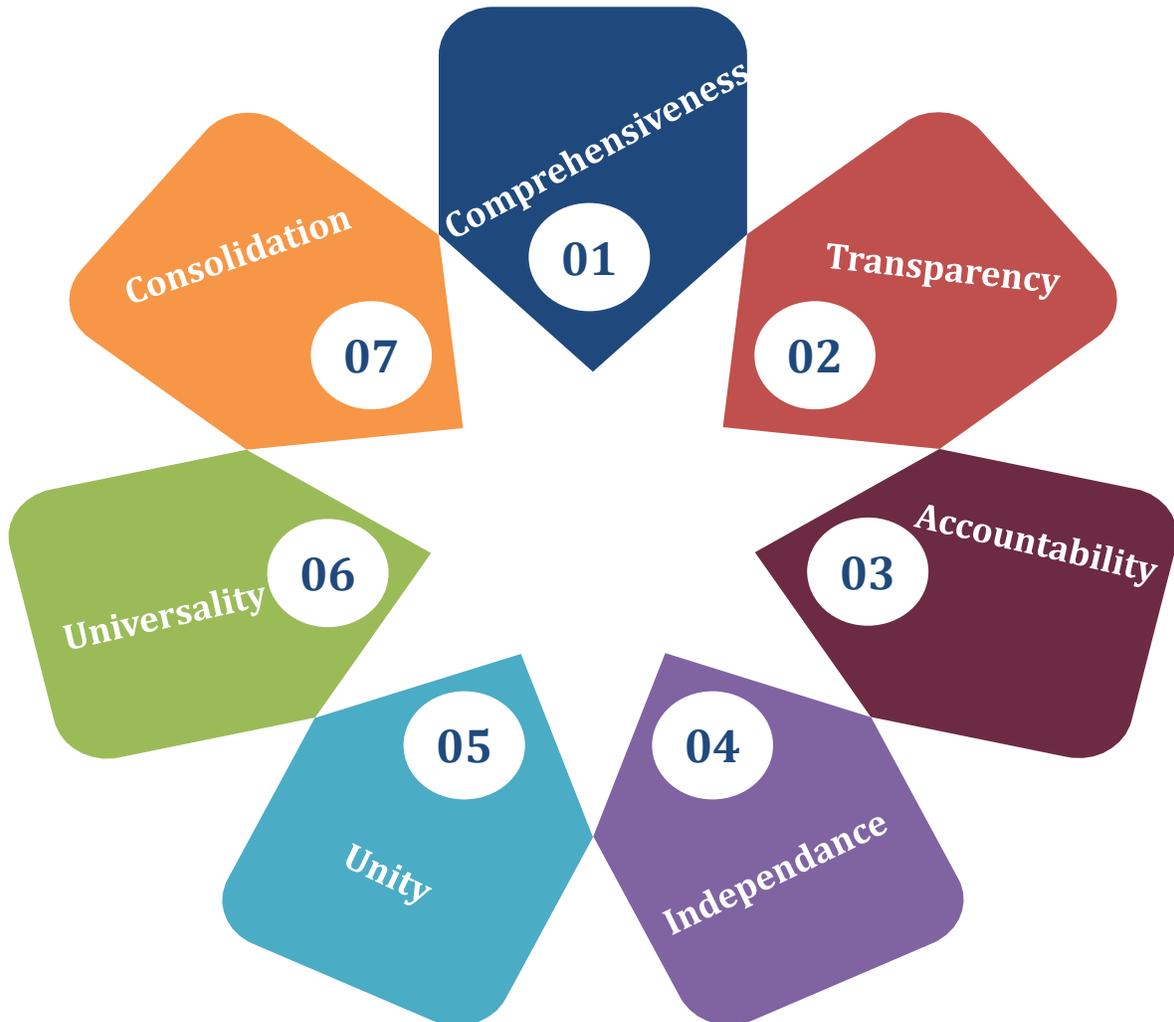


Budgeting Process

A state's action on budget formation, review, approval, adjustment, execution, reporting and control is called a budgeting process.



Basic Principles of Budgetary System of Georgia



Comprehensiveness

Complete reflection of all budget receipts, payments and balance changes in the budget

Accountability

Responsibility of all participants for their activities and information submitted

Unity

Being guided by unified classification, unified accounting system, unified Principles of state financial control for budget of all levels

Consolidation

Unified state treasury account system

Transparency

Publicity of review procedures in representative bodies, publication of the budget and its execution reports, access to information

Independence

Budget independence at all levels

Universality

Directing all budget receipts to fund common payments

Responsibility of State Budget Participants

- The **Government of Georgia** is responsible for drafting the state budget, executing the budget and reporting on it;
- The **Parliament of Georgia** is authorized to discuss and approve the draft state budget and control the budget;
- The **Ministry of Finance of Georgia** is responsible for the unified state budget, consolidated budget of Georgia and central budget;

Country's Basic Data and Direction Document (BDD)

The process of development of a draft annual budget begins with the work on the country's Basic Data and Directions Document (BDD).

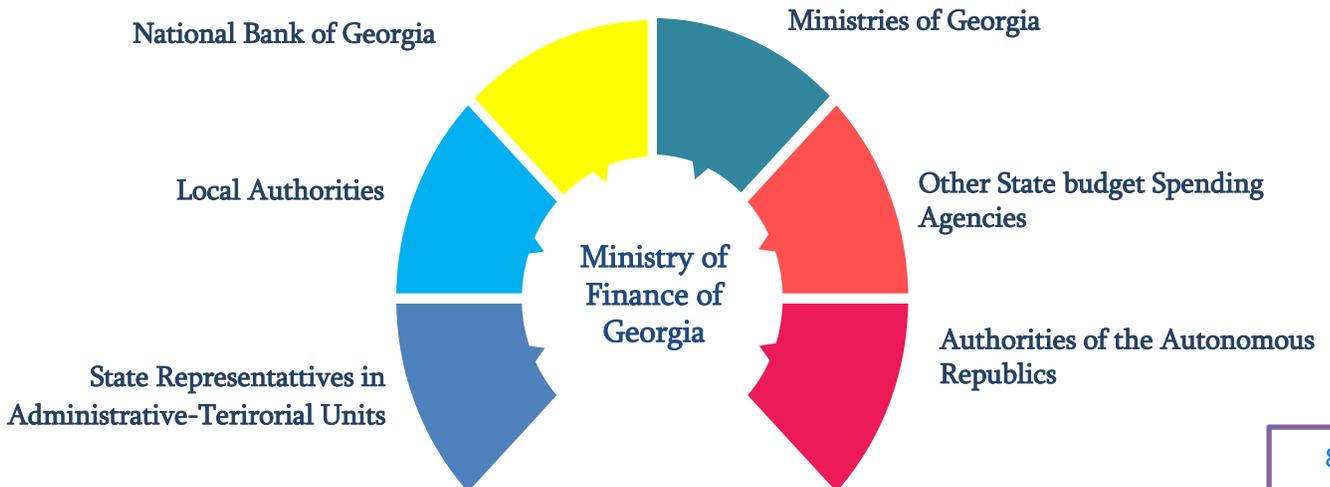
The country's Basic Data and Directions Document is the basic plan of the country's development that outlines information on medium-term macroeconomic and fiscal forecasts, as well as information on basic development directions for Georgia's central, autonomous republics and local governments.

The document covers a period of 4 years and is an annually updated document.

Preparation of the annual budget begins with the drafting of the BDD document. The Budget Code of Georgia defines the stages of development of the country's Basic Data and Directions Document, what information should be included in it, and the timeframes for submitting its initial, revised and final versions to the Government and Parliament of Georgia.

The Government of Georgia shall endorse the initial version of the country's Basic Data and Directions Document for the budget year to be planned +3 years

The following are involved in the development of the Basic Data and Direction Document (BDD):



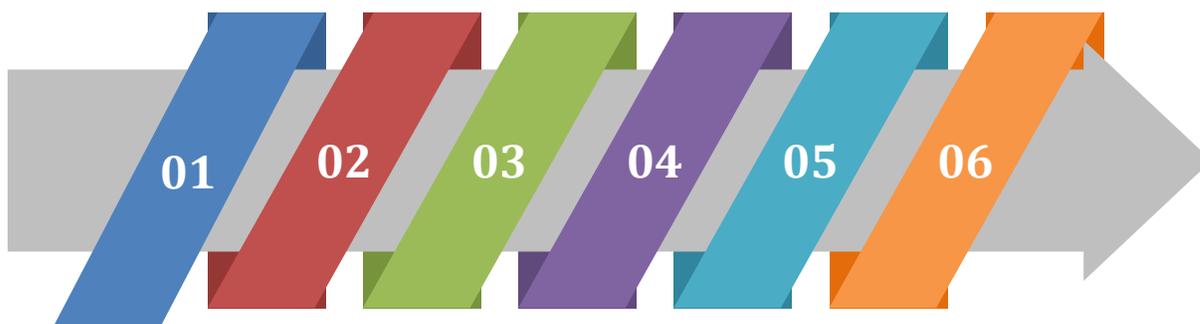
Structure of the Country's Basic Data and Directions Document (BDD)

The Country's Basic Data and Directions Document (BDD) begins with a government program, based on which the document is drafted according to the following structure:



Brief Description of Budgetary Process

- The Ministries formulate their priorities for the development of the draft state budget;
- The Government agrees priorities and budgetary parameters with the Parliament;
- In line with Parliament's remarks and suggestions, the Ministries endorse medium-term priorities and their implementation strategies;
- Based on the priorities of the ministries, the BDD document is developed, outlining among other things the estimated funding capacities for programs of spending agencies and the budgetary thresholds of the ministries;
- Taking into account the BDD document, spending agencies fill in budget applications; on the basis of budget applications, the Ministry of Finance develops the draft state budget;
- The Government of Georgia submits the draft budget to the Parliament of Georgia, which, after deliberations, approves the law on the annual budget.



- **Formulation of the priorities by the ministries**
- **Agreement of priorities and budget parameters with the Parliament**
- **Approval of action plans by ministries**
- **Development of the BDD document and approval of thresholds**
- **Filling in budget applications**
- **Prepare a draft budget**

Description of Public Financial Management Reform

The public finance management reform began in 2004, implying the introduction of medium-term planning of expenditures, general improvement of the budgetary process, alignment of budgetary classification with international standards GFSM 2001 for budgets of all levels, and transition to program budgeting.

Georgia has developed a legislative framework that ensures existence of a sound budgetary system. New regulations recently adopted in relation to the budgetary process were reflected in the new Budget Code, which was approved in 2009 and has been in force since 2010. As a result, all legislative acts of the budgeting system at the state, autonomous and local levels were combined in one law, the BDD Document was improved, the program budget was introduced for the central government, municipalities and autonomous budgets, the Parliament approved the organic law on economic freedom, which is in force since 2014. It sets out fiscal discipline rules for public finance management, as well as mandatory fiscal rules and exclusions.



Based on the aforementioned laws, the management of public finances of Georgia is governed by several by-laws, of which the following are worth noting: the budget classification approved by the order of the Minister of Finance, based on IMF Public Sector Financial Statistics Guidelines 2014; the methodology for drafting program budgets approved by the order of the Minister of Finance, and the guidelines and methodology for managing investment projects approved by the Government Decree and the order of the Minister of Finance, etc.

Electronic systems (ePFMs) have been developed fully harmonized with eBudget and eTreasury systems. Creation and introduction of the integrated, Internet-based, electronic public finance management system is one of the major successes within the country's public finance management reform. It currently has about 4,500 domestic users.

Along with the budgeting process and procedures of the central government, the **local government budgeting process** and procedures **were developed** and a comprehensive and well-implemented system was established, which facilitated the inclusion of local self-government units in the eTreasury system.

Medium-term budget planning has improved. Links between the documents covering the governmental program, the mid-term fiscal framework, individual mid-term action plans of sectoral ministries and the annual state budget approved by parliament were strengthened. **Since 2012, software budgeting and results-oriented budgeting were introduced.** Introduction of the results-oriented budgeting requires additional work and is implied within the reform agenda. **PEFA** (Cost and Financial Accountability

Assessment), is an assessment tool for public finance management. The assessment methodology provides a thorough, consistent and evidence-based analysis of the performance of public finance management over a specific period of time. This methodology includes 31 indicators that enable assessing budget reliability, public finance transparency, asset and liability management, policy-based strategy and budgeting, budget

execution forecasting and control, accounting and reporting, as well as external analysis and audit systems. The assessment and report obtained enables all stakeholders to get an insight into the strengths and weaknesses of the country's public finance management. According to **PEFA's** assessment of the year **2017**, Georgia has managed to make significant progress by eliminating the gaps identified in 2012. A number of activities have been implemented by the Ministry of Finance of Georgia. Among them, in 2015, the program budget methodology was updated, which helped to regulate both contextual and procedural issues when developing industry, sectoral and other types of strategies and action plans. In 2018, the program budgeting methodology was updated for the Autonomous Republics and Municipalities, and the format for drafting budget documents by them has significantly improved, and the process of drafting these documents were also regulated.



As a result of the reforms implemented, the **link between the main areas of the country and the budget has strengthened**. Countrywide industry and sectoral action plans include relevant cost estimates and are consistent with the law on annual budget and the parameters set out in the country's BDD document for a 4-year period.

As a result of the implemented reforms, in accordance with the results of the Open Budget Survey 2019 published by the International Budget Partnership, Georgia was ranked 5th out of 118 countries of the world with 81 scores, and Georgia is still among the extensive transparent countries

Significant steps were taken towards the improvement of capital budgeting. Efforts are being made both to refine the budget documentation on capital expenditures in terms of content and to introduce a unified approach aimed at increasing the overall efficiency and effectiveness of public sector investment. A guide and methodology for managing investment/capital projects was developed, on the basis of which a process of gradual introduction of this reform was launched. The government's efforts to fully introduce the public investment management system in the country in line with international practice are aimed at the implementation of further stages of the reform. Among the commitments jointly agreed with the European Union within the framework of financial assistance, as well as in accordance with the Public Finance Management Strategy and Action Plan 2018-2021, further stages of implementation of the investment project management reform in the medium term are envisaged, which is a complex and laborious process. As part of the commitments already made, 14 investment projects were evaluated in 2019 in accordance with the investment project management methodology and attached to the budget of 2020. The new coronavirus (COVID 19) pandemic in the world in 2020-2021 and the related economic recession have affected the forecasts of Georgia's economic parameters and budget revenues, both expenditures and expenditures. A number of economic activities were restricted, and in addition to the costs of treating and diagnosing those infected with the virus, it became necessary to take a number of measures to promote social protection and business for the population. The expenditure part of the budget was significantly limited. Reduced all programs whose non-implementation and / or postponement would not significantly harm the relevant sector, including limiting cultural, sporting and tourism activities due to natural factors

(pandemic constraints). Significant reductions in the number of capital projects have affected tourism infrastructure.

Consequently, the implementation of existing investment projects has been delayed, as well as the funds needed to finance new projects have been limited. Nevertheless, in 2021, 11 new capital projects were evaluated, initiated by the Ministry of Regional Development and Infrastructure of Georgia, the Ministry of Economy and Sustainable Development of Georgia, the Ministry of Education, Science, Culture and Sports of Georgia and the Public Defender's Office.

Significant progress is being observed in introducing the reform of international accounting standards in the public sector. In accordance with the Action Plan for the implementation of international accounting standards in the public sector, key stages were identified for the transition to international accounting standards using the accrual method by 2020.

The area of the unified account of the Treasury was expanded and currently includes local authorities and public agencies, except for schools and kindergartens. Thus, consolidated reports on the budget execution and information of both central and local governments and public agencies are available in real time, by days, months and years. The State Treasury developed necessary regulations for managing cash resources on treasury accounts and started placing free cash funds in commercial banks through auctions held in Bloomberg.

Within the framework of the EU-funded technical assistance, a book titled “Public Finance Management Reform in Georgia³”, was prepared and published, describing reforms implemented during the 10-year cooperation with the EU, as well as future plans. All state institutions involved in the public finance management reform were involved in the preparation of the book.



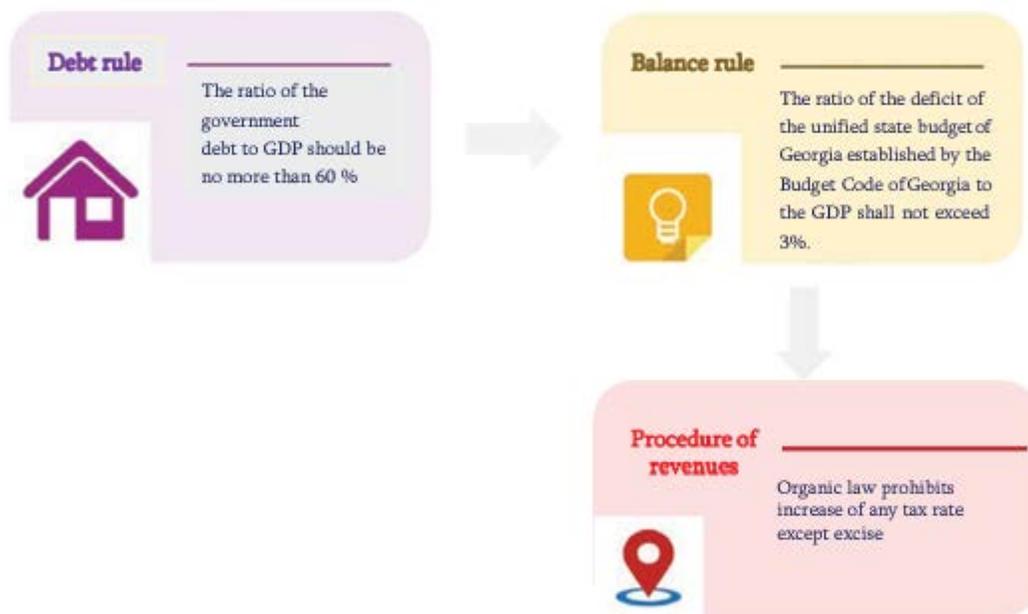
³ http://mof.ge/images/File/biujeti/European_Union_Finish_14_09_2017.pdf

Fiscal Rules in Georgia

In 2011, Georgia adopted the Organic Law of Georgia⁴ “*On Economic Freedom*” establishing guaranties for economic rights and freedoms. Through this law, the state provides economic rights and freedoms that are designed to form the basis for society development, welfare of people, and the long-term, sustainable growth of the economy. Freedom is the basic principle of economic policy, manifested in a small size of government, responsible macroeconomic policy and low taxes.

Introduction of a new type of national tax, other than excise tax, or an increase in the upper limit of the existing rate according to the national tax, excluding excise tax, is possible only through a referendum.

The following maximal thresholds of macroeconomic parameters are set to provide long-term and sustainable economic growth, population welfare, macroeconomic and fiscal stability:



⁴ <https://matsne.gov.ge/document/view/1405264?publication=2>

Government debt includes

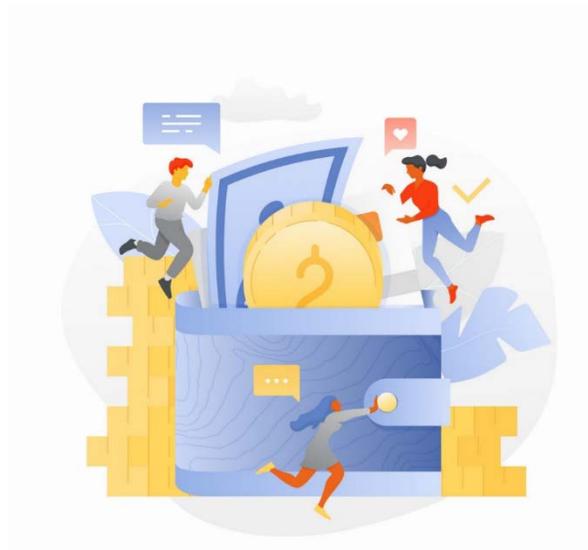
- State debt provided for by the Law of Georgia on State Debt, except for the obligations assumed by the National Bank of Georgia;
- Debt of budget organizations in the form of loan, except for debt taken from budget organizations.

If the budget approved by the Parliament of Georgia does not comply with the limit or limits established by law, the Government of Georgia shall be obliged to develop and submit to the Parliament of Georgia for approval a plan of return within the prescribed limits, the duration of which shall not exceed 3 years.

It is possible to plan beyond the limits of the unified state budget and/or implement the planned parameters:

- ✓ In case if a state of emergency or martial law have been declared according to the procedure established by the legislation of Georgia, and if it is necessary to finance measures aimed at eliminating damage resulting from such a state;
- ✓ In case of slowdown of economic growth/recession - if, according to data published by the Legal Entity of Public Law - National Statistics Office of Georgia, the real economic growth rate of the last 2 quarters in a row is 2 percentage points lower than the average real economic growth rate of the last 10 years.

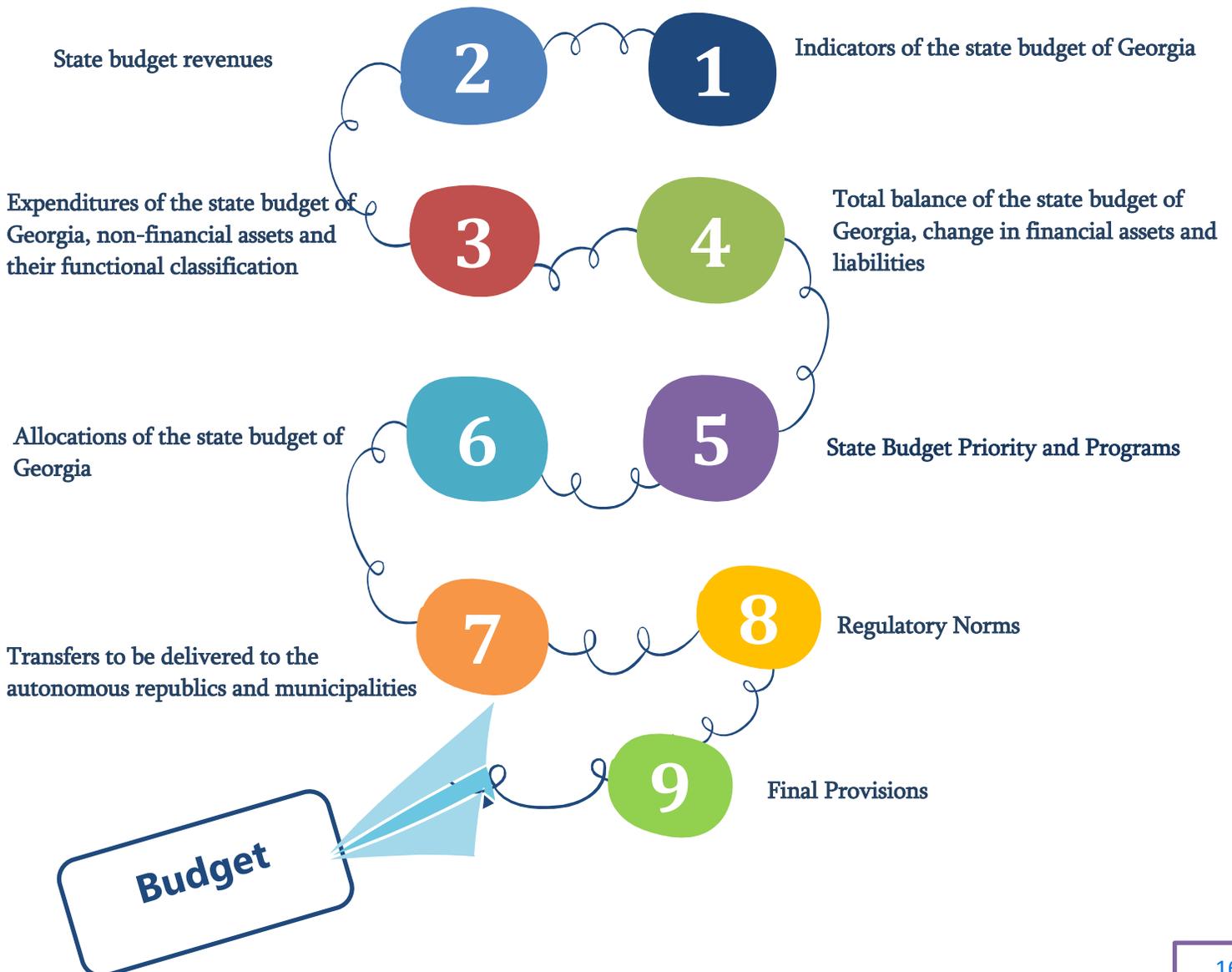
Determination of fiscal parameters for a medium-term period is based on general rules established by the legislation, as well as the analysis of the macroeconomic situation in the country and region.



Structure of the State Budget

The structure of the law on state budget includes the following types of information:

- ❖ The first four chapters outline main parameters of the state budget, including a breakdown of receipts and payments by economic and functional classifications, the size of deficit and its sources of financing, the forecasted amount of state debt, etc.;
- ❖ Chapter 5 presents the priorities set by the budget and provides a description and purpose of programs and sub-programs planned within them (programs are grouped by priorities);
- ❖ In Chapter 6, the programs are grouped by the spending agencies that implement them, and amounts of appropriations allocated to each program are presented. The same chapter also specifies the amount of payments of general state importance;
- ❖ Chapter 7 provides a detailed breakdown of transfers provided for autonomous republics and municipalities;
- ❖ Chapter 8 provides regulatory and transitional provisions of the budget law.



When submitted to the Parliament, the State Budget Law shall be accompanied by informative annexes for greater transparency, providing more detailed information related to the programs and capital projects, in particular:

- ❖ The State Budget Law shall be accompanied by an explanatory note of the State Budget Law, containing information on forecasts of basic macroeconomic indicators (nominal and real GDP, economic growth, inflation, investments, etc.), as well as a brief overview of execution of the current year's state budget.
- ❖ The country's Basic Data and Directions Document (2022-2025);
- ❖ Basic economic and financial indicators for 2018-2025 (baseline, as well as optimistic and pessimistic scenarios). This information presents fiscal indicators of the unified state budget;
- ❖ Comparison of updated mid-term forecasts of basic economic and financial indicators with previous forecasts;
- ❖ Annex of the program budget providing a description of each program and sub-program, their expected results and result evaluation indicators (baseline and target indicator, error probability and possible risks);
- ❖ Annex of the capital budget providing information on capital projects planned within the budget (including the total cost of a project, sources of its funding, completion deadlines, etc.);
- ❖ Detailed breakdown of the programs specified in the budget, and information on budgetary organizations disposing the appropriations allocated within each program;
- ❖ Information on the activities planned under the chapter "Other Expenses" envisaged by the budget;
- ❖ Information on fiscal risks, where macroeconomic risks and their possible impact on the budget are analyzed. Information on state-owned companies and possible contingent liabilities arising from them, the audited findings of the companies were available after October 1, and the analysis of the situation within the companies, began along with the IMF technical mission following the obtainment of the above findings.
- ❖ Information on government debt;
- ❖ Analysis of sustainability of government debt (2021-2030);
- ❖ Information on the central budget, which includes information on budgetary organizations disposing the state budget programs envisaged by the budget, as well as information on own revenues of legal entities of public law;
- ❖ Comparison the updated medium-term forecasts of key economic and financial indicators with the previous forecasts and plan to return to the limits set by the fiscal parameters legislation;
- ❖ Information on tax expenditure analysis, which aims to increase fiscal transparency by assessing and disclosing tax expenditures, discussing the economic and social effects of tax breaks, and opening a discussion on the appropriateness of individual or total tax breaks.
- ❖ Pilot analysis of the preliminary selection of investment projects within the reform of introduction of investment project management, and the annex to investment projects.

In the state budget, receipts and payments shall be accounted for through budget classification, which allows budget revenues and expenditures to be grouped by economic nature, functional measures, organizational structure, and other characteristics.

Budget receipts are the combination of cash funds received in the budget during the reporting period.



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



State Budget Priorities



1. Affordable, Quality Healthcare and Social Security



2. Defense, Public Order and Security



3. Regional Development, Infrastructure and Tourism



4. Education, Science and Vocational Training



5. Macroeconomic Stability and Improvement of the Investment Environment



6. Institutional Development and Legal Support of the Country's Interests



7. State Support of Internally Displaced Persons (IDPs) and Migrants and Facilitating their Reintegration



8. Culture, Religion, Youth Promotion and Sport



9. International Relations and Euro-Atlantic Integration



10. Agriculture



11. Judiciary



12. Environment Protection and Management of Natural Resources

1. Affordable, Quality Healthcare and Social Security

- ❖ In order to provide quality and affordable medical services, the universal health program of the population will continue to provide financial and geographical access to medical services, the target groups will be provided with appropriate medical services and medicines;
- ❖ Continued provision of chronic diseases to certain groups of beneficiaries (socially vulnerable, retirees, veterans, etc.), improvement of appropriate mechanisms and expansion of the list of medicines;
- ❖ In the field of public health, measures will be taken to promote the health of the population, to establish a healthy lifestyle and to prevent communicable and non-communicable diseases. Budget funding and efficiency of programs will increase.
- ❖ Targeted programs will be continued to improve the social situation of the population;
- ❖ Retirement benefits will be provided in accordance with the rules established by law, which provides for the indexation of the state pension based on economic parameters and provides social guarantees for the population of low retirement age and automatic increase of the pension annually (not less than 20 GEL). GEL increase for the population aged 70 and over;
- ❖ The methodology for assessing the socio-economic situation of socially vulnerable families and the rules for issuing subsistence benefits will be improved; Effective mechanisms to encourage and facilitate the employment of able-bodied members will be developed and implemented; The social package for the target groups (persons with disabilities, children with disabilities, breadwinners, etc.) will continue;
- ❖ The socio-economic situation of IDPs will improve; Grants for IDPs, refugees and people with humanitarian status will continue to be provided;
- ❖ In order to protect the rights of employees, the legislative and institutional framework of the Labor Inspectorate will be strengthened;
- ❖ Against the background of the pandemic caused by the new coronavirus (COVID-19), in the medium term, the main task in the field of health and social protection remains pandemic management and containment measures, providing health services to those infected as a result of the pandemic. Also, to ensure the effectiveness of existing and additional (temporary) social security mechanisms in the context of the global crisis caused by the pandemic.

2. Defense, Public Order and Security

- ❖ Intensive introduction of the "Total Defense" approach will continue in the process of developing the national defense system;
- ❖ Together with the United States, as a key strategic partner, the implementation of the Georgian Defense Readiness Program (GDRP) will continue, under which infantry battalions of the Defense Forces will be trained and equipped;
- ❖ NATO-Georgia Essential Package (SNGP) initiatives will be implemented to achieve a high degree of NATO compatibility with effective support from the Alliance, using both bilateral and multilateral formats;
- ❖ Co-financing of housing and other social projects for employees will continue;

- ❖ One of the priorities will continue to be the modernization of military infrastructure; Among them, all existing barracks and canteens will be fully rehabilitated. New sports infrastructure will be provided for the soldiers, as well as the internal infrastructure of the military bases.
- ❖ Criminal police reform, which is the basis of policing, will continue. The criminal police will complete the clear separation of operational, investigative and precinct areas. The institution of a law enforcement officer will be developed, the main task of which will be to work on crime prevention;
- ❖ Border police reform will continue;
- ❖ A new phase of patrol police reform will be implemented.
- ❖ Public Safety Management Center "112", in the framework of raising the level of public and road safety, will continue to add / develop video surveillance systems across the country;
- ❖ Approaches to crime prevention will be introduced, including a model of policymaking based on analysis; To this end, a network of analysts will continue to be set up in police departments across the country;
- ❖ Establishment of a family-type penitentiary institution where several juveniles with the same educational interests and aspirations are housed and living in a family environment prior to release
- ❖ Improve employment, vocational training, education and relief opportunities for convicts and establish appropriate systems and infrastructure to address the needs of vulnerable groups;
- ❖ Improving safety and working conditions for beneficiaries, staff and guests in penitentiary institutions and probation bureaus;
- ❖ Creating decent and non-discriminatory working conditions for employees in penitentiary institutions and probation bureaus;

3. Regional Development, Infrastructure and Tourism

- ❖ An additional 200 kilometers of freeway will be built - the construction of highways will be completed. Up to 200 bridges and up to 70 tunnels will be built, as a result, the journey in the direction of Tbilisi-Batumi will take about 3.5 hours;
- ❖ Construction of Rikoti, Samtredia-Grigoleti, Grigoleti-Choloki, Batumi bypass road sections will be completed on the East-West highway;
- ❖ Projects for the construction of international highways in all directions of the border checkpoints will be continued, including the completion of the 23 km section of Kvesheti-Kobi and the 9 km tunnel by 2024, and the construction of the 27 km Natakhtari-Zhinvali expressway. Construction of highways in the directions of Batumi-Sarpi, Tbilisi-Sadakhlo and Tbilisi-Red Bridge will start;
- ❖ Construction of Baghdati-Abastumani, Sachkhere-Oni, Tbilisi-Shatili, Batumi-Akhaltzikhe and other important road sections will be completed;
- ❖ Up to 1500 km of international and domestic roads will be rehabilitated and up to 200 bridge crossings will be constructed and rehabilitated;
- ❖ Will increase the coverage of the population of the country with a proper water supply.
- ❖ In order to provide internet to the mountainous regions of the country, community internet promotion activities will be continued;

- ❖ Measures will be taken to maximize the transit potential using the broadband telecommunication infrastructure and to establish a digital transit hub connecting Europe and Asia via Georgia;
- ❖ A unified digital platform will be created, which will integrate all electronic / digital services in the field of transport;
- ❖ Despite the challenges related to the Covid-19 pandemic, work will be intensified and will continue to attract new companies to the Georgian aviation market and develop new destinations;
- ❖ Railway restructuring is planned through the EU Technical Assistance Instrument, with active consultation with the European Commission;
- ❖ Gasification works will continue and 90% of the country's population will be provided.
- ❖ In 2023, Georgia, as a host country, will be presented at the world's largest and most influential tourism exhibition - ITB Berlin 2023
- ❖ For the next 4 years, the development of business tourism in order to attract high-income business travelers to Georgia will be one of the priority directions;
- ❖ For the development of mountain-ski resorts (Gudauri, Bakuriani, Goderdzi, Tetnaldi and Hatsvali), in 2020-2024, it is planned to develop ski infrastructure and create four-season tourist products;
- ❖ In 2023, Georgia will host the World Ski and Snowboard Freestyle Championship, and before the championship, 12 international competitions will be held here. Thousands of visitors will visit Georgia during the championship.

4. Education, Science and Vocational Training

- ❖ To ensure universal access, early and pre-school education in public institutions will continue to be free;
- ❖ Support for the opening of school readiness centers will be continued, the standard of the concept of "school-kindergarten" will be developed and implemented;
- ❖ Measures to facilitate the transition from pre-school to primary education for all children will be provided;
- ❖ An integrated electronic system for statistical data of children aged 1 to 6 years will be created;
- ❖ Construction of more than 50 kindergartens in different municipalities of the country in accordance with international standards will be completed, new kindergartens will be established, existing infrastructure development projects will be implemented.
- ❖ Differentiated models of school management and funding will be developed and implemented;
- ❖ The process of creating new textbooks with updated grievance procedures will continue;
- ❖ A different model of bilingual teaching will be introduced on a large scale in students of non-Georgian language schools;
- ❖ A new rule for the regulation of the teaching profession will be developed, continuous professional development measures for teachers will be implemented in accordance with their professional needs;
- ❖ The development of school infrastructure will continue. Construction of 80 fully adapted new schools and partial rehabilitation of up to 850 public schools will be completed. 91 emergency

- public schools will be strengthened / fully rehabilitated in accordance with the requirements for creating the necessary environment for SSSM students;
- ❖ Successful implementation of public schools operation and maintenance function will be ensured.
 - ❖ The distance and hybrid teaching methodology will be gradually refined.
 - ❖ An effective higher education funding system will be introduced;
 - ❖ Educational programs of Kutaisi International University will be expanded, international cooperation will be strengthened, mobilization of highly qualified foreign academic and scientific staff will be facilitated,
 - ❖ Funding for higher education institutions will continue to improve infrastructure and learning environment.
 - ❖ Will continue to support the scientific activities of independent scientific-research units;
 - ❖ Internationally recognized practice practices and norms will be introduced;
 - ❖ A scientific city provided by modern standards will start functioning in Tbilisi, where all the main institutions of the field will be located;
 - ❖ A national science portal will be created;
 - ❖ The number of scientific grant competitions will increase;
 - ❖ Support for interdisciplinary research in the field of STEM will be strengthened;
 - ❖ Support for Georgian sciences will be strengthened;
 - ❖ Cooperation of academic and scientific staff working abroad with the Georgian scientific space will be promoted;
 - ❖ An effective institutional mechanism to facilitate the capacity building of colleges will be established - the Vocational Education Development Agency will be established in cooperation with the private sector, which will ensure the development of the vocational education system on the basis of public-private partnerships;
 - ❖ The role of sectoral associations and the private sector in the implementation of vocational education programs will be strengthened;
 - ❖ Recognition of non-formal education will begin and the scope of recognition will expand;
 - ❖ In order to internationalize the vocational education system, international certification opportunities will be created to implement international exchange programs and enhance English language teaching;
 - ❖ Electronic vocational education management system will be introduced; A professional education information portal will be created;

5. *Macroeconomic Stability and Improvement of the Investment Environment*

- ❖ The government pursues a policy of consistent reduction of the fiscal deficit. Against the background of the global crisis caused by the New Coronavirus (COVID-19) pandemic and the enactment of exceptional fiscal policy norms envisaged by the Organic Law of Georgia on Economic Freedom in 2020-2023, the macroeconomic and fiscal policy target is 3% of GDP deficit in the medium term Return;
- ❖ Active work will be continued to improve the current account balance. The target for 2024 will be to maintain the target of 5% of GDP;

- ❖ The principle of independence of the National Bank of the country will be observed;
- ❖ Against the background of the difficulties caused by the pandemic of the new coronavirus (COVID-19), a sustainable return to the threshold set by foreign debt legislation will be ensured. However, after the completion of major road and other infrastructure projects, the government will continue to significantly reduce debt at the expense of deficit reduction;
- ❖ Work will continue actively to attract additional resources and maintain up to 8% of capital expenditures.
- ❖ Work will continue actively in the direction of budget transparency, special attention will be paid to improving the involvement of the population and interested organizations in the budget process;
- ❖ The Public Investment Management (PIM) tool will be widely introduced to ensure effective investment by the state. Using this tool, it is planned to fully cover the investment projects implemented by the budget by 2024.
- ❖ The principle of inviolability of property will be observed;
- ❖ The main policy of the government will be based on promoting the most competitive environment between business entities, strengthening the institutional framework of competition and increasing the efficiency of the competition agency;
- ❖ The introduction of an automated declaration system in the tax administration will begin, which will significantly reduce the time and resources required for businesses to work with the tax authorities.
- ❖ The programs operating within the agency - "Produce in Georgia" will be continued and their effectiveness will be ensured;
- ❖ By 2024, Georgia will have implemented 85% of its legal approximation commitments under the Deep and Comprehensive Free Trade Agreement with the European Union, including 100% of its commitments in the areas of public procurement, customs and trade barriers;
- ❖ Continue consultations to negotiate a free trade agreement with the United States and, in accordance with the results achieved, conduct negotiations;
- ❖ Georgia continues the cycle of economic reforms that will further improve the country's economic situation and, as a result, increase the well-being of the Georgian population.

6. Institutional Development and Legal Support of the Country's Interests

- ❖ Fundamental civil service reform has been implemented and it has been transformed into a stable, unified system of public service based on career advancement, merit, integrity, political neutrality, impartiality and accountability.
- ❖ Under the Open Government Action Plans, Georgia responds to all the challenges of the Open Government Partnership (OGP): improving public services, enhancing public sector integrity, better managing public resources, creating a secure environment, and increasing corporate responsibility.
- ❖ Local self-government of European standards will be established and the process of final transformation of non-democratic, inefficient sectoral-centralized governance into effective and democratic territorial governance will be completed.

- ❖ Improve the quality control mechanisms of policy documents and, consequently, the capacity of public officials;
- ❖ Improve the quality of policy implementation monitoring, reporting and evaluation;
- ❖ The final establishment of an evidence-based policy implementation system will be ensured.
- ❖ Measures in support of successful civil service reform will be implemented to finally establish a rational, efficient and effective, conscientious, depoliticized, highly professional and deserving career advancement system based on continuous professional development.
- ❖ State and municipal services will be improved:
- ❖ The updated National Human Rights Strategy will be approved and implemented, the main goal of which will be to reflect the above-mentioned priorities in daily practice and to consolidate institutional democracy; Special attention will continue to be paid to the state policy on civic equality and integration, a new strategy for 2021-2025 will be adopted and implemented;
- ❖ Raising the level of knowledge of the state language will be a priority.
- ❖ State language teaching programs will be strengthened and, taking into account the needs of all segments of the population, more diverse;

7. *State Support of Internally Displaced Persons (IDPs) and Migrants and Facilitating their Reintegration*

- ❖ The Government of Georgia will continue its effective policy of providing IDPs with housing.
- ❖ Identification of demolished buildings and resettlement of IDPs living in them in a safe place will continue;
- ❖ Support for access to livelihoods for IDPs, small business activities and IDP cooperation will continue, support for agricultural and self-employment social projects
- ❖ Through resettlement programs, an additional 13,000 IDP families will have decent housing in the next 4 years. By 2024, it is planned to improve the living conditions of an additional 1,200 eco-migrant families by relocating them to a new and safer environment.
- ❖ The government will continue to pursue a consistent, firm policy of peaceful resolution of the conflict.
- ❖ Caring for the population living under the pressure of occupation will continue, fostering dialogue between all segments of the isolated society by creating new opportunities.

8. *Culture, Religion, Youth Promotion and Sport*

- ❖ Increase the availability of culture to the general public; Diversity of cultural self-expression will be ensured;
- ❖ A flexible culture management model, close to European standards and an effective funding mechanism will be established;
- ❖ An art education development strategy and action plan will be developed, effective measures will be taken to increase access to and quality of art education, including less in-demand specialties; Funding mechanisms will be developed;
- ❖ Cultural promotion activities will be implemented for the general population, including students of general education institutions;

- ❖ Infrastructure projects will be implemented to preserve cultural and monument heritage heritage;
- ❖ New technologies will be developed and used effectively, culture will be integrated into the digital space.
- ❖ Funding for mass and high-profile sports by the state will continue;
- ❖ An effective system for reviewing sports disputes will be established. A model for protecting the rights of athletes and involving them in decision-making will be introduced;
- ❖ Mechanisms and platforms for youth involvement in the youth policy planning, implementation, monitoring and evaluation process will be improved.
- ❖ International cooperation in the field of youth policy and youth activities will be expanded; Programs focused on empowering and involving ethnic minorities and youth with disabilities will continue.

9. *International Relations and Euro-Atlantic Integration*

- ❖ Strengthening the country's sovereignty and the peaceful restoration of its territorial integrity remain a top foreign policy priority for Georgia.
- ❖ With the maximum use of the existing tools and mechanisms of Georgia-EU cooperation, all efforts will be directed, also, to create new opportunities to make the path of EU membership more tangible and bring practical results for the country and its population.
- ❖ Active efforts will be made to pursue a policy of balanced and mutually beneficial partnership in the region.
- ❖ Caring for Georgian citizens abroad remains an important priority. In particular: Effective protection of the rights of Georgian citizens abroad and their legitimate interests; Increasing the area of delivery of relevant services to Georgian citizens abroad, including by expanding the use of modern technologies; Expansion of the visa-free travel area for Georgian citizens; Further strengthening of the Ministry of Foreign Affairs, Georgian diplomatic missions and consular posts abroad to act in possible crisis situations.

10. *Agriculture*

- ❖ Implementation of programs in the field of agriculture will be focused on the qualitative and quantitative growth of local products;
- ❖ In order to increase access to financial instruments, as well as to support the production processes of primary agricultural production, processing and storage-sale of agriculture, the provision of cheap and accessible funds to individuals and legal entities will continue;
- ❖ Will continue and become more large-scale: promoting primary production of annual and perennial crops; Co-financing program for processing and storage enterprises; Greenhouse co-financing measures; Co-financing program for harvesting agricultural machinery; Livestock development programs; Promoting the sustainable development of aquaculture in marine and inland waters; Access to infrastructure and services;
- ❖ The quality and availability of agricultural means will be ensured;
- ❖ The agricultural insurance program will be extended and improved to reduce the risks for those engaged in agricultural activities;
- ❖ Will continue to work actively to develop new markets and improve positions in existing markets;
- ❖ Special programs will be developed to stimulate young farmers and entrepreneurs in rural areas;
- ❖ Measures aimed at the development of women farmers and entrepreneurs will be implemented;

- ❖ In 2020-2024, it will continue to increase the knowledge / awareness of farmers and entrepreneurs in accordance with modern requirements;
- ❖ Approximation of the relevant EU legislation in the field of food safety, veterinary and phytosanitary with the DCFTA plan will continue
- ❖ In order to prevent counterfeit and substandard wine products in the local and export market, laboratory studies will be intensified;
- ❖ Significant emphasis will be placed on promoting environmentally friendly, climate-friendly agricultural practices and promoting the development of organic production.

11. Judiciary

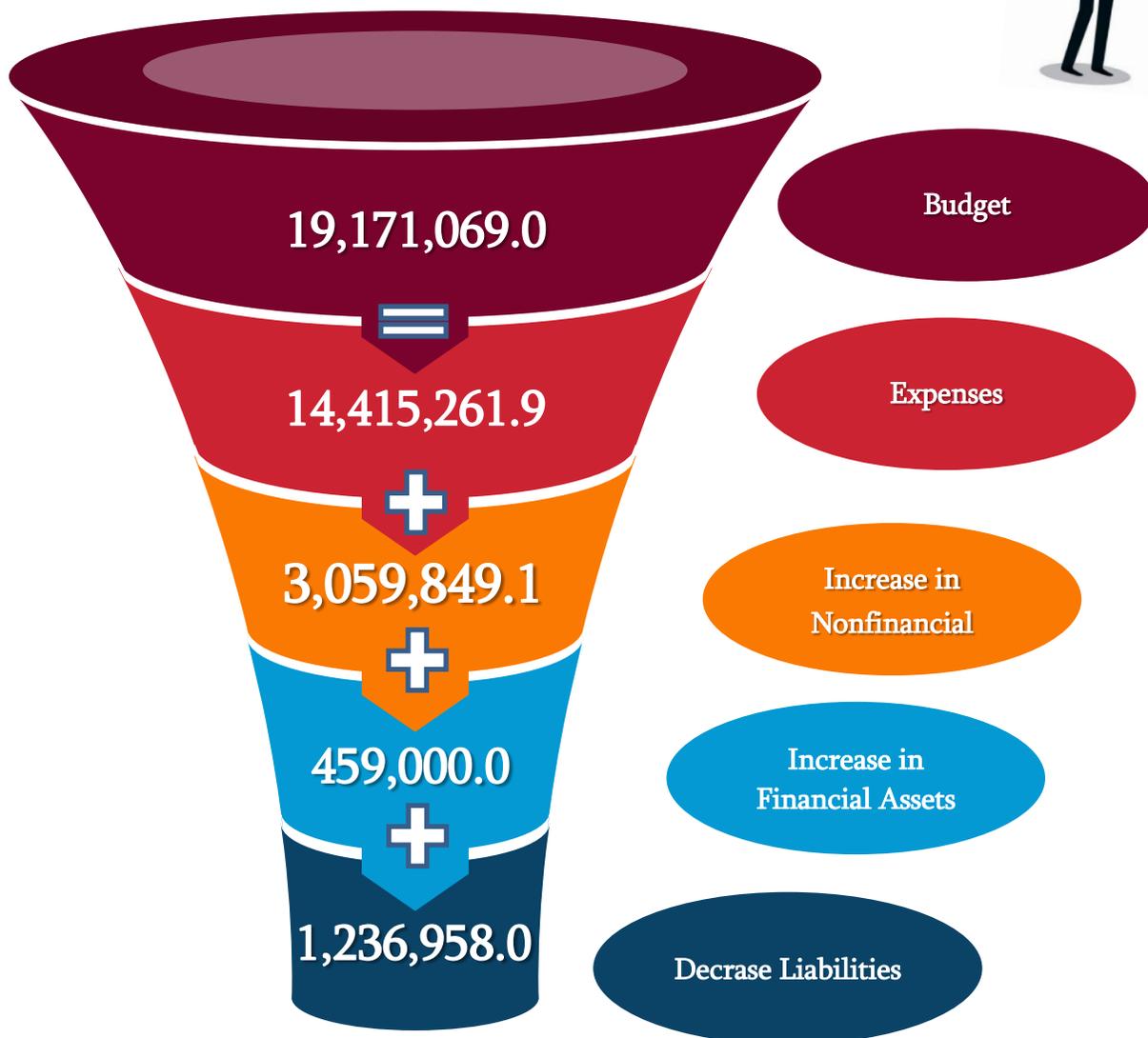
- ❖ Systematic strengthening of the judiciary will be continued and deepened, its independence will be strengthened and everything will be done to gain high trust of the judiciary among the population.
- ❖ Conduct more effective investigations and prosecutions of domestic violence, torture, ill-treatment, and violations of minority rights in full compliance with international standards;
- ❖ Improving the electronic system of criminal proceedings; Implementation of the electronic module of the workload of prosecutors;
- ❖ Increase the transparency of the prosecutor's office and accountability to the public;
- ❖ Refinement of the institution of witness and victim coordinator;
- ❖ Training prosecutors in juvenile criminal cases, improving juvenile statistics, and creating a juvenile-oriented environment;
- ❖ Improving the system of professional training and professional development of the staff of the Prosecutor's Office.
- ❖ Further refinement of the Criminal Code will continue to ensure compliance with international standards and make the fight against crime more effective so that human rights are not violated.
- ❖ For an effective system of public safety and law and order, further development of the Ministry of Internal Affairs will continue in line with the concept of "systematic renewal", which includes both structural reforms and substantive changes and legislative initiatives.

12. Environment Protection and Management of Natural Resources

- ❖ Environmental standards will qualitatively approach European requirements;
- ❖ Within the framework of the Green Climate Fund project, a significant expansion of the hydrometeorological observation network is planned. In 2020-2024, up to 150 units of automatic stations / checkpoints for meteorological and hydrological parameters will be purchased and installed / maintained in different regions of Georgia;
- ❖ Expansion of ambient air and water quality monitoring and evaluation systems will continue
- ❖ Given the socio-economic situation of the country, the demand of the population for timber resources will continue to be met; Multipurpose forest use will be developed, which will create additional ecological, economic and social benefits;
- ❖ In 2020-2024, it is planned to establish new protected areas in order to expand and protect protected areas, and to expand some of the existing protected areas (approximately 185,000 ha in total), to create new ecotourism infrastructure;

- ❖ Measures to promote environmental education and raise environmental awareness will continue. Environmental education issues will be integrated in the school and higher education system;
 - ❖ In order to increase online and local control of the forest resource, an effective control system will be introduced using photo traps, unmanned aerial vehicles, surveillance and other devices;
 - ❖ Separate waste collection system will be gradually introduced throughout the country and waste recycling will be facilitated;
- The nuclear and radiation safety system will be improved and new, European standard standards for radiation waste management will be provided.

How much is the 2022 State Budget?



New Policy Directions



"Entrepreneurship Development"

New areas of economic support policy against New Coronavirus (COVID-19):

- ✓ Support the construction sector
- ✓ Direction of new policies to promote entrepreneurship



Social protection of the population

- ✓ New direction of pension policy - pension indexation
- ✓ New direction of social protection to improve the social situation of children and families with children



Health protection of the population

- ✓ Medical insurance co-financing
- ✓ Organ transplantation
- ✓ Spinal-muscular atrophy
- ✓ Continuous glucose monitoring



Labor and Employment System Reform Program

- ✓ New direction of working conditions safety policy
- ✓ New direction of employment policy



Preschool and general education

New directions of general education reform:

- ✓ Teacher professional development and career advancement scheme and salary increase
- ✓ Introduction of the "New School" model



"Entrepreneurship Development"

New areas of economic support policy against New Coronavirus (COVID-19)

✓ Support the construction sector

To support the development / construction sector, in particular by extending mortgage subsidies to provide loans under the program during the crisis, in order to reduce the economic downturn caused by the New Coronavirus (COVID-19) pandemic. (Under the mortgage loans interest subsidy, the state will subsidize the refinancing rate for minus up to GEL 200,000 taken by the state in June-December 2020 at a refinancing rate of minus 4% for 5 years).

✓ *Direction of new policies to promote entrepreneurship*

As part of the Entrepreneurship Support Program, a new, universal business support program was launched on September 1, 2021, and the access to finance component of the industrial sector was expanded. The updated universal approach facilitates access to finance for new companies, and the program beneficiaries, in addition to state-sponsored credit co-financing, have the opportunity to engage in a credit-guarantee scheme (receive state-sponsored loan co-financing), benefit from interest-free loan. Implementing beneficiaries will additionally receive grant co-financing in the amount of 15% of the targeted loan. In addition, the program includes a small grants component.

Under the Entrepreneurship Support Program, the Universal Renewed Business Support Program is funded from both budget funds and funds allocated by the World Bank.

Social protection of the population

✓ *New direction of pension policy - pension indexation*

In order to ensure adequate financing of social guarantees for the population of retirement age and at the same time fiscal policy sustainability, calculate the amount of state pension in accordance with the index of state pension defined by the Law of Georgia on State Pension in accordance with the Law of Georgia on Funded Pensions. In particular, the annual increase in the old-age pension for retirees under the age of 70 - with an average inflation rate of the last 12 months, but not less than GEL 20, And for retirees aged 70 and over - by the sum of the average inflation rate for the last 12 months and the arithmetic average of the real GDP growth rate for the last 6 quarters, but not less than GEL 25.

At the end of 2025, the state pension will be determined:

- For retirees under the age of 70- In the amount of not less than 320 GEL;
- For retirees aged 70 and over- In the amount of not less than 375 GEL.

✓ *New direction of social protection to improve the social situation of children and families with children*

To ensure the improvement of the social situation of children and families with children, for families registered in the unified database of socially vulnerable families (whose rating score is equal to or less than

120,000 and in which children under 16 years of age live), monthly assistance is increased (GEL 50 to GEL 100).

Health protection of the population

✓ *New direction of providing medical services to the population - co-financing of medical insurance*

It started in 2021 and will continue to co-finance medical insurance (GEL 25) for ambulance crews (4,500 staff) and rural doctors / nurses (3,000 village doctors / nurses) for the next medium term.

✓ *New direction of providing medical services to the population - Organ transplantation*

From 2022, funding for bone marrow transplantation for persons with oncohematological diagnosis, as well as liver transplantation for persons with liver disease (except for persons registered in Tbilisi and the Autonomous Republic of Adjara) will begin;

✓ *New direction of providing medical services to the population - Spinal-muscular atrophy*

Starting in 2022, patients with spinal muscular atrophy will be provided with appropriate medications within the component of providing specific medicines for patients with rare diseases.

✓ *New direction of providing medical services to the population - Continuous glucose monitoring*

From 2022, a continuous (automatic) glucose monitoring system will be provided to children under the age of 18 to prevent hyper- and hypo-glycemia and to effectively manage diabetes.

Labor and Employment System Reform Program

✓ *New direction of working conditions safety policy*

Taking into account the changes made in the labor legislation (Organic Law of Georgia on Labor Safety and the Labor Code of Georgia), the Labor Inspection Service of the LEPL was established for the full implementation of labor inspection functions. The Service ensures the effectiveness of a wide range of labor rights and the improvement of the existing enforcement mechanism; Institutional / structural system of labor inspection will be strengthened; Significantly strengthen the quality of protection of employees' labor rights by creating a new, independent and comprehensive labor inspection mechanism; Carry out appropriate inspections to ensure discrimination, sexual harassment, forced labor exploitation and gender equality. In the medium term, it is planned to inspect the facilities in the direction of labor safety.

✓ *New direction of employment policy*

The State Agency for Employment Promotion (LEPL) has been established to ensure the effective implementation of state policy in the field of labor and employment promotion in the country, active labor market policy and employment promotion service mechanisms. To pursue an active employment promotion policy by the State Employment Promotion Agency to increase the number of people employed and the quality of business; on the one hand, to link job seekers and businesses; Take employment-promoting

measures to effectively stimulate the labor market, which will have a positive impact on the well-being of citizens and the pace of economic growth.

Preschool and general education

✓ Teacher professional development and career advancement scheme and salary increase

As part of the education reform, the implementation of the next stage of teacher professional development and career advancement, which started in 2021. Ongoing education reform involves promoting the professional development of practicing teachers, motivating them to increase their status in the career scheme, and gradually replacing practicing teachers in the system with senior, lead, and mentor teachers.

Since 2021, the new phase of the reform has increased the allowances for senior, leading and mentor teachers (more than 39 thousand teachers) by 100 GEL. The increase in teacher allowances will continue for the further medium term as well.

✓ Introduction of the "New School" model

In the medium term, continue to introduce a "new school" model in all public schools across the country, which will facilitate the introduction of third-generation national curricula, as well as support schools and teacher support groups across the country, including: Expert in all subjects, Primary Education Expert, Technology Expert, Inclusive Education Expert, Leadership Expert and National Curriculum Implementation Coordinator. Implement the following intensive, coaching-based activities as part of the reform:

- ✓ Creation and development of school curricula based on constructivist principles of teaching-learning;
- ✓ Establishment of an internal and external evaluation system focused on support and assistance;
- ✓ Introduce the use of technology in schools for the diversity of the communication and teaching-learning process, including the creation of digital programs "Learning through play", "Digitize the learning process", Georgian LLMS;
- ✓ Establishment of a self-assessment system in schools (familiarization with the requirements of the National Curriculum, annual updating of student progress assessment and school culture research, on the basis of which schools study their needs to meet the requirements of the National Curriculum);
- ✓ Equipping schools with relevant digital technologies and science laboratories.

Planned Activities

- The mortgage loans subsidy program will be continued, which will provide services for loans issued under this program during the crisis
 - Within the framework of interest rate Government will continue to subsidize 4% of interest accrued on mortgage loans for 5 years from the disbursement of the loan (up to GEL 200,000) in June-December 2020.

- As part of the Entrepreneurship Support Program, a new, universal business support program was launched on September 1, 2021, and the access to finance component of the industrial sector was expanded. The updated universal approach facilitates access to finance for new companies, and the program beneficiaries, in addition to state-sponsored credit co-financing, have the opportunity to engage in a credit-guarantee scheme (receive state-sponsored loan co-financing), benefit from interest-free loan Implementing beneficiaries will additionally receive grant co-financing in the amount of 15% of the targeted loan. In addition, the program includes a small grants component.



- the annual increase in the old-age pension for retirees under the age of 70 - with an average inflation rate of the last 12 months, but not less than GEL 20, And for retirees aged 70 and over - by the sum of the average inflation rate for the last 12 months and the arithmetic average of the real GDP growth rate for the last 6 quarters, but not less than GEL 25.

At the end of 2025, the state pension will be determined:

- For retirees under the age of 70- In the amount of not less than 320 GEL;
- For retirees aged 70 and over- In the amount of not less than 375 GEL
- To ensure the improvement of the social situation of children and families with children, for families registered in the unified database of socially vulnerable families (whose rating score is equal to or less than 120,000 and in which children under 16 years of age live), monthly assistance is increased (GEL 50 to GEL 100).
- It started in 2021 and will continue to co-finance medical insurance (GEL 25) for ambulance crews (4,500 staff) and rural doctors / nurses (3,000 village doctors / nurses) for the next medium term.
- From 2022, funding for bone marrow transplantation for persons with oncohematological diagnosis, as well as liver transplantation for persons with liver disease (except for persons registered in Tbilisi and the Autonomous Republic of Adjara) will start;
- From 2022, patients with spinal muscular atrophy will be provided with appropriate medications within the component of providing specific medicines for rare diseases.
- From 2022, a continuous (automatic) glucose monitoring system will be provided to children under the age of 18 to prevent hyper- and hypo-glycemia and to effectively manage diabetes.
- The budget for the management of COVID-19 (mobilization of medical institutions, treatment costs, testing and research, vaccination, etc.) is set at GEL 500.0 million;

A plan To Return Fiscal Parameters To The Limits Set By Law

The macroeconomic and fiscal parameters forecasts for 2020-2023, which were prepared by the end of 2019, were completely reversed by the new coronavirus (COVID-19) pandemic, and both the 2020 and 2021-2024 fiscal forecasts underwent significant adjustments. The updated forecasts for 2021-2024 reflected the post-crisis period assumptions associated with COVID-19 and provided for fiscal policy stabilization measures to, on the one hand, maintain significant reforms and at the same time return fiscal parameters back to the limits set by law.

The negative shock caused by the new coronavirus has affected the Georgian economy, which is significantly dependent on external factors. The economic downturn (6.8% of GDP) in the wake of the global crisis caused by the COVID-19 pandemic in 2020, as well as the need to fund pandemic management measures, were directly reflected in both budget revenues, especially tax revenues and expenditures, and the medium-term forecast for 2020-2024. Has changed.

Non-deficit revenues of the consolidated budget have increased in nominal terms, while from 2022 non-deficit revenues of the consolidated budget in relation to GDP practically return to the pre-pandemic forecast.

By 2022, the high rate of declining receivables of non-financial assets is maintained.

In 2020 and 2021, foreign debt is reflected in the funds raised to deal with the pandemic. However, the decrease in foreign liabilities in 2022 compared to 2021 is related to the fact that in 2021 a new Eurobond of GEL 1.7 billion was issued to cover Eurobonds, and the increased volume of external liabilities in 2021 was due to this. Consequently, this figure is reduced in the following years.

Major Macroeconomic Indicators

The forecast for real economic growth in 2022 is 6.0%, and on average in 2022-2025 - 5.5% . The GDP deflator forecast is projected at 4.5% in 2022 and at 3% in subsequent years.

Based on macroeconomic indicators, the nominal GDP in 2022 is 64.8 billion GEL, and by 2025 it is projected to increase to 82.7 billion GEL.

As a result of funding pandemic response measures, current expenditure volumes increased significantly between 2020 and 2021, reaching 26.3% of GDP in 2020 and 25.1% in 2021. In 2022, current expenditures are projected at a total of GEL 14.8 billion, or 22.8% of GDP. Current expenditures have a declining trend in the coming years and will reach 22.0% of GDP in 2025.

Despite the pandemic, the volume of capital expenditures did not decrease in 2020-2021 and amounted to 9.0% of GDP in 2020 and 8.3% in 2021. In 2022, capital expenditures are projected at a total of GEL 5.9 billion, or 9.1% of GDP. In the coming years, as a result of fiscal consolidation, capital expenditures are reduced to

below 7% of GDP, which is a rather large reduction and it will be necessary to find additional non-deficit resources.

Pursuant to paragraph 7 of Article 2 of the Organic Law of Georgia on Economic Freedom, the forecast parameters of the threshold parameters set forth in paragraph 1 of the same Article shall be determined as follows:

- In 2022, the negative total balance of the unified state budget, beyond the limit set by the first paragraph of Article 2 of the Organic Law of Georgia on Economic Freedom - GEL 2,750.0 million, which is 4.2% of the projected gross domestic product (GDP) (established Margin - 3% of GDP);
- By the end of 2022, the debt margin of the Government of Georgia - 51.1% of GDP (GDP), and the current value of commitments under public-private partnership projects (as of January 1, 2021) - GDP (GDP) It) by 0.6% - sum: 51.7% of GDP (established limit - 60% of GDP).

Item	2018 Actual	2019 Actual	2020 Actual	2021 Expected	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
Real GDP Growth	4.8%	5.0%	-6.2%	10.0%	6.0%	5.5%	5.2%	5.2%
Nominal GDP (million GEL)	44,599.3	49,252.7	49,407.3	58,694.7	65,016.1	70,649.8	76,553.30	82,950.10
GDP per capita (USD)	4,722.0	4,696.2	4,274.6	4,844.0	5,535.5	6,015.2	6,517.80	7,062.40
Consumer Price Index, medium term (average annual inflation)	2.6%	4.9%	5.2%	8.9%	4.5%	3.0%	3.0%	3.0%
Consumer Price Index, for the end of period (inflation at the end of the year)	1.5%	7.0%	2.4%	11.8%	2.5%	3.0%	3.0%	3.0%
Current account (% in relation to GDP)	-6.8%	-5.5%	-12.4%	-9.0%	-8.1%	-6.9%	-6.5%	-5.4%
GDP deflator	4.4%	5.2%	7.3%	8.0%	4.5%	3.0%	3.0%	3.0%
State debt % in relation to GDP	38.9%	40.4%	60.2%	51.1%	51.1%	50.2%	49.0%	47.7%

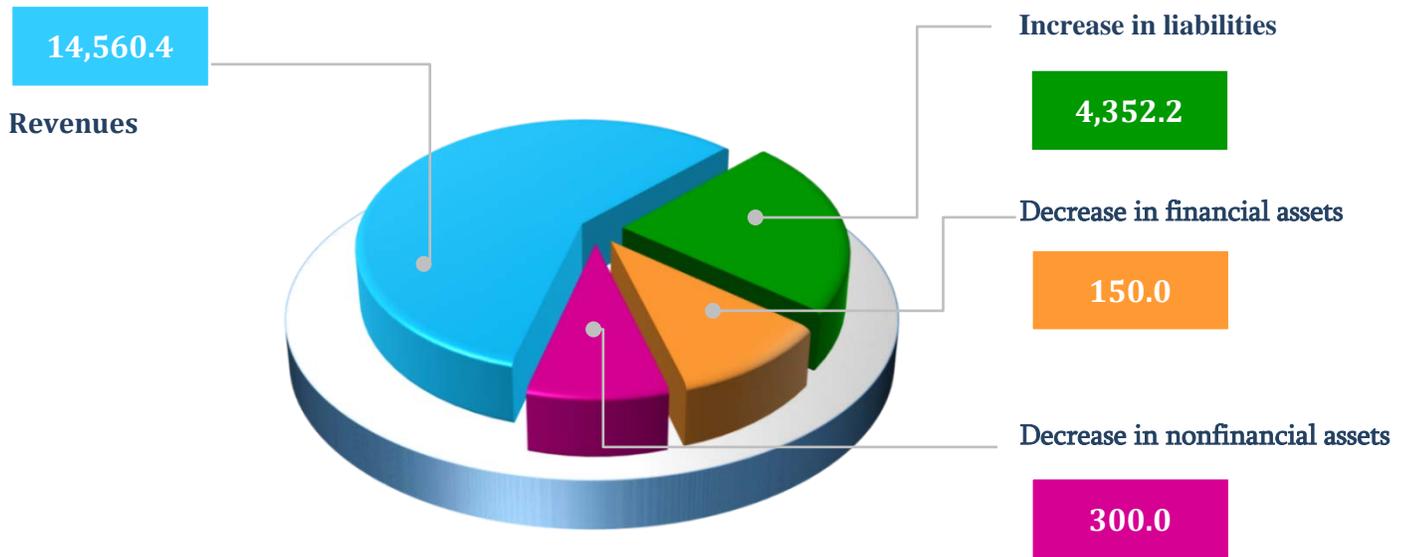


State Budget Receipts

2022 State Budget receipts have been defined as 19,362.6 mln GEL, which exceeds 2021 indicator - 1,263.5 mln GEL and amounts to 29.4% of GDP.

Structure of State Budget Receipts

Million Gel



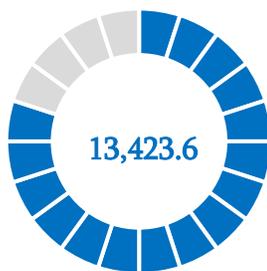
State Budget Revenues

75.2 % of 2022 State budget receipts come from revenues that total 14,560.4 million GEL, which is 22.4% of GDP.

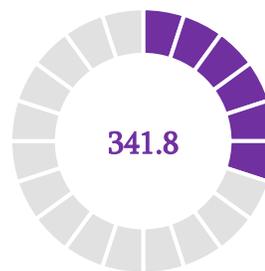
Structure of State Budget Revenues

Million Gel

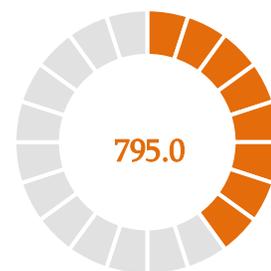
Item	2020 Actual	2021 Plan	2022 Plan	Deviation (2022-2021)
Revenues	10,490.3	12,549.0	14,560.4	2,011.4
Taxes	9,364.8	11,362.6	13,423.6	2,061.0
Grants	459.5	386.4	341.8	-44.6
Other Revenues	666.0	800.0	795.0	-5.0



Taxes



Grants



Other Revenues

Taxes

According to draft 2022 State budget, 13,423.6 million GEL is expected to be collected through taxes, including:

- Income tax forecast indicator was determined by 4,300.0 Million GEL, which is 6.6 % of GDP
- Profit tax forecast indicator was determined by 1,620.0 Million GEL, which is 2.5 % of GDP
- VAT tax forecast indicator was determined by 5,398.6 Million GEL, which is 8.3 % of GDP
- Excise forecast indicator was determined by 1,890.0 Million GEL, which is 2.9 % of GDP
- Import tax forecast indicator was determined by 85.0 Million GEL, which is 0.1 % of GDP
- Other tax forecast parameters were defined by 130.0 Million GEL, which is 0.2 % of GDP

2022 state budget tax forecast indicator exceeds the planned indicator for 2021 by 2,061.0 million GEL. The tax revenues comprise 92.2% of the State Budget revenues and 20.6% of the GDP

Grants

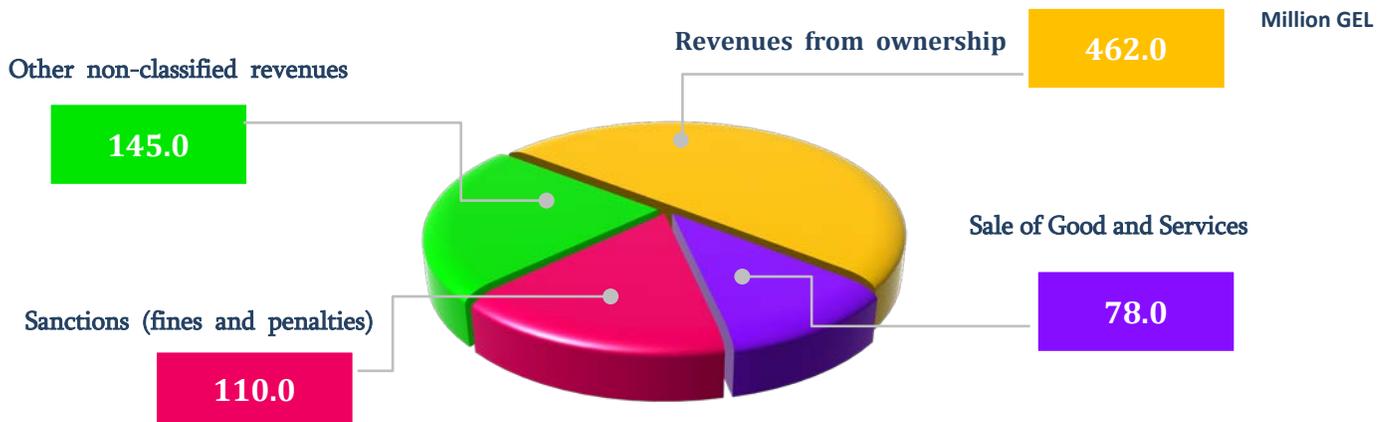
In 2022 state budget, the grants forecast indicator is 341.8 million GEL, including

- Budget grants 221.2 million Gel;
- Investment (expense-linked) grants 50.6 million Gel;
- Grants to be transferred to the state budget by LEPLs from revenues received in accordance with article 35 of the Law of Georgia on Budget 70.0 million Gel;

Forecast indicator of grants in the law of Georgia on State Budget is 2,3% of budget revenues and 0,5% of GDP.

Other Revenues

In accordance with 2022 Budget, other revenues forecast decrease planned indicator for 2021 by 5.0 million GEL and is 795,0 million GEL, which is 5,5% of the state budget revenues and 1,2% of GDP.



Decrease in nonfinancial assets

In accordance with 2022 Budget, 3000.0 million GEL is estimated to be collected through nonfinancial assets, which is 50.0 million GEL less than the corresponding indicator for 2021.

Decrease in Financial Assets

Decrease in financial assets has been defined as 150.0 mln GEL which is 60.0 million GEL less than corresponding indicator for 2021.

Increase in liabilities

GEL 4,352.2 million has been mobilized in the 2022 State budget through taking a loan by the State. These are:

- Increase in liabilities by issuing state securities– 1,300.0 Mln GEL;
- Funds from the Asian Development Bank (ADB) under the Fiscal Sustainability and Social Security Program– 318.0 Mln GEL;
- Funds to be received from the Asian Development Bank (ADB) under the Sustainable Development Program for the Water Supply and Sewerage Sector– 150.0 Mln GEL;
- Funds to be received from the Asian Development Bank (ADB) under the Climate Sector Irrigation Sector Development Program– 80.5 Mln GEL;

- e) Funds from the French Development Agency (AFD) for a policy-based loan for water resources management and irrigation– 109.8 Mln GEL;
- f) Funds from the World Bank (WB) under Development Policy Measure 2022 (DPO-2022)– 157.3 Mln GEL;
- g) Funds to be received from the French Development Agency (AFD) under the Social Welfare Program IV– 109.8 Mln GEL;
- h) Funds to be received from the French Development Agency (AFD) under the Sustainable Development Program for the Water Supply and Sewerage Sector– 109.8 Mln GEL; (Co-financing of ADB Tranche II);
- i) Funds to be received from the French Development Agency (AFD) under the Georgian Energy Sector Reform Program V– 164.7 Mln GEL;
- j) Long-term investment, soft loans to be provided to the Government of Georgia by international financial organizations and foreign governments – 1,852.2 Mln GEL;

GEL 1,237.0 million is provided in the 2022 budget to repay public debts.



State Budget Expenditures

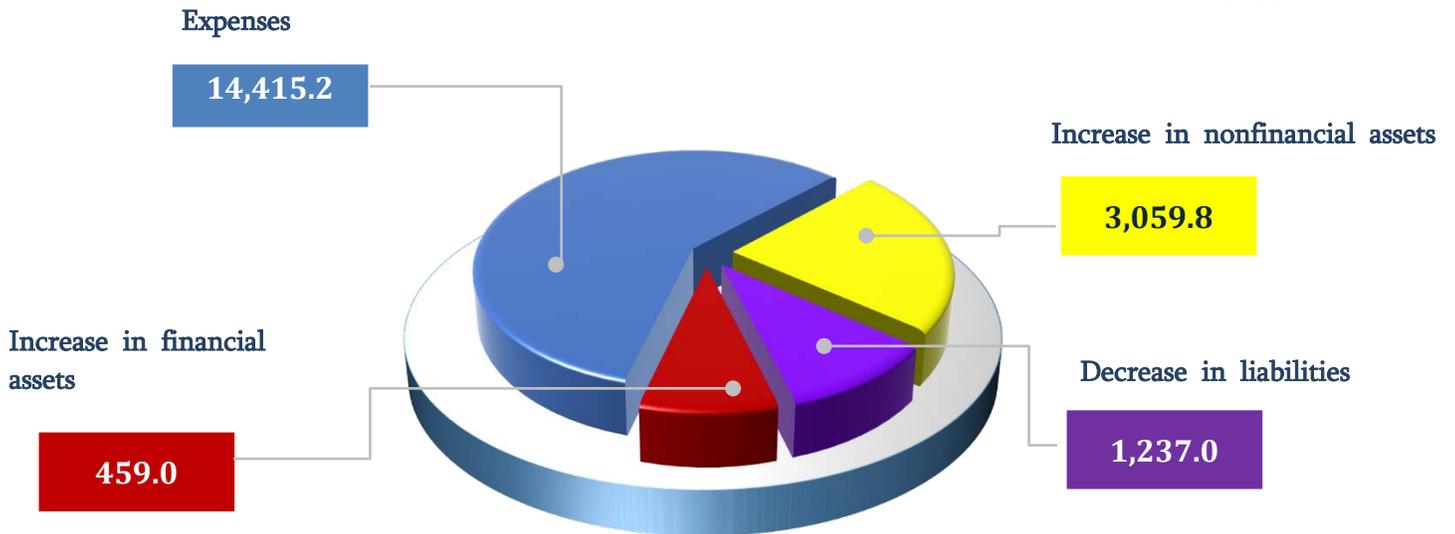
According to 2022 State budget, the total volume of planned expenditures is 19,171.0 mln. GEL. It is 625.0 mln GEL less compared to the 2021 approved budget and amounts to 29.5% of GDP.

Million GEL

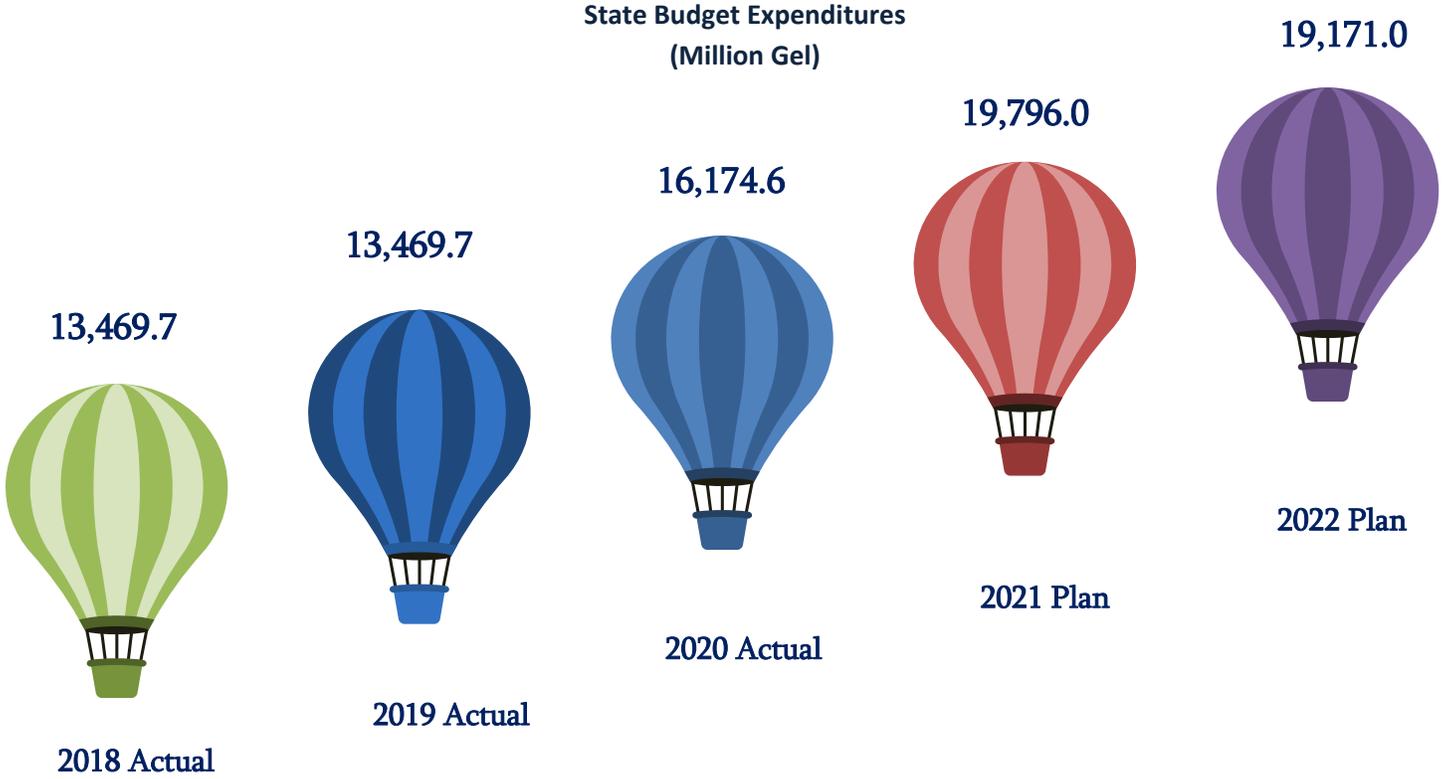
ITEM	2020 Actual	2021 Plan	2022 Plan
Expenditures	16,174.6	19,796.0	19,171.0
Expenses	12,533.9	14,232.0	14,415.2
Increase in nonfinancial assets	2,319.0	2,525.7	3,059.8
Increase in financial assets (excluding balance)	377.7	316.8	459.0
Decrease in liabilities	944.0	2,721.5	1,237.0

Structure of Expenditures

Million Gel



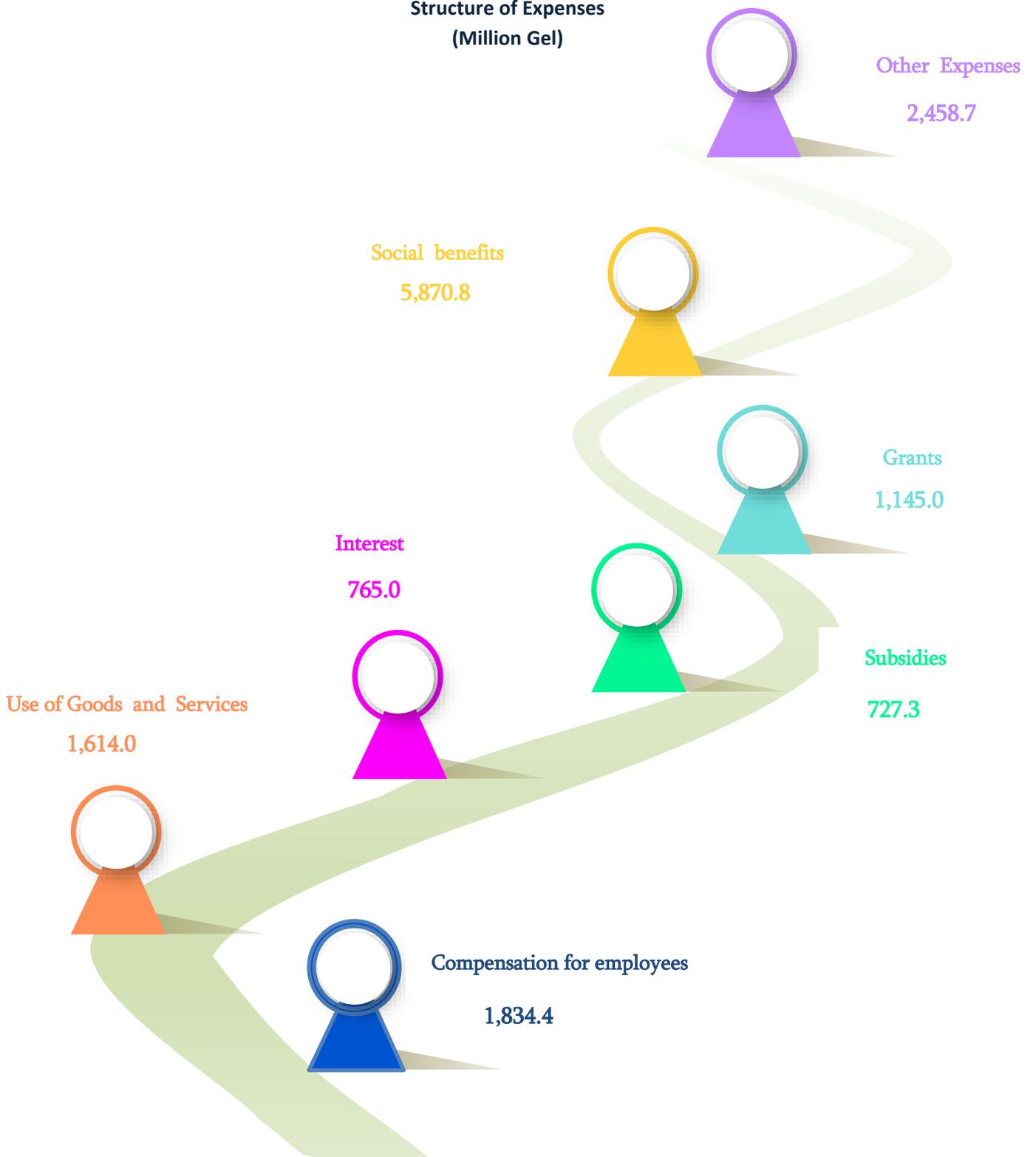
State Budget Expenditures
(Million Gel)



Expenses

In 2022, total amount of expenses in the Law of Georgia on State Budget is 12,758.3 million GEL. In addition to increase in nonfinancial and financial assets, 505.2 million GEL is considered for capital expenditures in other expenses and 568.2 million GEL in grants.

**Structure of Expenses
(Million Gel)**



Increase in nonfinancial assets

In 2022, the item of increase in nonfinancial assets in the Law of Georgia on State Budget is defined as 3,059.8 million GEL, which is 534.1 million GEL more than a similar indicator for 2021. Increase in nonfinancial assets is 4,7% of GDP.

Increase in financial assets

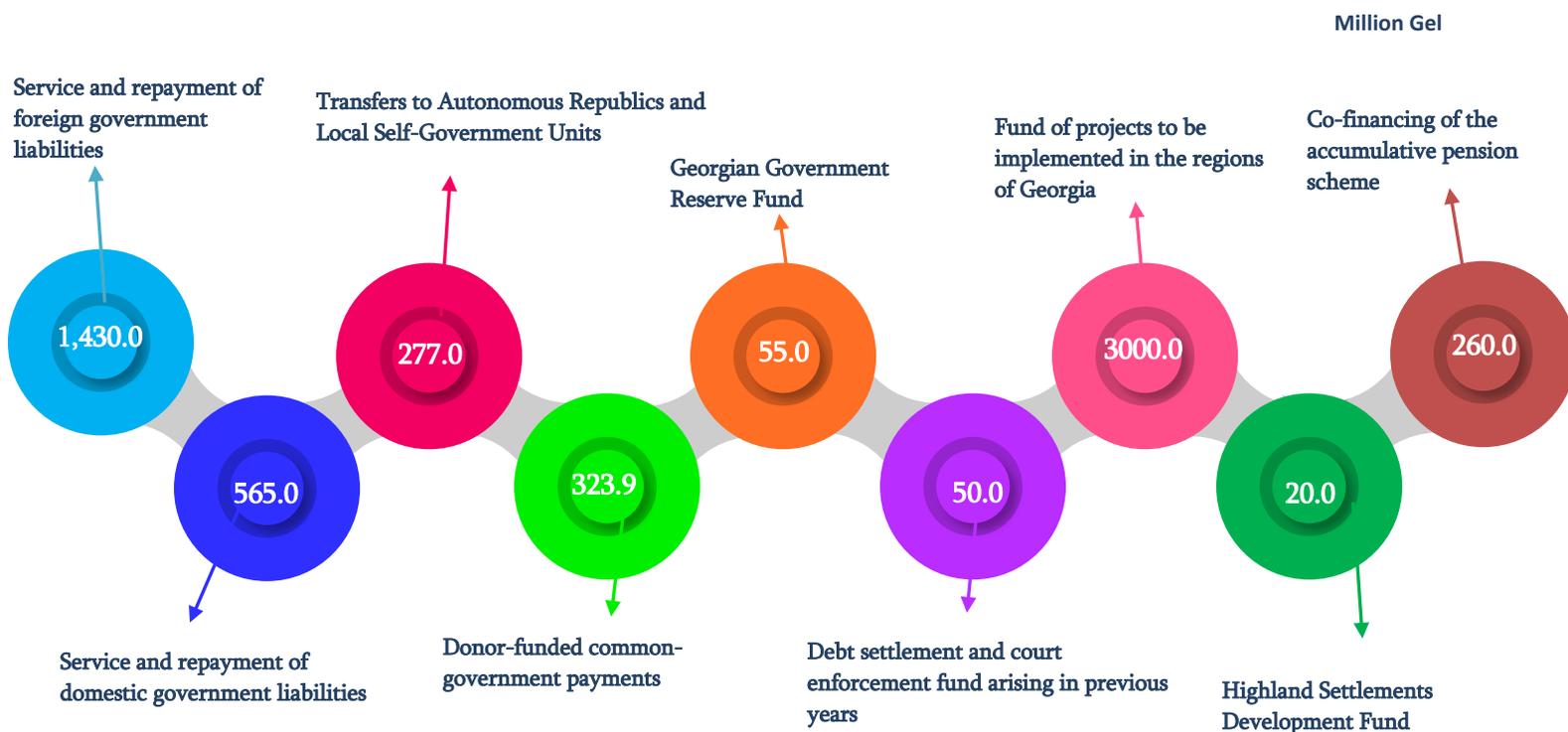
In 2022 the item of increase in financial assets was defined as 459.0 million GEL, which is 142.2 million GEL more than a similar indicator for 2021. Increase in financial assets is 0.7% of GDP.

Decrease in liabilities

In 2022, reduction of liabilities in the Law of Georgia on State Budget is 1,237.0 million GEL, from which 1,193.7 million GEL will be directed at covering state external liabilities and 43.2 million GEL – at covering internal liabilities and debt. Reduction of liabilities is 1,9% of GDP.

Expenditures of General State Importance

In the Law of Georgia on State Budget 2022 the amount of expenditures of general state importance is 3,464.7 million GEL, including:



2022 State Budget Receipts, Expenditures and Changes in Balance

Thousand Gel

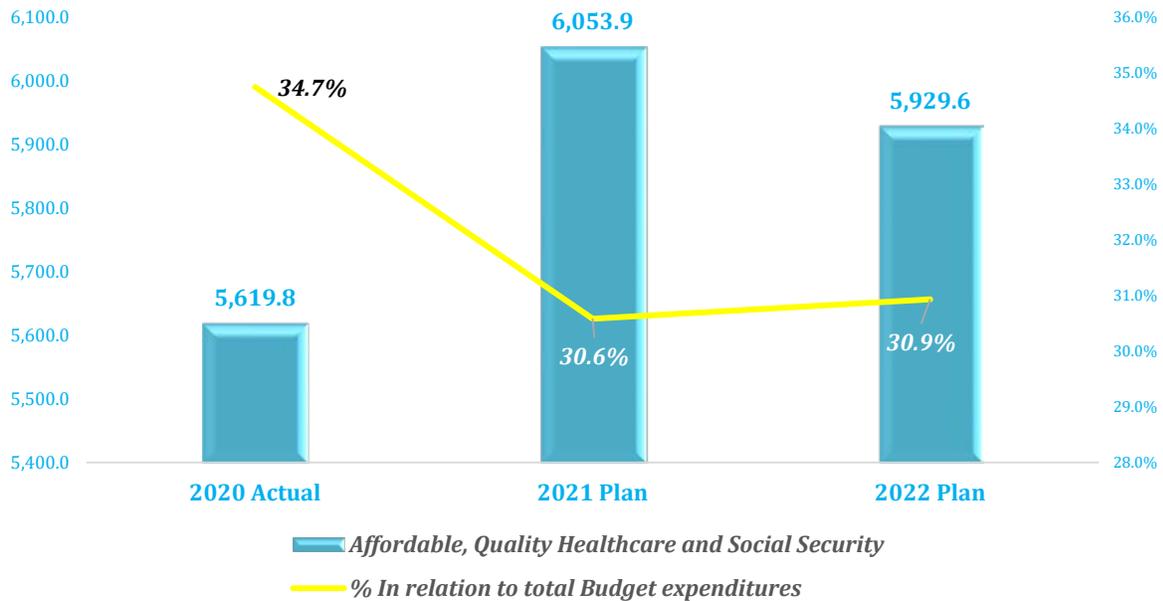
ITEM	2020 Actual	2021 Plan	2022 Plan	Deviation
Receipts	18,042,300.0	18,099,120.0	19,362,618.0	1,263,498.0
Revenues	10,490,370.2	12,549,040.0	14,560,418.0	2,011,378.0
Taxes	9,364,779.4	11,362,600.0	13,423,650.0	2,061,050.0
<i>Income tax</i>	<i>3,079,840.1</i>	<i>3,500,000.0</i>	<i>4,300,000.0</i>	<i>800,000.0</i>
<i>Profit tax</i>	<i>919,440.6</i>	<i>1,001,000.0</i>	<i>1,620,000.0</i>	<i>619,000.0</i>
<i>VAT tax</i>	<i>3,918,159.1</i>	<i>4,807,350.0</i>	<i>5,398,650.0</i>	<i>591,300.0</i>
<i>Excise</i>	<i>1,619,392.3</i>	<i>1,825,000.0</i>	<i>1,890,000.0</i>	<i>65,000.0</i>
<i>Import tax</i>	<i>74,369.0</i>	<i>81,250.0</i>	<i>85,000.0</i>	<i>3,750.0</i>
<i>Other taxes</i>	<i>-246,421.7</i>	<i>148,000.0</i>	<i>130,000.0</i>	<i>-18,000.0</i>
Grants	459,551.3	386,440.0	341,768.0	-44,672.0
Other Revenues	666,039.5	800,000.0	795,000.0	-5,000.0
Decrease in nonfinancial assets	98,153.9	350,000.0	300,000.0	-50,000.0
Decrease in financial assets (Excluding balance)	163,357.5	210,000.0	150,000.0	-60,000.0
<i>Loans</i>	<i>163,317.9</i>	<i>210,000.0</i>	<i>150,000.0</i>	<i>-60,000.0</i>
<i>Stocks and other capital</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Other Accounts Receivable</i>	<i>39.6</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Increase in liabilities	7,290,418.4	4,990,080.0	4,352,200.0	-637,880.0
<i>Domestic</i>	<i>2,026,071.5</i>	<i>-300,000.0</i>	<i>1,300,000.0</i>	<i>1,600,000.0</i>
<i>External</i>	<i>5,264,346.9</i>	<i>5,290,080.0</i>	<i>3,052,200.0</i>	<i>-2,237,880.0</i>
Expenditures	16,174,636.1	19,796,128.4	19,171,069.0	-625,059.4
Expenses	12,533,887.8	14,232,059.5	14,415,261.9	183,202.4
<i>Compensation for employees</i>	<i>1,543,096.8</i>	<i>1,640,876.1</i>	<i>1,834,414.0</i>	<i>193,537.9</i>
<i>Use of Goods and services</i>	<i>1,529,153.1</i>	<i>1,851,725.9</i>	<i>1,613,946.4</i>	<i>-237,779.5</i>
<i>Interest</i>	<i>763,694.7</i>	<i>798,045.0</i>	<i>765,047.0</i>	<i>-32,998.0</i>
<i>Subsidies</i>	<i>837,076.5</i>	<i>858,253.0</i>	<i>727,332.0</i>	<i>-130,921.0</i>
<i>Grants</i>	<i>1,010,668.9</i>	<i>935,378.5</i>	<i>1,145,005.0</i>	<i>209,626.5</i>
<i>Social benefits</i>	<i>5,343,171.8</i>	<i>6,003,298.9</i>	<i>5,870,789.4</i>	<i>-132,509.5</i>
<i>Other expenses</i>	<i>1,507,026.0</i>	<i>2,144,482.1</i>	<i>2,458,728.1</i>	<i>314,246.0</i>
Increase in nonfinancial assets	2,319,013.5	2,525,678.9	3,059,849.1	534,170.2
Increase in financial assets (Excluding balance)	377,686.4	316,830.0	459,000.0	142,170.0
<i>Loans</i>	<i>377,686.4</i>	<i>316,830.0</i>	<i>459,000.0</i>	<i>142,170.0</i>
<i>Stocks and other capital</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Decrease in liabilities	944,048.4	2,721,560.0	1,236,958.0	-1,484,602.0
<i>Domestic</i>	<i>42,129.2</i>	<i>42,835.0</i>	<i>43,233.0</i>	<i>398.0</i>
<i>External</i>	<i>901,919.2</i>	<i>2,678,725.0</i>	<i>1,193,725.0</i>	<i>-1,485,000.0</i>
Changes in balance	1,867,663.9	-1,697,008.4	191,549.0	1,888,557.4

Funding of 2022 State Budget Priority Directions

Affordable, Quality Healthcare and Social Security

Million Gel

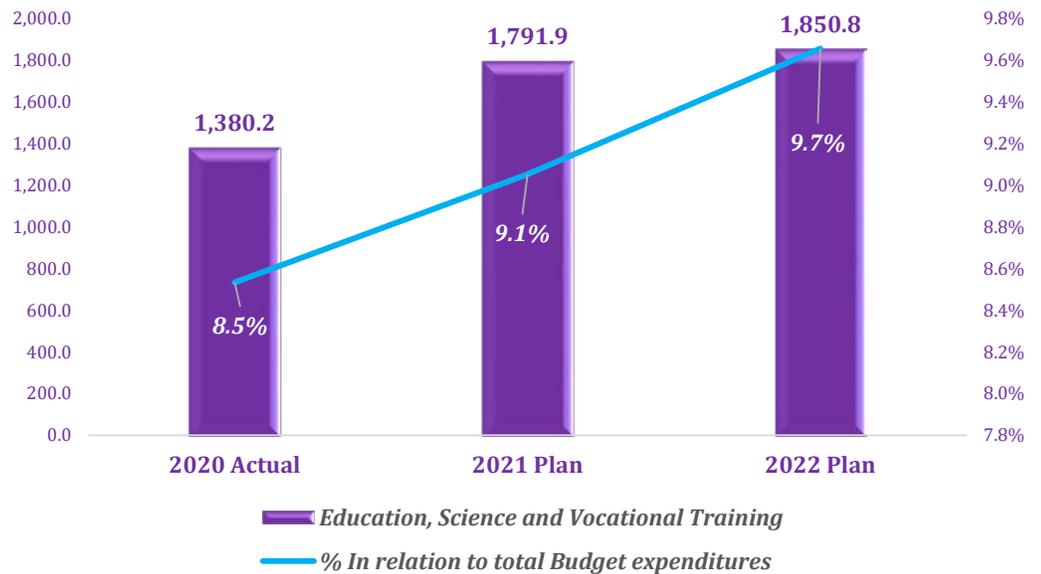
ITEM	2020 Actual	2021 Plan	2022 Plan
Social Protection of the population	3,848.8	3,854.9	4,021.2
Healthcare of the population	1,571.3	2,025.5	1,791.2
Management of programs on IDPs from occupied territories, labor, health and social protection	66.7	63.8	72.4
Rehabilitation and equipping of medical facilities	50.7	43.0	31.0
The Program of Labor and employment system reform	2.1	8.9	9.2
Provision of health services to the system of the Ministry of Internal Affairs of Georgia and the employees of the State Security Service of Georgia	5.6	4.2	4.3
N(N)LE - Solidarity Foundation of Georgi	0.3	0.3	0.3
Other Programs	74.3	53.3	0.0
Total	5,619.8	6,053.9	5,929.6



Education, Science and Vocational Training

Million Gel

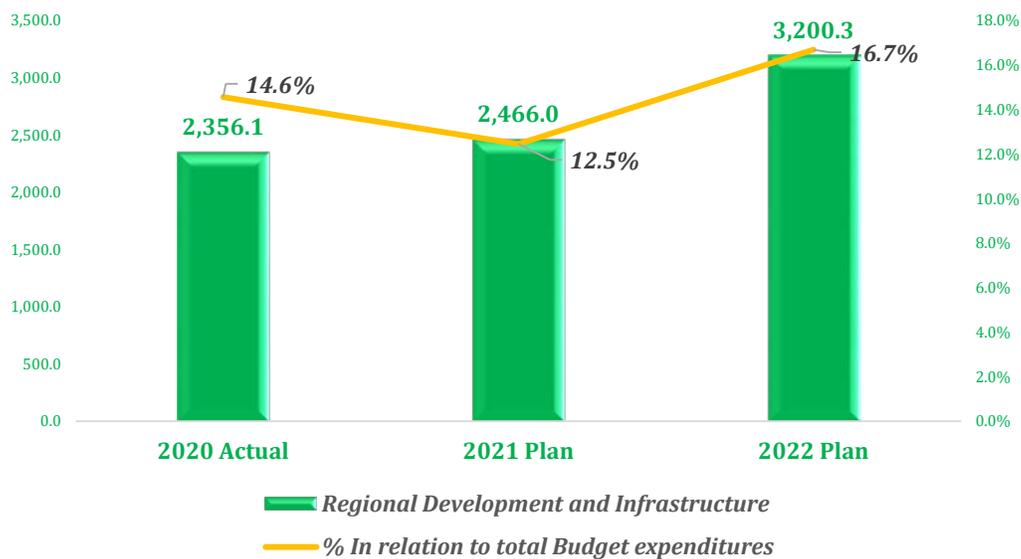
ITEM	2020 Actual	2021 Plan	2022 Plan
Preschool and general education	908.3	1,056.3	1,157.4
Construction and rehabilitation of general education infrastructure	0.0	164.1	110.0
Higher Education	147.0	153.4	142.4
Infrastructure development	128.6	151.8	120.1
Promotion of science and scientific research	56.8	60.5	66.6
Vocational Education	44.6	62.5	68.9
Develop state policy and manage programs in fields of education, science, culture and sports	33.1	42.4	46.7
Higher education in the field of arts and sports	0.0	0.0	17.0
LEPL - Academy of Sciences of Georgia	4.1	4.3	4.3
Inclusive education	21.2	27.1	34.9
Innovation, Inclusion and Quality Project - Georgia I2Q (IBRD)	1.1	26.5	23.0
Other Programs	35.4	43.0	59.5
Total	1,380.2	1,791.9	1,850.8



Regional Development and Infrastructure

Million Gel

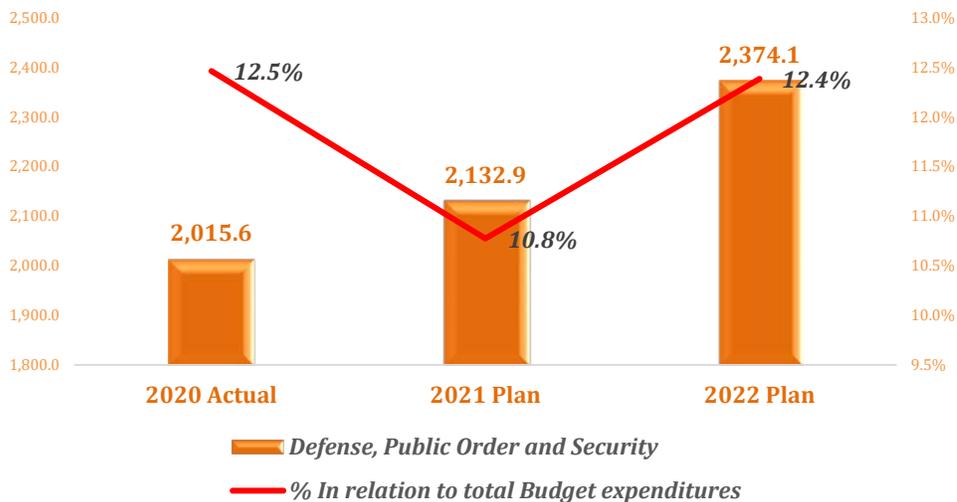
ITEM	2020 Actual	2021 Plan	2022 Plan
Road Infrastructure Improvement Measures	1,493.9	1,531.5	1,852.9
Rehabilitation of regional and municipal infrastructure	279.3	344.3	483.5
Restoration and rehabilitation of water supply infrastructure	245.3	348.6	379.8
Funding of projects selected within the framework of the Integrated Development Program for 2020-2022 pilot regions in municipalities	0.0	30.0	170.0
Development of power transmission network of systemic significance	30.1	51.5	80.1
Solid Waste Management Program	20.7	33.6	49.4
Promotion of tourism development	8.2	7.7	22.8
Development of innovations and technologies in Georgia	3.7	28.7	52.7
Improvement of provision of electricity and natural gas to population	63.3	22.8	73.5
Other Programs	211.6	67.3	35.6
Total	2,356.1	2,466.0	3,200.3



Defense, Public Order and Security

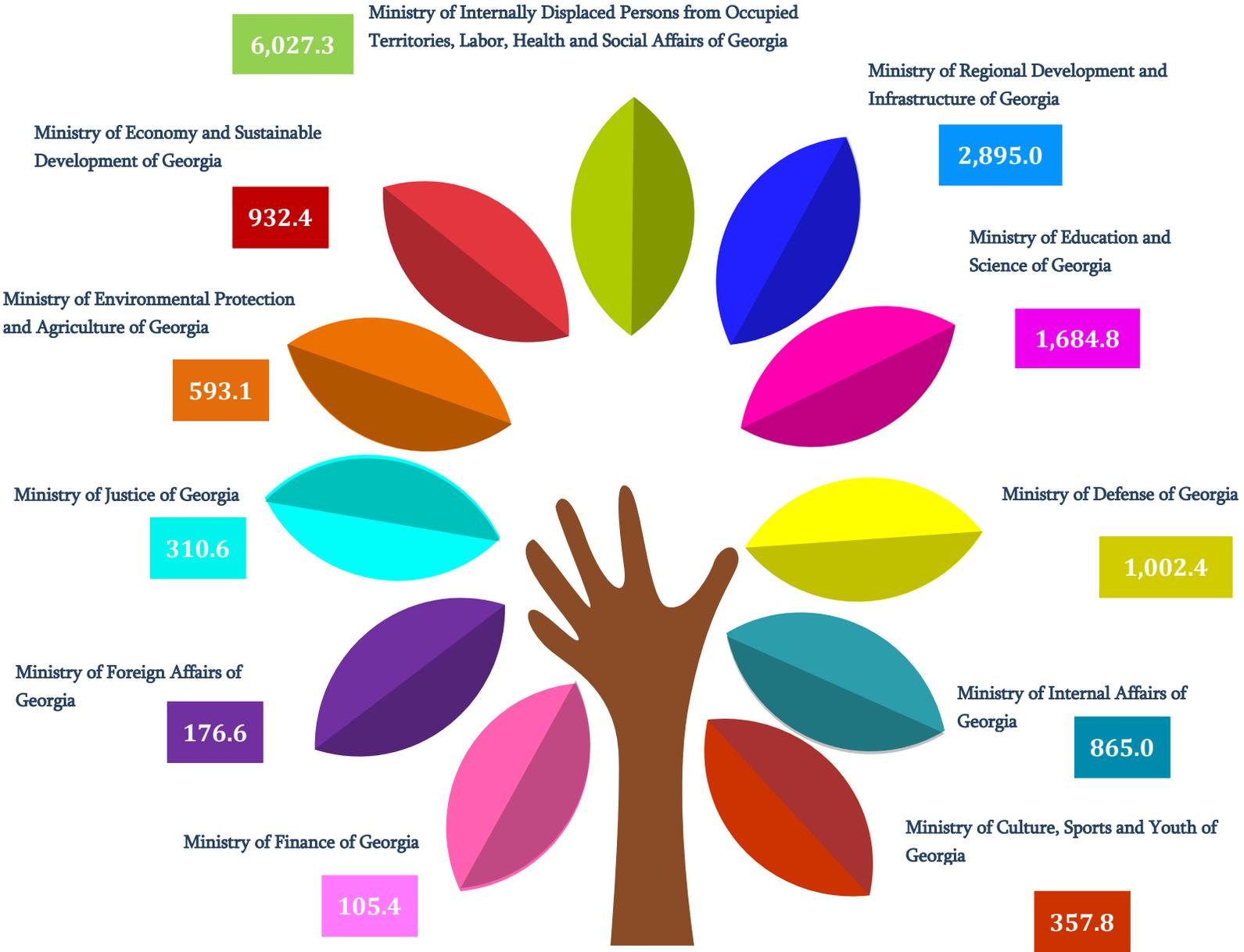
Million Gel

ITEM	2020 Actual	2021 Plan	2022 Plan
Develop/deepen public order and international cooperation	560.5	584.9	643.0
Management of Defense	350.0	339.8	392.8
Establish penitentiary system in compliance with international standards	147.7	156.5	193.1
Logistic support	150.4	132.9	198.4
Provision of state security	111.8	118.0	125.3
State border protection	101.5	97.1	109.3
Infrastructure development	69.1	80.0	80.0
Raising the level of civil security, creating and managing state material reserves	82.1	75.3	88.7
Develop defense capabilities	56.9	110.0	148.0
Health and Social Security	55.2	60.7	30.1
Ensuring the security of persons and objects to be protected	49.4	52.4	57.2
Vocational military education	51.1	52.3	62.5
Capacity Building of the Georgian Defense Forces (SG)	24.4	50.0	18.0
Prosecutor's Office of Georgia	38.0	41.4	47.9
Georgian Intelligence Service	13.5	13.8	15.4
LEPL - State Service for Veterans Affairs	0.0	7.9	9.5
Other Programs	154.0	159.9	154.9
Total	2,015.6	2,132.9	2,374.1



Distribution of State Budget Appropriations by Ministries

Million Gel



Funding of Spending Organizations and Programs in 2020-2022

Thousand Gel

Code	ITEM	2020 Actual	2021 Plan	2022 Plan	
00 00	Total	16,174,636.4	19,796,128.4	19,171,069.0	17,268,299.0
01 00	Parliament of Georgia and Institutions Existing at the Parliament	53,983.0	64,736.0	68,035.9	68,035.9
01 02	Library activity	8,967.8	9,590.0	10,230.0	10,230.0
01 03	State Regulation of Heraldic Activity	393.1	450.0	478.6	478.6
01 04	Strengthening Analytical and Research Activity of the Parliament of Georgia	735.7	1,000.0	1,063.0	1,063.0
02 00	Administration of the President of Georgia	4,717.7	6,250.0	8,792.4	8,792.4
03 00	Apparatus of the Business ombudsman of Georgia	577.9	700.0	752.9	752.9
04 00	Administration of the Government of Georgia	18,432.1	16,000.0	19,220.0	19,220.0
05 00	State Audit Office of Georgia	13,547.2	16,811.0	18,491.3	18,491.3
06 00	Central Election Commission of Georgia	77,511.4	74,455.8	31,489.1	31,489.1
06 01	Development of the election environment	11,691.9	13,844.3	16,235.1	16,235.1
06 02	Promoting the development of the electoral institution and civil education	975.9	1,270.7	1,417.0	1,417.0
06 03	Funding of political parties	14,307.3	14,308.8	13,837.0	13,837.0
06 04	Measures for holding elections	50,536.3	45,032.0	0.0	0.0
07 00	Constitutional Court of Georgia	3,469.4	4,250.0	4,950.0	4,950.0
08 00	Supreme Court of Georgia	9,716.5	12,500.0	14,350.0	14,350.0
09 00	Common Courts of Georgia	65,015.6	74,000.0	99,120.0	99,120.0
09 01	Development and promotion a common court system	63,642.6	72,130.0	96,780.0	96,780.0
09 02	Training an retraininf of judges and court staff	1,372.9	1,870.0	2,340.0	2,340.0
10 00	High Council of Justice of Georgia	4,531.6	6,500.0	6,840.0	6,840.0
11 00	Administration of the State Representative in Abasha, Zugdidi, Martvili, Mestia, Senaki, Chkhorotsku, Tsalenjikha, Khobi municipalities and Poti municipality	806.0	890.0	972.3	972.3
12 00	Administration of the State Representative in Lanchkhuti, Ozurgeti and Chokhatauri Municipalities	608.5	680.0	812.7	812.7
13 00	Administration of the State Representative in Baghdati, Vani, Zestaponi, Terjola, Samtredia, Sachkhere, Tkibuli, Tskaltubo, Chiatura, Kharagauli, Khoni municipalities and Kutaisi municipality	743.9	790.0	909.2	909.2
14 00	Administration of the State Representative in Akhmeta, Gurjaani, Dedoplistskaro, Telavi, Lagodekhi, Sagarejo, Sighnaghi and Kvareli municipalities	642.8	760.0	864.7	864.7

Code	ITEM	2020 Actual	2021 Plan	2022 Plan	
15 00	Administration of the State Representative in Dusheti, Tianeti, Mtskheta and Kazbegi municipalities	575.8	650.0	812.4	812.4
16 00	Administration of the State Representative in Ambrolauri, Lentekhi, Oni and Tsageri Municipalities	536.8	640.0	794.2	794.2
17 00	Administration of the State Representative in Adigeni, Aspindza, Akhaltsikhe, Akhalkalaki, Borjomi and Ninotsminda municipalities	615.1	650.0	760.7	760.7
18 00	Administration of the State Representative in Bolnisi, Gardabani, Dmanisi, Tetri Tskaro, Marneuli, Tsalka municipalities and Rustavi municipality	803.7	880.0	1,001.8	1,001.8
19 00	Administration of the State Representative in Gori, Kaspi, Kareli and Khashuri municipalities	610.1	660.0	765.2	765.2
20 00	Georgian State Security Service	136,343.5	137,500.0	148,700.0	148,700.0
20 01	Providing state security	111,770.9	118,000.0	125,321.0	125,321.0
20 02	Providing operational-technical activities	24,527.7	18,500.0	21,400.0	21,400.0
20 03	Training, retraining and training of security personnel	44.9	1,000.0	1,979.0	1,979.0
21 00	Prosecutor's Office of Georgia	37,962.2	41,400.0	47,870.0	47,870.0
22 00	Office of the State Minister of Georgia for Reconciliation and Civic Equality	2,189.1	2,550.0	3,130.0	3,130.0
23 00	Ministry of finance of Georgia	77,228.5	88,900.0	105,404.8	105,404.8
23 01	Public Finance Management	17,096.7	18,715.0	22,595.0	22,595.0
23 02	Revenue mobilization and improving taxpayer services	31,789.4	40,000.0	47,216.3	47,216.3
23 03	Prevention of economic crime	19,810.1	21,485.0	24,635.0	24,635.0
23 04	Promotion of Electronic and analytical financial management software	6,664.0	6,750.0	8,606.6	8,606.6
23 05	Improving the qualifications of employees in the financial sector	955.9	850.0	1,061.9	1,061.9
23 06	Supervision of accounting, reporting and auditing	912.3	1,100.0	1,290.0	1,290.0
24 00	Ministry of Economy and Sustainable Development of Georgia	759,363.9	585,215.0	932,404.9	769,404.9
24 01	Development and implementation of economic policy	11,511.2	13,500.0	19,085.0	19,085.0
24 02	Regulation of technical and construction field	1,370.2	1,540.0	1,748.0	1,748.0
24 03	Development of standardization and metrology	957.8	980.0	1,106.0	1,106.0
24 04	Regulation and implementation of market surveillance	487.8	900.0	1,180.0	1,180.0
24 05	Promoting tourism development	8,242.2	17,680.0	22,856.5	22,856.5
24 06	State property management	76,777.1	60,130.0	359,130.0	359,130.0
24 07	Entrepreneurship development	426,857.0	322,160.0	273,486.0	228,486.0

Code	ITEM	2020 Actual	2021 Plan	2022 Plan	
24 08	Development of innovations and technologies in Georgia	3,752.7	6,080.0	52,680.0	21,700.0
24 09	Regulation and management of the oil and gas sector	549.5	580.0	672.2	672.2
24 10	Repayment of obligations under international agreements in the field of transport and subsidizing transportation costs	4,367.8	3,000.0	12,000.0	12,000.0
24 11	Measures to reimburse the cost of natural gas supplied to the population of highland villages of Kazbegi Municipality and Dusheti Municipality	8,948.7	8,000.0	12,000.0	12,000.0
24 12	Georgian National Innovation Ecosystem Project (WB)	18,921.1	17,600.0	11,620.0	0.0
24 13	Technical Assistance Project to Support Georgia Energy Sector Reform Program (GESRP) (EU-NIF)	0.0	0.0	5,500.0	500.0
24 14	Development of system power transmission network	30,062.5	51,500.0	80,150.0	9,750.0
24 15	Improving the electricity and natural gas supply of the population	63,336.5	22,800.0	73,550.0	73,550.0
24 16	Promoting maritime vocational education	538.3	400.0	400.0	400.0
24 17	Development of Anaklia deep-water port	0.0	1,500.0	1,516.2	1,516.2
24 18	Measures related to the repayment of obligations recognized under bilateral agreements	0.0	3,725.0	3,725.0	3,725.0
24 19	Vardnili and Enguri Hydropower Plant Rehabilitation Project (EU, EIB, EBRD)	39,441.3	32,000.0	0.0	0.0
24 20	Implement quarantine and other measures related to the new coronavirus	62,913.1	21,000.0	0.0	0.0
24 21	Purchase-compensation of privately owned lands on the Marabda-Akhalkalaki-Kartsakhi section for the construction of the Baku-Tbilisi-Kars railway	189.1	0.0	0.0	0.0
24 22	Management and development of the accreditation process	140.0	140.0	0.0	0.0
25 00	Ministry of Regional Development and Infrastructure of Georgia	2,202,373.3	2,456,630.0	2,895,025.0	1,610,055.0
25 01	Develop and manage regional and infrastructure development policies	6,381.9	5,700.0	7,255.0	7,255.0
25 02	Measures to improve road infrastructure	1,493,864.9	1,538,930.0	1,852,920.0	966,370.0
25 03	Rehabilitation of regional and municipal infrastructure	279,302.5	334,350.0	483,550.0	279,300.0
25 04	Rehabilitation of water supply infrastructure	245,315.0	348,600.0	379,850.0	248,800.0
25 05	Solid Waste Management Program	20,655.3	33,650.0	49,450.0	24,280.0
25 06	Support for IDPs	21,000.0	31,300.0	12,000.0	12,000.0
25 07	Construction and rehabilitation of general education infrastructure	135,853.8	164,100.0	110,000.0	72,050.0

Code	ITEM	2020 Actual	2021 Plan	2022 Plan	
26 00	Ministry of Justice of Georgia	238,813.3	296,500.0	310,568.4	295,568.4
26 01	Develop and manage state policies to provide legislative and legal support to the country's interests, including criminal justice reform	48,226.4	85,700.0	49,416.0	49,416.0
26 02	Establishment of a penitentiary system in accordance with international standards	147,712.0	156,520.0	193,130.0	193,130.0
26 03	Ensuring the protection of the National Archives Fund, the introduction of modern service technologies and access to documents	5,822.3	5,900.0	6,719.5	6,719.5
26 04	Training of employees of the Ministry of Justice of Georgia and other interested persons	1,838.8	2,495.0	2,907.3	2,907.3
26 05	Development of e-government	2,867.5	2,500.0	3,783.8	3,783.8
26 06	Crime prevention, probation system development and resocialization of ex-prisoners	7,504.7	6,500.0	8,271.8	8,271.8
26 07	Development and access to the services of the House of Justice	7,874.0	16,485.0	6,340.0	6,340.0
26 08	Promoting land registration and developing / accessing public registry services	7,324.9	5,000.0	25,000.0	25,000.0
26 09	Land Market Development (WB)	2,129.7	15,400.0	15,000.0	0.0
26 10	Development and availability of services of the State Services Development Agency	7,513.0	0.0	0.0	0.0
27 00	Ministry of IDPs from the Occupied Territories of Georgia, Labor, Health and Social Affairs	5,631,137.3	6,468,945.6	6,027,275.8	5,977,275.8
27 01	Manage IDP, labor, health and social protection programs from the occupied territories	66,687.7	63,853.0	72,431.8	72,431.8
27 02	Social protection of the population	3,848,765.2	3,876,381.6	4,021,210.0	4,021,210.0
27 03	Health protection of the population	1,571,315.4	2,365,016.0	1,791,204.0	1,741,204.0
27 04	Rehabilitation and equipping of medical institutions	50,724.8	58,000.0	31,000.0	31,000.0
27 05	Labor and Employment System Reform Program	2,086.7	8,860.0	9,195.0	9,195.0
27 06	Promoting Internally Displaced Persons and Migrants	91,557.4	96,835.0	102,235.0	102,235.0
28 00	Ministry of foreign affairs of Georgia	156,573.3	170,700.0	176,603.6	176,603.6
28 01	Implementation of foreign policy	155,868.2	169,850.0	175,724.0	175,724.0
28 02	Improving the qualifications of civil servants in the field of international relations	705.1	850.0	879.6	879.6
29 00	Ministry of Defense of Georgia	842,378.8	990,000.0	1,002,431.4	984,431.4
29 01	Defense management	349,970.2	361,330.0	392,787.0	392,787.0
29 02	Vocational military education	51,104.8	54,492.0	62,551.9	62,551.9
29 03	Health and Social Security	55,172.2	68,970.0	60,090.0	60,090.0
29 04	Management, control, communication and computer systems	7,372.5	7,800.0	6,913.3	6,913.3

Code	ITEM	2020 Actual	2021 Plan	2022 Plan	
29 05	Infrastructure development	69,135.3	83,000.0	80,000.0	80,000.0
29 06	International peacekeeping missions	45,009.8	33,000.0	2,000.0	2,000.0
29 07	Scientific research and development of the military industry	32,944.1	35,530.0	33,716.2	33,716.2
29 08	Develop defense capabilities	56,884.2	121,000.0	148,000.0	148,000.0
29 09	Logistical support	150,410.9	174,878.0	198,373.0	198,373.0
29 10	Capacity Building of the Georgian Defense Forces (SG)	24,374.8	50,000.0	18,000.0	0.0
30 00	Ministry of Internal Affairs of Georgia	765,835.6	780,000.0	865,000.0	865,000.0
30 01	Development / enhancement of public order and international cooperation	560,526.4	584,899.0	642,995.9	642,995.9
30 02	State border protection	101,490.3	97,097.0	109,266.0	109,266.0
30 03	Raising the level of protection of individuals and legal entities (including property), diplomatic missions, national treasures and security	10,032.8	11,648.0	12,616.3	12,616.3
30 04	Training of highly qualified personnel for law enforcement agencies, retraining, digitization of archival funds, scientific-research activities and citizen services	6,079.7	6,875.0	7,162.5	7,162.5
30 05	Providing health care services to the system of the Ministry of Internal Affairs of Georgia and the State Security Service of Georgia	5,621.3	4,180.0	4,258.3	4,258.3
30 06	Raising the level of civil security, creating and managing state material reserves	82,085.1	75,301.0	88,701.0	88,701.0
31 00	Ministry of Environment Protection and Agriculture of Georgia	496,804.3	628,575.0	593,071.4	540,771.4
31 01	Environmental and Agricultural Development Program	11,570.9	10,050.0	14,455.3	14,455.3
31 02	Food safety, plant protection and epizootic well-being	28,838.2	29,855.0	60,768.1	60,768.1
31 03	Development of viticulture and winemaking	94,946.1	152,800.0	84,747.1	84,747.1
31 04	Implementation of scientific-research activities in the field of agriculture	7,089.1	5,850.0	5,378.5	5,378.5
31 05	Unified agro project	228,325.4	280,680.0	261,725.0	241,725.0
31 06	Modernization of reclamation systems	62,172.7	90,675.0	92,000.0	62,000.0
31 07	Environmental supervision	15,364.3	16,850.0	20,250.0	20,250.0
31 08	Establishment and management of a system of protected areas	16,606.8	15,180.0	26,600.0	24,300.0
31 09	Establishment and management of the forest system	12,574.3	7,950.0	11,170.8	11,170.8
31 10	Establish and manage the system of the National Agency for Wildlife	1,546.4	620.0	1,387.2	1,387.2
31 11	Environmental and Agricultural Access to Information and Education for Sustainable Development Program	4,129.2	4,890.0	1,335.1	1,335.1
31 12	Protecting nuclear and radiation safety	980.0	1,100.0	1,233.8	1,233.8
31 13	Forecasting, assessment, prevention and monitoring in the field of environment	4,171.9	5,325.0	4,200.0	4,200.0

Code	ITEM	2020 Actual	2021Plan	2022 Plan	
31 14	Diagnosis of food, animal and plant diseases	7,501.6	4,650.0	4,725.5	4,725.5
31 15	State Program for Sustainable Land Management and Land Use Monitoring	987.2	2,100.0	3,095.0	3,095.0
32 00	Ministry of Education and Science of Georgia	1,302,561.3	1,524,765.0	1,684,835.9	1,640,735.9
32 01	Develop state policies and programs in the fields of education and science	33,145.9	42,415.0	46,664.3	46,664.3
32 02	Preschool and general education	908,338.8	1,056,262.7	1,157,396.8	1,157,396.8
32 03	professional education	44,278.3	62,500.0	68,880.5	68,880.5
32 04	high education	135,199.7	141,492.0	142,380.7	142,380.7
32 05	Promoting science and scientific research	56,836.1	60,475.0	66,588.6	66,588.6
32 06	inclusive education	21,221.8	27,115.0	34,875.0	34,875.0
32 07	Infrastructure development	96,184.7	96,105.3	120,050.0	120,050.0
32 08	Innovation, Inclusion and Quality Project - Georgia I2Q (IBRD)	1,074.8	26,500.0	23,000.0	0.0
32 09	Vocational Education Program I (KfW)	259.8	8,500.0	20,000.0	3,000.0
32 10	Modern Skills for a Better Employment Sector Development Program - Project (ADB)	0.0	0.0	5,000.0	900.0
32 11	Applied Research Grant Program (WB)	6,021.4	3,400.0	0.0	0.0
33 00	Ministry of Culture, Sports and Youth of Georgia	252,184.0	351,645.0	357,802.8	357,802.8
33 01	Develop state policy and program management in the fields of culture, sports and youth	0.0	0.0	7,633.0	7,633.0
33 02	Higher education in the field of arts and sports	11,907.8	12,015.0	17,015.0	17,015.0
33 03	Infrastructure development	32,417.0	55,685.0	42,000.0	42,000.0
33 04	Promoting arts and sports facilities	6,247.8	6,782.0	7,108.0	7,108.0
33 05	Promoting the development of culture	68,658.1	70,829.0	82,702.0	82,702.0
33 06	Preservation of cultural heritage and improvement of the museum system	24,861.1	33,612.0	37,610.0	37,610.0
33 07	Development and popularization of mass and high achievement sports	87,626.2	136,400.0	134,917.8	134,917.8
33 08	Social protection measures for cultural and sports figures	16,906.5	32,122.0	23,357.0	23,357.0
33 09	Promoting youth	3,559.6	4,200.0	5,460.0	5,460.0
34 00	Georgian Intelligence Service	13,500.0	13,800.0	15,400.0	15,400.0
35 00	LEPL - Civil Service Bureau	1,613.1	1,400.0	1,705.0	1,705.0
36 00	LEPL - Legal Aid Service	6,326.2	7,300.0	8,170.5	8,170.5
37 00	LEPL - State Service for Veterans Affairs	7,224.9	7,900.0	9,495.0	9,495.0
38 00	LEPL - Financial Monitoring Service of Georgia	1,987.2	2,150.0	2,292.0	2,292.0
39 00	NNLE –Georgian Solidarity Fund	244.6	260.0	278.6	278.6
40 00	Special State Protection Service of Georgia	56,685.2	60,400.0	67,188.5	67,188.5

Code	ITEM	2020 Actual	2021 Plan	2022 Plan	
40 01	Ensuring the security of persons and objects to be protected	49,443.9	52,400.0	57,150.0	57,150.0
40 02	Maintenance of state facilities	7,198.3	8,000.0	10,038.5	10,038.5
40 03	LEPL - Government Special Communication Agency	43.0	0.0	0.0	0.0
41 00	Office of the Public Defender of Georgia	6,373.3	8,500.0	8,869.0	8,869.0
42 00	LEPL - Public Broadcaster	68,913.2	69,200.0	82,180.0	82,180.0
43 00	LEPL - Georgian National Competition Agency	1,877.6	2,400.0	3,430.0	3,430.0
44 00	Administration of the Temporary Administrative-Territorial Unit on the Territory of the Former South Ossetian Autonomous District - Administration of South Ossetia	2,394.2	2,460.0	2,636.0	2,636.0
45 00	Patriarchate of Georgia	24,997.7	25,000.0	25,000.0	25,000.0
45 01	Theological Education Promotion Grant	14,715.7	14,738.0	14,790.0	14,790.0
45 02	NNLE – St. Svimon Kananeli Theological Training Center of the Georgian Patriarchate	645.0	645.0	645.0	645.0
45 03	NNLE – Grant to be handed over to the Educational Center of Batumi and Lazeti Diocese	1,768.0	1,768.0	1,768.0	1,768.0
45 04	NNLE – Georgian Patriarchate st. Ninotsminda St. Nino orphanage	685.0	685.0	685.0	685.0
45 05	NNLE – Grant to be awarded to the Holy Martyr Ekaterine Virtue Sanctuary in Batumi	261.0	261.0	261.0	261.0
45 06	NNLE – St. Andrew the First-Called Theological Training Center of the Georgian Patriarchate	870.0	870.0	870.0	870.0
45 07	NNLE – Grant to be handed over to the rehabilitation center near St. George Mtatsmindeli Monastery	230.0	230.0	230.0	230.0
45 08	NNLE – Grant to be awarded to St. Andrew the First-Called Georgian University of the Georgian Patriarchate	1,945.0	1,945.0	1,893.0	1,893.0
45 09	NNLE – Grant to be awarded to St. Tbel Abuseridze Teaching University of the Georgian Patriarchate	1,805.0	1,805.0	1,805.0	1,805.0
45 10	NNLE – Grant to be given to the Center for Rehabilitation and Adaptation of Children with Hearing Impairment	100.0	100.0	100.0	100.0
45 11	Georgian Patriarchate TV Subsidy Measures	800.0	800.0	800.0	800.0
45 12	NNLE – Grant to be awarded to Akhalkalaki and Kumurdo Diocese Training Center	500.0	500.0	500.0	500.0
45 13	NNLE – Poti Educational and Cultural Center	673.0	653.0	653.0	653.0
46 00	LEPL - Levan Samkharauli National Forensics Bureau	6,967.1	7,000.0	10,000.0	10,000.0
47 00	LEPL - National Statistics Office of Georgia - Geostat	9,867.6	10,120.0	12,968.0	12,968.0
47 01	Planning and managing statistical work	5,395.4	5,570.0	6,688.0	6,688.0

Code	ITEM	2020 Actual	2021 Plan	2022 Plan	
47 02	State Program of Statistical Works	4,472.2	4,250.0	4,940.0	4,940.0
47 03	Universal description of population and housing	0.0	300.0	1,340.0	1,340.0
48 00	LEPL - Georgian National Academy of Sciences	4,082.1	4,250.0	4,434.0	4,434.0
49 00	Georgian Chamber of Commerce and Industry	1,474.2	1,430.0	1,602.0	1,602.0
50 00	LEPL - State Agency for Religious Affairs	5,255.7	5,330.0	5,388.8	5,388.8
51 00	State Inspector Service	6,100.1	9,000.0	11,300.0	11,300.0
52 00	LEPL - State Language Department	434.5	450.0	543.8	543.8
53 00	LEPL - Public-Private Partnership Agency	233.9	250.0	269.0	269.0
54 00	Office of the National Security Council	2,351.2	2,700.0	3,410.0	3,410.0
55 00	Expenditures of General State Importance	2,780,099.4	4,745,300.0	3,464,650.0	3,189,250.0
55 01	Service and repayment of foreign government liabilities	1,238,414.7	2,963,000.0	1,430,000.0	1,430,000.0
55 02	Service and repayment of domestic government liabilities	467,168.1	550,000.0	565,000.0	565,000.0
55 03	Commitments arising from cooperation with international financial organizations	4,007.1	4,500.0	2,800.0	2,800.0
55 04	Transfers to Autonomous Republics and Municipalities	637,838.9	226,000.0	277,000.0	277,000.0
55 05	Georgian Government Reserve Fund	0.0	40,000.0	55,000.0	55,000.0
55 06	Debt settlement and court enforcement fund arising in previous years	3,426.4	45,000.0	50,000.0	50,000.0
55 07	Fund of projects to be implemented in the regions of Georgia	0.0	410,000.0	300,000.0	300,000.0
55 08	Highland Settlements Development Fund	0.0	15,000.0	20,000.0	20,000.0
55 09	Financial support for the issuance of simultaneous cash bonuses for Georgian state awards	17.4	200.0	200.0	200.0
55 10	Co-financing of operating expenses and other liabilities under international agreements	713.3	700.0	750.0	750.0
55 11	Co-financing of the accumulative pension scheme	211,000.0	236,000.0	260,000.0	260,000.0
55 12	Financial support for planned reforms in municipalities in cooperation with international partners	0.0	5,000.0	10,000.0	10,000.0
55 13	Donor-funded payments of general state importance	213,223.0	219,900.0	323,900.0	48,500.0
55 14	Funding of projects selected within the framework of the Integrated Development Program for 2020-2020 pilot regions in municipalities	4,290.4	30,000.0	170,000.0	170,000.0
56 00	LEPL - Kutaisi International University	2,120.9	0.0	0.0	0.0
57 00	LEPL - Pension Agency	4,191.0	3,400.0	0.0	0.0
58 00	NNLE – Millennium Foundation	113.4	0.0	0.0	0.0
59 00	LEPL - Georgian National Intellectual Property Center - Sakpatenti	14.6	0.0	0.0	0.0

The volume of transfers to be transferred to the Autonomous Republics and Municipalities of the 2022 state budget is 277.000.0 thousand GEL

Thousand Gel

Name of Autonomous Republics and Local Self-Governing units	Total transfers	Targeted transfer to carry out delegated competences *	Special transfer
Autonomous Republic of Abkhazia	11,000.0	0.0	11,000.0
Tbilisi city Municipality	225,505.0	505.0	225,000.0
Adjara Municipality	1,223.0	35.0	1,188.0
Shuakhevi Municipality	0.0	0.0	0.0
Khulo Municipality	1,300.0	0.0	1,300.0
Akhmeta Municipality	170.0	170.0	0.0
Gurjaani Municipality	245.0	245.0	0.0
Dedoplistskaro Municipality	210.0	210.0	0.0
Telavi Municipality	310.0	310.0	0.0
Lagodekhi Municipality	255.0	255.0	0.0
Sagarejo Municipality	245.0	245.0	0.0
Sighnaghi Municipality	165.0	165.0	0.0
Kvareli Municipality	180.0	180.0	0.0
Kutaisi City Municipality	280.0	280.0	0.0
Chiatura Municipality	255.0	255.0	0.0
Tkibuli Municipality	190.0	190.0	0.0
Tskaltubo Municipality	190.0	190.0	0.0
Bagdati Municipality	145.0	145.0	0.0
Vani Municipality	165.0	165.0	0.0
Zestaponi Municipality	265.0	265.0	0.0
Terjola Municipality	180.0	180.0	0.0
Samtredia Municipality	210.0	210.0	0.0
Sachkhere Municipality	210.0	210.0	0.0
Kharagauli Municipality	155.0	155.0	0.0
Khoni Municipality	180.0	180.0	0.0
Poti City Municipality	290.0	290.0	0.0
Zugdidi Municipality	390.0	390.0	0.0
Abasha Municipality	170.0	170.0	0.0

Name of Autonomous Republics and Local Self-Governing units	Total transfers	Targeted transfer to carry out delegated competences *	Special transfer
Martvili Municipality	175.0	175.0	0.0
Mestia Municipality	140.0	140.0	0.0
Senaki Municipality	220.0	220.0	0.0
Chkhorotsku Municipality	195.0	195.0	0.0
Tsalenjikha Municipality	225.0	225.0	0.0
Khobi Municipality	235.0	235.0	0.0
Gori Municipality	335.0	335.0	0.0
Kurta Municipality	2,388.0	100.0	2,288.0
Eredvi Municipality	2,222.0	55.0	2,167.0
Kaspi Municipality	195.0	195.0	0.0
Kareli Municipality	240.0	240.0	0.0
Tighvi Municipality	1,850.0	35.0	1,815.0
Khashuri Municipality	250.0	250.0	0.0
Rustavi City Municipality	550.0	550.0	0.0
Bolnisi Municipality	340.0	340.0	0.0
Gardabani Municipality	290.0	290.0	0.0
Dmanisi Municipality	145.0	145.0	0.0
Tetritskaro Municipality	240.0	240.0	0.0
Marneuli Municipality	280.0	280.0	0.0
Tsalka Municipality	125.0	125.0	0.0
Lanchkhuti Municipality	245.0	245.0	0.0
Ozurgeti Municipality	280.0	280.0	0.0
Chokhatauri Municipality	210.0	210.0	0.0
Adigeni Municipality	160.0	160.0	0.0
Aspindza Municipality	145.0	145.0	0.0
Akhalkalaki Municipality	240.0	240.0	0.0
Akhaltzikhe Municipality	300.0	300.0	0.0
Borjomi Municipality	225.0	225.0	0.0
Ninotsminda Municipality	200.0	200.0	0.0
Akhalgori Municipality	2,927.0	100.0	2,827.0
Dusheti Municipality	125.0	125.0	0.0

Name of Autonomous Republics and Local Self-Governing units	Total transfers	Targeted transfer to carry out delegated competences *	Special transfer
Tianeti Municipality	150.0	150.0	0.0
Mtskheta Municipality	405.0	405.0	0.0
Kazbegi Municipality	2,900.0	100.0	2,800.0
Ambrolauri Municipality	150.0	150.0	0.0
Lentekhi Municipality	120.0	120.0	0.0
Oni Municipality	120.0	120.0	0.0
Tsageri Municipality	175.0	175.0	0.0
Various municipalities	13,200.0	4,500.0	8,700.0
Total	277,000.0	17,915.0	259,085.0

Note(): Delegated powers include Public Health, Military Obligation and Military Service, Defense Reserve and Military Reserve Service, Internally Displaced Persons from the Occupied Territories of Georgia, Deaths of War and Post-War Victims Financing of activities envisaged by the Law of Georgia on the Development of Mountainous Regions, the powers defined by the Code of the Rights of the Child and other laws of Georgia. In addition to the delegated powers provided for in this article, in 2022 it is possible to procure goods, services and works for the improvement of public school infrastructure for municipalities (25 07 - construction and rehabilitation of general education infrastructure) and to provide student transport (32 02 10 - for public school students).*

Disposal of GEL 4,500.0 thousand defined as targeted transfers for different municipalities will be carried out in accordance with the decision made by the Government of Georgia.

In order to support different municipalities, the management of 8 700.0 thousand GEL defined as a special transfer for different municipalities will be carried out in accordance with the decision made by the Government of Georgia

Distribution of value added tax owned by municipality

In 2022, revenues to be received by municipalities in the form of VAT are forecast in the amount of 1 266.4 million GEL (19.0% of VAT) and are distributed in accordance with the procedure defined under the Budget Code of Georgia.

Municipality	Distribution of VAT	
	Distribution of 19% of VAT	Approximate of VAT amount of VAT
Tbilisi city Municipality	43,25%	547 869,4
Batumi City Municipality	3,72%	47 148,4
Kobuleti Municipality	1,34%	16 936,2
Khelvachauri Municipality	0,92%	11 669,8
Keda Municipality	0,88%	11 122,6
Shuakhevi Municipality	0,04%	455,1
Khulo Municipality	0,31%	3 950,1
Akhmeta Municipality	0,95%	11 987,9
Gurjaani Municipality	1,24%	15 671,3
Dedoplistskaro Municipality	0,20%	2 520,9
Telavi Municipality	1,42%	17 956,0
Lagodekhi Municipality	1,04%	13 39,7
Sagarejo Municipality	1,13%	14 299,7
Sighnaghi Municipality	0,54%	6 861,4
Kvareli Municipality	0,59%	7 456,5
Kutaisi City Municipality	3,48%	44 063,1
Chiatura Municipality	1,08%	13 641,6
Tkibuli Municipality	0,52%	6 558,1
Tskaltubo Municipality	1,13%	14 346,3
Bagdati Municipality	0,56%	7 075,3
Vani Municipality	0,58%	7 282,6
Zestaponi Municipality	1,26%	15 995,5
Terjola Municipality	0,81%	10 232,1
Samtredia Municipality	1,01%	12 756,1
Sachkhere Municipality	1,21%	15 261,1
Kharagauli Municipality	0,54%	6 858,1
Khoni Municipality	0,56%	7 079,2
Poti City Municipality	0,49%	6 186,3
Zugdidi Municipality	2,42%	30 621,4
Abasha Municipality	0,51%	6 501,0
Martvili Municipality	0,81%	10 202,5
Mestia Municipality	0,48%	6 091,4

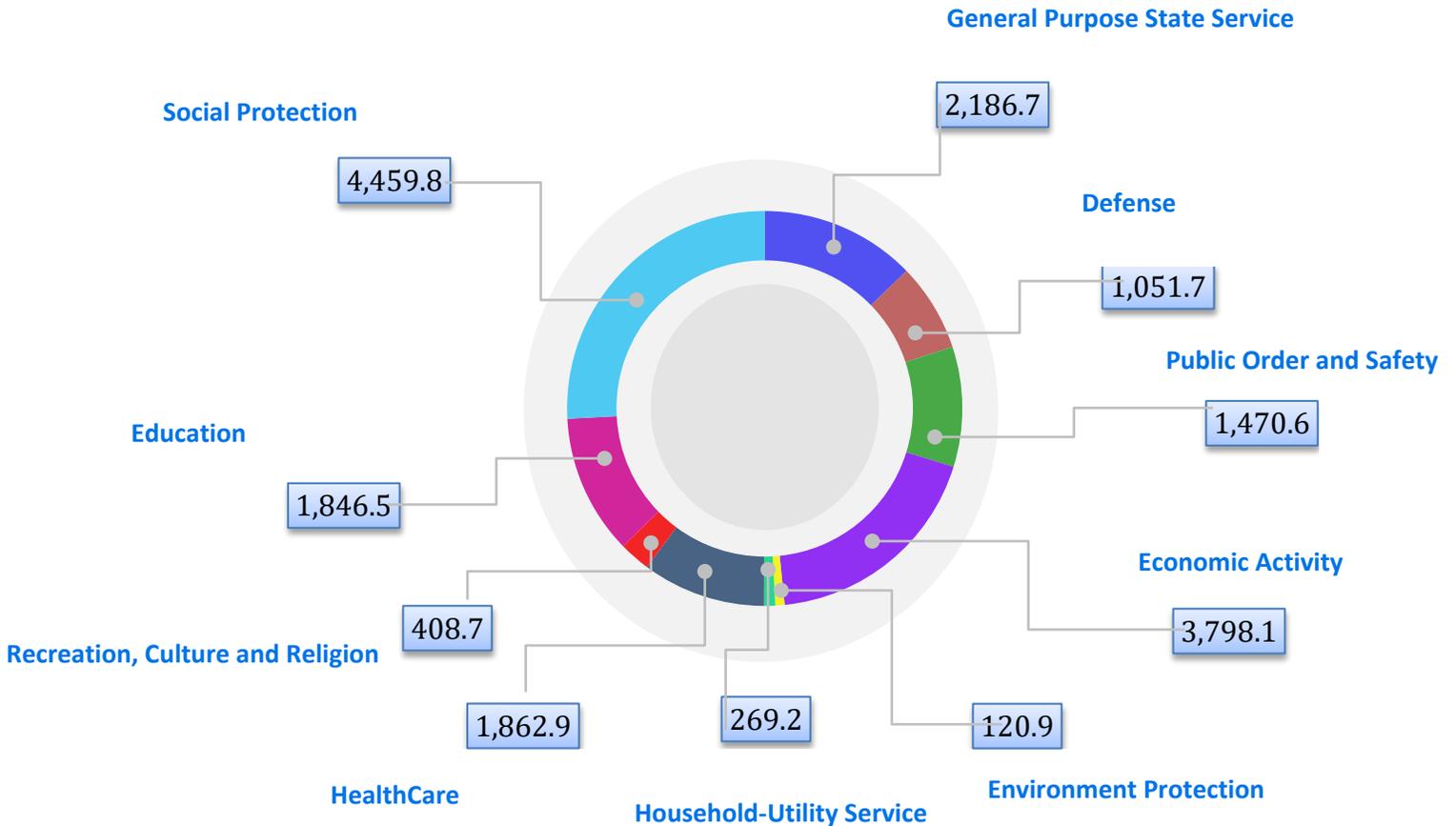
Municipality	Distribution of VAT	
	Distribution of 19% of VAT	Approximate of VAT amount of VAT
Senaki Municipality	0,92%	11 631,1
Chkhorotsku Municipality	0,55%	6 950,3
Tsalenjikha Municipality	0,63%	8 016,1
Khobi Municipality	0,47%	5 916,0
Gori Municipality	3,39%	42 945,6
Kaspi Municipality	0,82%	10 343,9
Kareli Municipality	1,05%	13 344,7
Khashuri Municipality	1,32%	16 758,4
Rustavi City Municipality	2,98%	37 714,0
Bolnisi Municipality	0,13%	1 592,8
Gardabani Municipality	0,27%	3 413,1
Dmanisi Municipality	0,71%	8 990,5
Tetritskaro Municipality	0,72%	9 089,3
Marneuli Municipality	1,67%	21 169,8
Tsalka Municipality	0,20%	2 556,6
Lanchkhuti Municipality	0,74%	9 339,4
Ozurgeti Municipality	1,45%	18 403,2
Chokhatauri Municipality	0,43%	5 500,5
Adigeni Municipality	0,62%	7 828,5
Aspindza Municipality	0,10%	1 206,0
Akhalkalaki Municipality	0,09%	1 183,2
Akhaltzikhe Municipality	1,24%	15 725,2
Borjomi Municipality	0,14%	1 774,8
Ninotsminda Municipality	0,40%	5 075,7
Dusheti Municipality	0,69%	8 780,5
Tianeti Municipality	0,57%	7 270,5
Mtskheta Municipality	0,59%	7 520,2
Kazbegi Municipality	0,01%	159,3
Ambrolauri Municipality	0,66%	8 378,1
Lentekhi Municipality	0,38%	4 839,7
Oni Municipality	0,44%	5 613,8
Tsageri Municipality	0,60%	7 572,3
Total	100%	1 266 400,0

Functional Classification of Expenses and Increase in Nonfinancial Assets of the State Budget of Georgia

Georgia's state budget expenditures and growth of non-financial assets are recorded according to functional classification and look as follows:

Million Gel

Code	ITEM	2020 Actual	2021 Plan	2022 Plan
7	Total expenditures	14,852.9	16,757.7	17,475.1
7.1	General Purpose State Service	1,895.0	2,097.4	2,186.7
7.2	Defense	889.4	1,032.3	1,051.7
7.3	Public Order and Safety	1,237.0	1,333.7	1,470.6
7.4	Economic Activity	2,567.9	2,811.7	3,798.1
7.5	Environment Protection	100.0	109.3	120.9
7.6	Household-Utility Service	114.8	283.6	269.2
7.7	HealthCare	1,804.9	2,480.4	1,862.9
7.8	Recreation, Sulture and Religion	299.8	380.1	408.7
7.9	Education	1,487.7	1,739.2	1,846.5
7.10	Social Protection	4,456.4	4,490.0	4,459.8



What does all this mean for you as a citizen?

What does all this mean

For you as a citizen?

The information available in this Guide provides information to citizens about the Law of Georgia on State Budget 2022.

This Guide informs citizens on the utilization of funds mobilized via taxes and other revenues by the Government.

This Guide helps the Government explain the objectives set by the budget to the public in a simple way and satisfy the interest of citizens who want to receive further information about the budget. It facilitates development of realistic expectations about a specific policy field and mobilization of support of citizens. Overall, this Guide promotes raising awareness of the work carried out by the Government and raises ability of citizens to be involved in the activity of the executive authority at stages of setting priorities, planning and implementation of the budget. Involvement of citizens is very important in budgeting process because more informed and active society plays important part in development of governance and social and economic advancement of a country. Many countries of the world have developed a tool for active public participation in budgeting process and, ultimately, it is the society, which decides where and how existing budgetary resources should be distributed.





Citizens will gather financial information and better understand how funds are distributed from the state budget. They will find out about budget news, changes and new and innovational approaches to financing, which they will share with all interesting persons around.



Citizens will be able to participate in budget planning process. They will be able to distribute budget funds as they see fit based by priorities as well as spending institutions via electronic module on the website of the Ministry of Finance of Georgia

<https://ebtps.mof.ge/>



All interested citizens will follow quarterly and annual budget implementation reports on the website of the Ministry of Finance (www.mof.ge). Their participation in this process is particularly important because financial information provided as a result of mutual cooperation will be easily understandable for the population and will be more transparent



Questions related to transparency of the budget may be sent to the following email address: Budget.transparency@mof.ge

