

# Citizens Guide

Budget System of Georgia;

2015 State Budget

12/1/2014

## Introduction

Each year Government is preparing the main financial document of the country, the State Budget Annual Law. The following document is the Citizen's Guide to the 2015 Annual Budget Law. It is designed to give you a brief tour of policies, priorities and activities planned within the budget that Government of Georgia proposed to the parliament for 2015. In these pages we will outline for you how much money the state budget receives and what its primary funding sources are. The document also lays out the information on how much money the state earns and spends to achieve its objectives and goals.

### What is the Budget? - Family Budget

What is Budget? It is about to know how to manage your income. Budgeting is useful for both individual and families and also for business people and Governments. Budgets are being done by each and every individual, mostly this is not a formal document and very often it is done even subconsciously. If all family members are involved in the budgeting process they do feel an obligation to follow the plan. It helps each family member to better manage the family income. Demands and expenses are always increasing and often exceed the revenues. In general families discuss possible income and expenses such as food, utilities, transportation, recreation; family required payments, such as home, car and other consumer loan repayments, interest payments, as well as discussing the possibility of a certain amount of savings. It is important to estimate the costs of the family income of the year, if the family income is not enough to cover the costs, they might also consider whether to try to earn more money by working more hours or by taking a different or additional job, borrowing money from friend/neighbor or from bank. Family members can analyze the option of taking a loan even if willing to buy a new house or car, and expand domestic new business, but at the same time thinking about how to repay the loan.

If family find themselves with more income than needed to meet their usual needs, they might want to put aside an extra money to implement their long term plans or use some of it to improve their situation in critical areas, such as by buying a car or appliances or by making home improvements.

In some ways, the family is a small model of the Government and the process that the Government uses to plan its budget is very similar to the one that families use. The Government and the Parliament determine how much to spend on different programs, such

as national defense, foreign affairs, social care, education, law enforcement, regional infrastructure, agriculture and others. In cases when the revenues are less than the government expenditures the Government discuss the option of borrowing under the certain condition.

### State Budget

The state budget is unity of changes in revenues received, expenditures covered, and the balance with the purpose of fulfilment of the functions and responsibilities of the central government.

During State Budget planning transparency of the process is essential when the Government and spending units have cooperation for allocating state resources to their strategic priorities. Improving the overall budget process the main points are to put this process into a predetermined multi-year fiscal framework and to achieve the efficient allocation of resources consistent the state priorities.

The State budget is:

- The central government's plan to find the sources to finance its activities. It is a plan shows how much money is to be raised through various types of taxes.
- A plan for how the Government should spend the money that it collects. The budget shows which activities should be funded and how the money should be allocated among programs such as education, defense, health, social welfare and other fields.
- A plan for State borrowing that identifies the authorized level of national debt. If spending is greater than revenue the Government is required to borrow money to pay for the services that it provides to its citizens and to repay debts of previous periods.
- Something that has an influence on the development of the national economy. Some types of spending, such as spending on education and support for science and new technology, may increase productivity and raise the income of citizens in the future. Therefore, the budget should find the best balance between spending and taxes to advance the development of the country.
- Something that is affected by the national economy. In periods of strong economic growth business activity is greater, more people are employed, and earnings and tax revenues are higher. Government can then fund more activities and the need of the Government to borrow money may be reduced, and also to create some reserves to be used when economy growth slowly.

Having taken into consideration the above mentioned it should be mentioned that Public Finance Management Strategy, Accurate Fiscal Policy and stable Budget System is crucial.

Georgian legislation regulates abovementioned issues, Budget Code of Georgia define main principles of Budget System, Budget Process of Georgia and also regulates budgetary relations and responsibilities between budget related authorities.

### **The Budget System of Georgia**

The budget system of Georgia is a combination of budget relations regulated legal acts for the mobilization funds in order to perform the functions of state, Autonomous republics and include the local Self-governing entities.

The budget process is the budget system activities, which include the preparation of the project, submission, review, approval, revision, budget execution, accounting and control.

The basic principles of the Budget System are:

**Comprehensiveness** - complete reflection of all the changes in the revenues, expenditures and balance in the relevant budget;

**Transparency** - openness of the review procedure of the draft budget in the representative bodies; publishing of the reports on the approved budgets and execution; availability of the information;

**Accountability** – responsibilities of all participants in the budget process for its activities and the provided information of the budget;

**Independence** - independence of all levels of budget;

**Unity** - united budget classification, united accounting system, united principles for the state financial control for all level of budget;

**Universality** - all revenues directed for financing the overall budget expenditures;

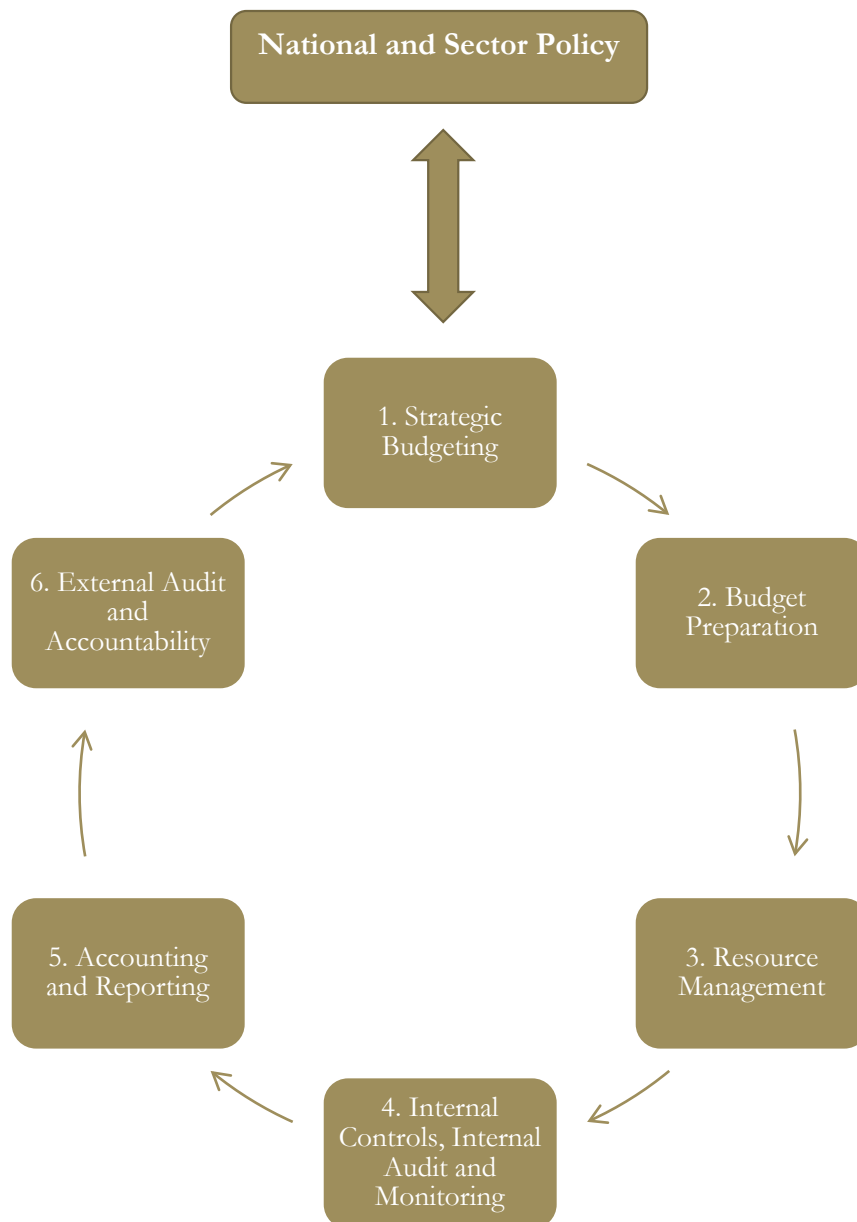
**Consolidation** - unified single treasury account system.

## Public Financial Management (PFM)

Many people view Public Financial Management (PFM) as a process in which money is allocated, spent and accounted for. In reality Public Financial Management can be considered not as a process rather as a system with the following interconnected processes.

The following Figure shows the outcomes of the interconnected process of PFM:

### Elements of Integrated Public Financial Management System



- (1) **Strategic Budgeting** – Strong strategic budgeting processes in which central entities as MOF and the Government clearly identify the underlying assumptions of the macroeconomic forecast, resource and policy frameworks that will guide budget decisions. These processes are also designed for line ministries to think strategically about future plans.
- (2) **Budget Preparation** – Budget preparation processes to facilitate the transformation of these plans into actual allocations to program and services.
- (3) **Resource Management** – processes that ensure that the cash, procured goods, capital and people are made available to execute the budgeted plans efficiently and effectively.
- (4) **Internal Controls, Internal Audit and Monitoring** – Internal management tools which exist to provide managers and other decision-makers with information about how the budget is being executed and to guide their management during the budget year.
- (5) **Accounting and reporting** - systems ensure the full transparency of the budget process, i.e. keeping of appropriate records to insure that expenditures are made for their intended purposes and consistent with the adopted budget. In addition, those systems increase the responsibility of the people involved in the process.
- (6) **External Audit and Accountability** – external audits that provide a check on compliance, financial probity and performance-providing information to enhance accountability and to facilitate future planning and strategizing.

These processes together from one system represent Public Financial Management. The system's effectiveness derives from appropriate functioning in all 6 processes (reflected in the complete boxes) and established connections between the various process areas (reflected in the solid arrows, which show how one connection facilitates another, leading to a closed, consistent system of processes). If all 6 processes work effectively, but their functionality is at odds with each other, following different time-frames, reflecting different focal points, etc. there is no guarantee that the

One of the reforms that aim at establishment of the integrated system through interconnected processes is the MTEF.

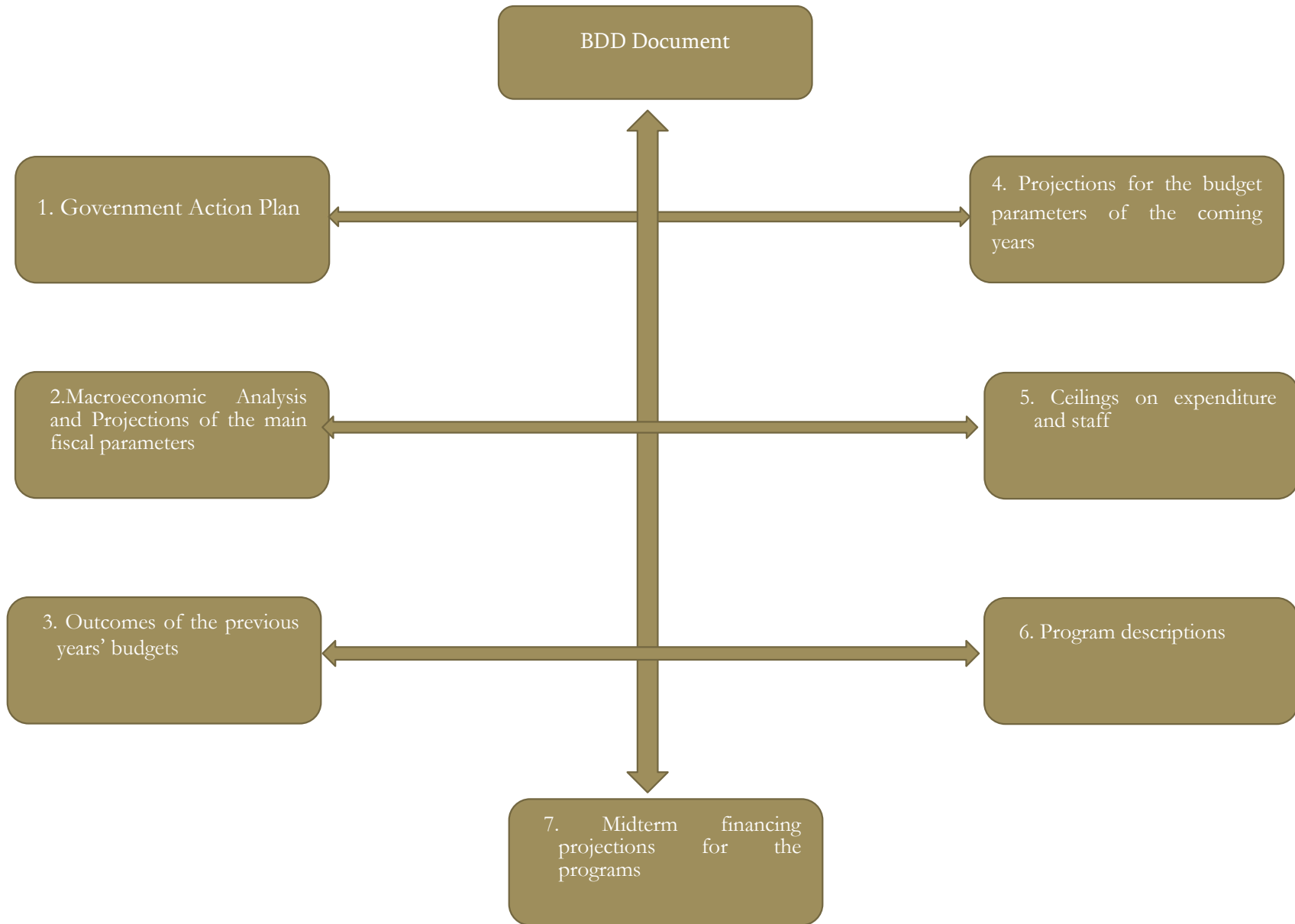
## Basic Data and Direction Document (BDD)

Budgeting process begins when starting to work on Basic Data and Direction Document (BDD) takes place. BDD is a main development plan of Government, which includes information about medium term macroeconomic and fiscal forecasts, as well as information of main directions of Georgian Central, Autonomous Republics and Local Self-Government Bodies. The document is for year document and it is revised annually.

Preparation of BDD starts on preparing annual budget. Budget Code of Georgia defines the stages of preparing the document, the list of information which should be included in the document and the dates when the draft version, revised and final version of BDD should present to Government and the Parliament.

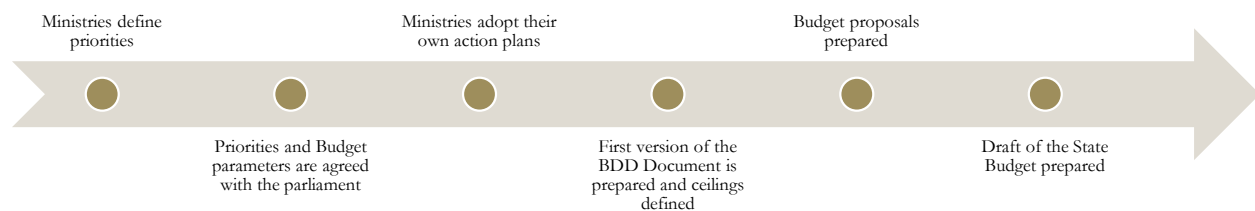
BDD is approved by Government of Georgia for next year and +3

## Structure of Basic Data and Direction Document





For preparing the draft State Budget law Ministries define priorities; Government agrees the priorities with the parliament; Based on the recommendations from the parliament Ministries adopt their midterm action plans; BDD Document (Basic Data and Directions) is prepared based on the Ministries' action plans and the document includes Budgetary ceilings and financing of the major programs for the 4 year period; Spending Units prepare their budget proposals according to the parameters defined in BDD; Draft of the State Budget is prepared based on the budget proposals represented by the spending units; Draft of the budget is sent to the parliament for discussion and adoption;



### Structure of State Budget

Structure of State Budget includes the following information:

- First four chapter includes main parameters of the State Budget, Including revenues and expenditures by economic and functional classification, amount of deficit and it's sources of financing, public debt and etc.
- Chapter five includes information about priorities and description and objectives/goals of programs and subprograms (they are grouped by priorities).
- Chapter 6 – programs are grouped by line organizations and amount of appropriations are presented for each programs, in this chapter we also can get information about The Expenditures of General State Purposes.
- Chapter 7 presents transfers to the budgets of Autonomous Republics and Local self-government bodies.
- Chapter 8 describes budget law regulations.

For more transparency draft Program Budget includes informative annexes, which presents programs and capital project more precisely:

- Program Budget annex includes description, outcomes, outputs and indicators for each program and subprogram;
- Capital Budget annex includes detailed information about capital projects – total cost of the project, sources of funding, completion dates etc.;
- Detailed organizational structure by programs/subprograms and organizations implementing each programs/subprograms.

Draft State Budget law includes explanatory note, which include the information about forecast of main macroeconomic indicators (nominal and real GDP, economic grows, inflation, investments etc.), the information of main programs/subprograms funded from the current year state budget, package of legislative changes required for enactment of the Annual Budget Law and additional information about the description, outcomes, outputs and indicators for each program/subprogram.

Budget revenues and expenditures are accounted in state budget according to **budget Classification** which insures to group revenues and expenditures by economic, functional and program structure.

**Budget revenues** include:

- Income, including:
  - Taxes;
  - Grants;
  - Other revenues;
- Non-financial assets (funds received as a result of the operations with non-financial assets);
- Financial assets (funds received as a result of the operations with financial assets except for using the remaining balance);
- Liabilities (funds received as a result of undertaking liabilities).

**Budget expenditures** include:

- Current Expenses (salaries, goods and services, subsidies, interest, grants, social benefits, other expenses);
- Non-financial assets (funds earmarked for the operations with non-financial assets);

- Financial assets (funds earmarked for the operations with financial assets excluding accumulation of balance);
- Liabilities (funds directed for coverage of main part of liabilities).

### **Budget deficit and surplus**

The value of Budget deficit/surplus is the main parameter of Fiscal Stability of the country. The difference between budget revenues and expenditures is the budget operational balance, whereas the difference between operational balance and non-financial assets is the total budget balance. Total positive balance is budget surplus, whereas negative total balance is budget deficit.

### **General Review of Budget 2015**

Similar as in 2013-2015 FY For 2015 budget is prepared relevant to Program - “For Strong, Democratic and Unified Georgia”. The aim of the program is social welfare of population and sustainable grows of countries’ economy.

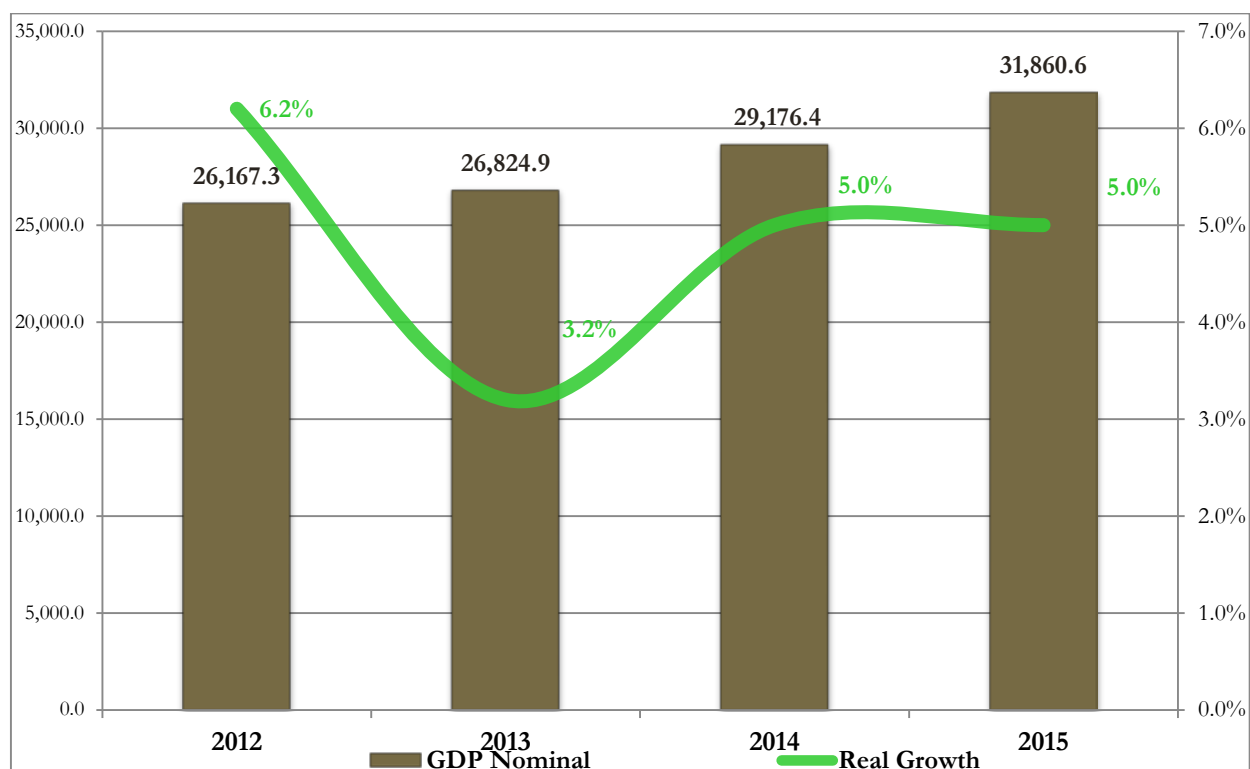
In 2013-2014 years social and health care programs increased considerably.

- Funding of Ministry of Labor, Health and Social Affairs increased by 990.0 million Gel for 2015, compared to 2012;
- Social programs has increased, that’s why it became possible to increase pensions for all categories, to double social allowances for the population below the poverty line, an increase of IDPs and other social programs;
- Universal Health Care Program has started in 2013 and in 2014 it covers overall population of Georgia. It means that for them medical services are accessible within this program;
- In parallel of increasing funding of social and health care programs, funding of Education, Agriculture and Regional Infrastructure projects have significantly increased;
- In 2015-2016 years, state budget funds will use to finance abovementioned fields, social allowances will continue to grow, but for that sustainable development of the countries’ economy is essential – 2015 budget ensures all these to be done for the future.

## Main Macroeconomic Parameters

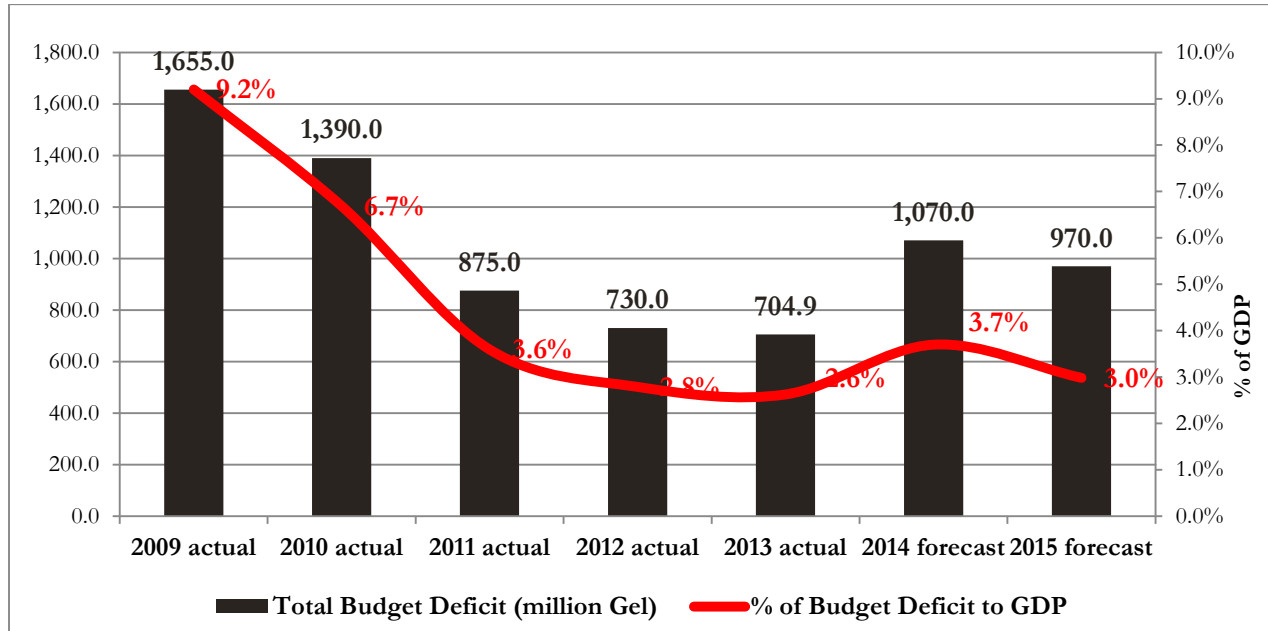
For 2015 real GDP grows to 5.0%, GDP deflator – 4.0%. For midterm period real economic grows projected 5.5% and GDP deflator projected 3.5%-4.0% grows.

According to macroeconomic values nominal GDP for 2015 is 31.9 billion Gels, and for 2018 projected to grow by 41.9 billion Gels.



Name	2013 actual	2014 projected	2015 projected
Real growth of GDP	3.2%	5.0%	5.0%
GDP - Nominal	26,824.9	29,176.4	31,860.6
Average inflation - annual	-0.5%	3.5%	4.0%
Inflation for the end of the year	2.4%	3.5%	4.0%
% of State debt to GDP	34.7%	36.4%	37.2%
Budget deficit	704.9	1,147.0	970.0
% of Budget Deficit to GDP	2.6%	3.9%	3.0%

## Budget deficit for 2009-2015



## Budget Review

2015 budget is estimated to be GEL 9,575.0 million in total that is GEL 495.0 million lower than approved appropriations in 2014 and comprises 30.1 percent of GDP. In 2015, the only financing source for the State Budget appropriations is the state budget revenues. .

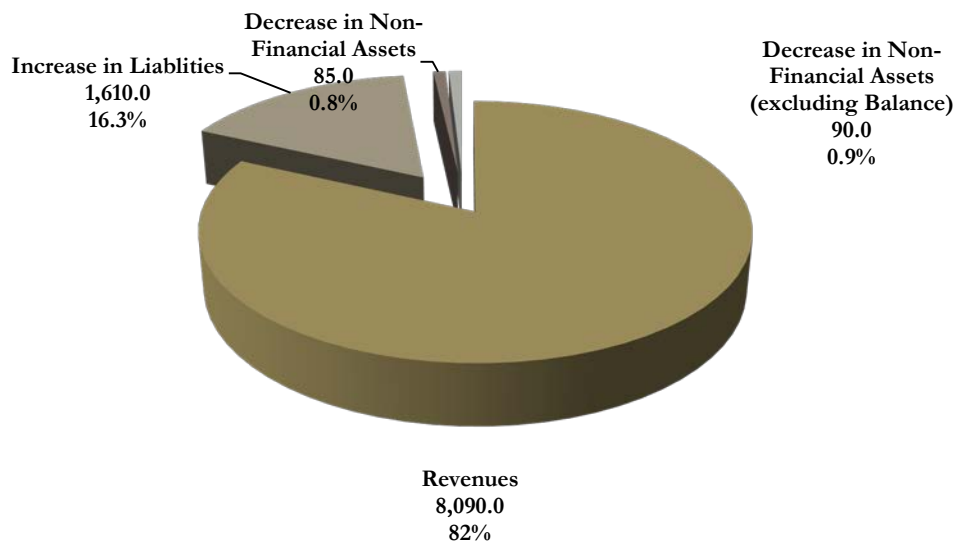
## State Budget Revenues

State Budget revenues for 2015 are estimated to be GEL 9,875.0 million, which is GEL 770.0 million higher than the 2014 corresponding indicator and comprises 31.0 percent of GDP. The increase of 2015 state budget receipts compared to 2014 is primarily attributed to the increase in tax receipts, which in turn comprises 77.0 percent of state budget receipts and 23.9 percent of the GDP.

Name	2015 (Gel in millions)	% of total sum
Budget funds	8,650.0	87.6%
Taxes	7,600.0	77.0%

Name	2015 (Gel in millions)	% of total sum
Other Revenues	275.0	2.8%
Non-financial Assets (privatisation)	85.0	0.9%
Financial Assets (repayment of loan)	90.0	0.9%
Increase of Domestic Debt (treasury liabilities)	600.0*	6.1%
<b>Donor Funds</b>	1,225.0	12.4%
Grants	215.0	2.2%
Including grants to finance investment projects	115.0	1.2%
Including budget support	100.0	1.0%
Credits	1,010.0	10.2%
Including credits to finance Investment projects	690.0	7.0%
Including budgetary support by the international financial institutions	320.0	3.2%
<b>Total sum</b>	<b>9,875.0</b>	

## The Breakdown of the 2010 State Budget Receipts



From 600.0 million GEL (treasury liabilities) 200.0 million GEL will use to stimulate the economy and this amount will be accounted in the commercial banks as deposit account.

### State Budget Revenues

In 2015 82.0 percent of the State Budget revenues, GEL 8,090.0 million in total, is estimated to be collected through revenues, which comprises 25.4 percent of the GDP.

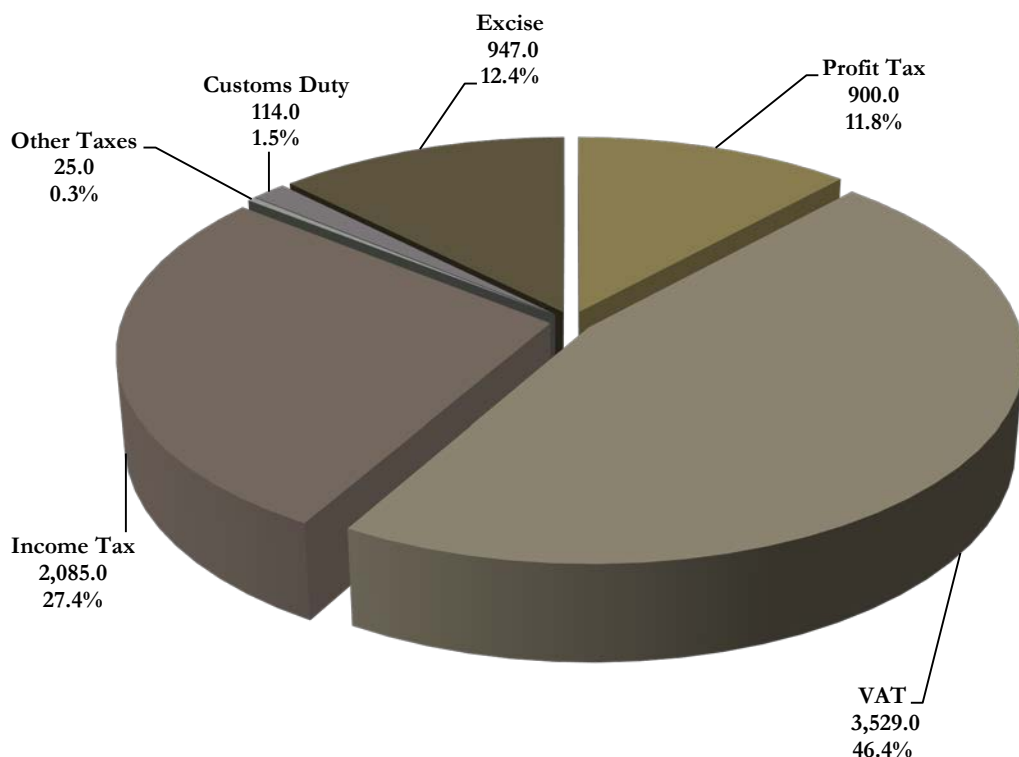
#### State Budget Revenue Breakdown

NAME	Million Gel			
	2013	2014	2015	2015-2014
<b>TOTAL REVENUE</b>	<b>6 839,5</b>	<b>7 319,0</b>	<b>8 090,0</b>	<b>771,0</b>
Taxes	6 287,7	6 820,0	7 600,0	780,0
Grants	238,9	144,0	215,0	71,0
Other Revenues	312,9	355,0	275,0	-80,0

## Taxes

In 2015 State budget, GEL 7,600.0 million is expected to be collected through taxes, which is GEL 780.0 million higher than the similar indicator planned for 2014. The tax revenues comprise 77.0 percent of the State Budget receipts and 23.8 percent of the GDP.

### The Breakdown of the 2015 State Budget Tax Revenues



## Grants

In 2015, GEL 215.0 million is expected to be received through Grants, which is Gel 71.0 million higher than the planned level in 2014 and comprises 2.2 percent of the total budget resource and 0.7 percent of the GDP.

## Other Revenues

In 2015, GEL 275.0 million is expected to be collected through other revenues that are GEL 80.0 million lower than the corresponding indicator in 2014.



### Non-Financial Assets

For 2015 State Budget, GEL 85.0 million is estimated to be collected through privatization of the non-financial assets that is GEL 5.0 million higher than the corresponding indicator for 2014.

### Financial Assets

Decrease of financial assets is determined constitute GEL 90,0 million, which is the return of the back the old loan.

### Revenues from Liabilities

In 2015, the State plans to take a loan of GEL 1 610.0 million, which is 16.8 percent of the total budget resource and 5.1 percent of the GDP. This money can be broken down down in to GEL.

## 2015 STATE BUDGET RECEIPTS, APPROPRIATIONS AND CHANGES IN THE BALANCE

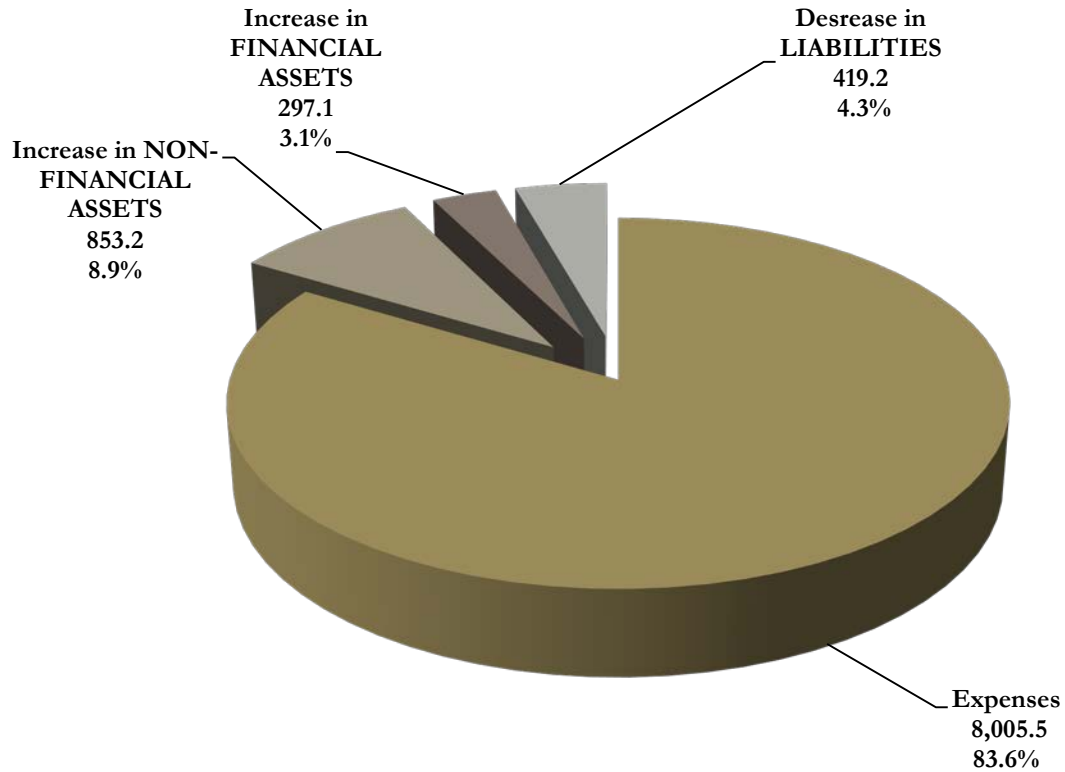
NAME	GEL in Million			
	2013	2014	2015	(2015-2014)
<b>1. TOTAL RECEIPTS</b>	<b>8,104.2</b>	<b>9,105.0</b>	<b>9,875.0</b>	<b>770.0</b>
<b>1.1 REVENUES</b>	<b>6,839.5</b>	<b>7,319.0</b>	<b>8,090.0</b>	<b>771.0</b>
<b>Taxes</b>	<b>6,287.7</b>	<b>6,820.0</b>	<b>7,600.0</b>	<b>780.0</b>
Income Tax	1,795.1	1,770.0	2,085.0	315.0
Profit Tax	806.5	912.0	900.0	-12.0
VAT	2,847.9	3,274.0	3,529.0	255.0
Excise	722.2	739.0	947.0	208.0
Customs Duty	89.4	100.0	114.0	14.0
Other Taxes	26.6	25.0	25.0	0.0
<b>Grants</b>	<b>238.9</b>	<b>144.0</b>	<b>215.0</b>	<b>71.0</b>
<b>Other Revenues</b>	<b>312.9</b>	<b>355.0</b>	<b>275.0</b>	<b>-80.0</b>
<b>1.2 Decrease in NON_FINANCIAL ASSETS</b>	<b>77.5</b>	<b>80.0</b>	<b>85.0</b>	<b>5.0</b>
<b>1.3 Decrease in FINANCIAL ASSETS</b>	<b>449.3</b>	<b>70.0</b>	<b>90.0</b>	<b>20.0</b>
Securities and Other Shares	409.4	0.0	0.0	0.0
Loans	39.9	70.0	90.0	20.0
Other Account Receivable	0.0	0.0	0.0	0.0
<b>1.4 INCREASE LIABILITIES</b>	<b>737.9</b>	<b>1,636.0</b>	<b>1,610.0</b>	<b>-26.0</b>

NAME	2013	2014	2015	(2015-2014)
Domestic Liabilities	149.5	600.0	600.0	0.0
Foreign Liabilities	588.4	1,036.0	1,010.0	-26.0
<b>2. TOTAL EXPENSES</b>	<b>8,104.2</b>	<b>9,080.0</b>	<b>9,575.0</b>	<b>495.0</b>
<b>2.1 EXPENSE</b>	<b>6,545.6</b>	<b>7,539.6</b>	<b>8,005.4</b>	<b>465.8</b>
Compensation of Employees	1,187.6	1,318.3	1,407.9	89.6
Goods and Services	765.8	853.8	963.7	109.9
Interest	233.0	305.0	364.1	59.1
Subsidies	242.6	241.4	247.9	6.5
Grants	1,083.3	1,111.8	1,172.7	60.9
Social Benefits	2,083.0	2,581.4	2,687.7	106.3
Other Expenses	950.3	1,127.9	1,161.4	33.5
<b>2.2 Increase in NON-FINANCIAL ASSETS</b>	<b>767.6</b>	<b>734.1</b>	<b>853.2</b>	<b>119.1</b>
<b>2.3 Increase FINANCIAL ASSETS</b>	<b>277.1</b>	<b>208.2</b>	<b>297.1</b>	<b>88.9</b>
<b>2.4 Decrease in LIABILITIES</b>	<b>513.9</b>	<b>598.1</b>	<b>419.2</b>	<b>-178.9</b>
<b>3. TOTAL CHANGE IN THE BALANCE</b>	<b>0.0</b>	<b>25.0</b>	<b>300.0</b>	<b>275.0</b>

## STATE BUDGET EXPENDITURES

Total expenses for 2015 are estimated to be GEL 9 575.0 million that is GEL 495.0 million higher than the planned level in 2014.

### The Breakdown of the 2015 State Budget Expenses



## Main Activities considered in 2015 Annual Budget Law

### 1. Social Field and Healthcare

NAME	GEL in Millions			
	2012	2013	2014	2015
<b>The Ministry of Labor, Health and Social Protection</b>	<b>1,793.9</b>	<b>2,126.5</b>	<b>2,658.0</b>	<b>2,785.0</b>
Including Social Programs	1,398.6	1,638.5	1,970.5	2,041.0
Including State Health Protection Program	332.8	435.5	605.8	656.2

### 2. Education

NAME	GEL in Millions			
	2012	2013	2014	2015
<b>The Ministry of Education and Science</b>	<b>627.3</b>	<b>679.9</b>	<b>754.3</b>	<b>853.9</b>
Including Voucher Financing	325.5	410.1	380.0	430.0
Including Rehabilitation and Equipping of Educational Institutions	71.6	42.9	68.7	70.6
Including Provide Students With Books	19.1	19.1	9.0	15.8
Including Promoting Science	18.5	27.1	49.7	60.5

### 3. Regional Development, Infrastructure and Tourism

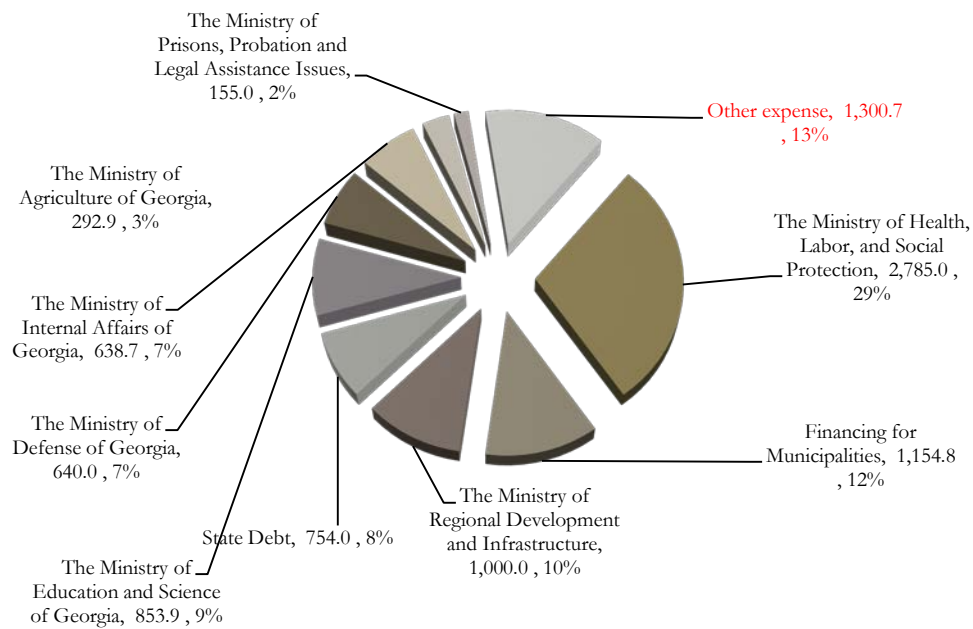
NAME	GEL in Millions			
	2012	2013	2014	2015
<b>The Ministry of Regional Development and Infrastructure</b>	<b>663.1</b>	<b>823.6</b>	<b>875.0</b>	<b>1,000.0</b>
Including Road Infrastructure	375.0	523.0	501.7	645.2
Including Municipal Infrastructure and Solid Waste	161.0	152.1	187.1	225.7
Including Water Infrastructure	72.9	71.5	131.0	119.2

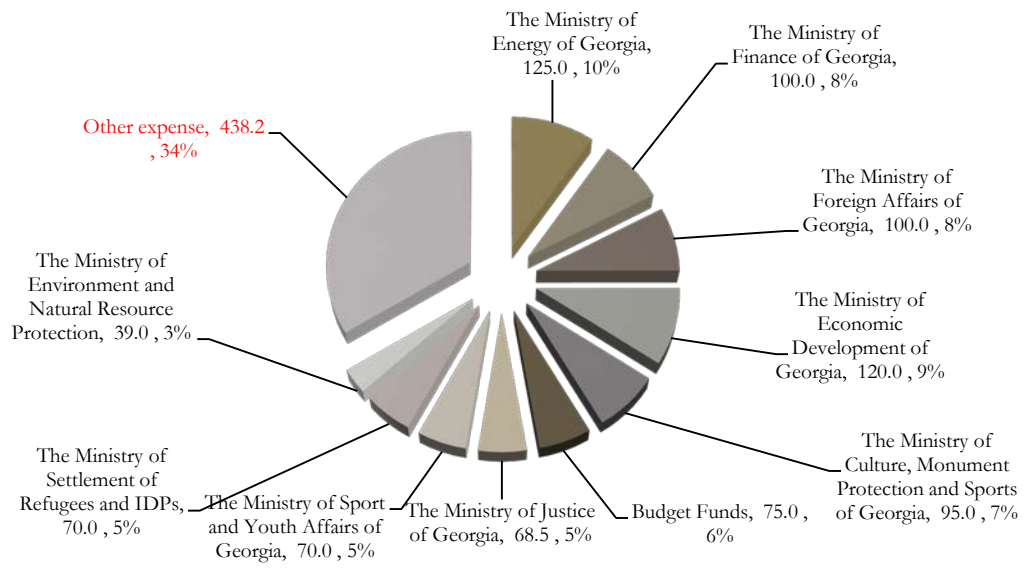
#### 4. Agriculture

GEL in Millions

NAME	2012	2013	2014	2015
<b>The Ministry of Agriculture</b>	<b>228.4</b>	<b>227.4</b>	<b>174.9</b>	<b>292.9</b>
Including Modernization of Irrigation Systems	13.9	61.5	71.7	68.1
Including Preferential Agro Loan	0.0	6.6	63.8	30.0
Including Farmers Supporting measures	0.0	0.0	50.0	50.0

#### Other activities considered in 2015 Annual Budget Law





## Funding of Spending Units for 2013-2015

GEL in millions

Code	NAME	2013	2014	2015	Including Budget Funding
01 00	Parliament of Georgia and Related Organizations	58.4	59.5	60.5	60.5
02 00	Administration of the President of Georgia	15.6	9.0	9.8	9.8
03 00	The Apparatus of the Council of National Security of Georgia	1.7	2.0	2.0	2.0
04 00	The Government Chancellery of Georgia	11.1	20.0	32.5	32.5
05 00	Chamber of Control	10.1	12.3	12.9	12.9
06 00	Central Election Commission of Georgia	52.0	54.5	22.5	22.5
07 00	The Constitutional Court of Georgia	2.6	3.3	3.4	3.4
08 00	The Supreme Court of Georgia	5.2	6.6	6.6	6.6
09 00	General courts of Georgia	37.3	47.4	50.0	50.0
10 00	The Supreme Council of Justice of Georgia	1.5	2.5	2.7	2.7
11 00	State Representative-Governor Administration in Abasha, Zugdidi, Martvili, Mestia, Senaki, Chkorotsku, Tsalenjikha, Khobi Municipalities and self-governing City-Poti	1.2	0.9	0.9	0.9
12 00	State Representative-Governor Administration in Lanchkhuti, Ozurgeti and Chokhatauri Municipalities	0.6	0.7	0.7	0.7
13 00	State Representative-Governor Administration in Bagdadi, Vani, Zestaponi, Terjola, Samtredia, Sachkhere, Tkibuli, Tskaltubo, Chiatara, Kharagauli, Khoni Municipalities and self-governing City-Kutaisi	0.8	0.8	0.8	0.8
14 00	State Representative-Governor Administration in Akhmeta, Gurjaani, Dedoplistskaro, Telavi, Lagodekhi, Sagarejo, Signagi and Kvareli Municipalities	0.8	0.8	0.8	0.8
15 00	State Representative-Governor Administration in Dusheti, Tianeti, Mtkheta and Kazbegi Municipalities	0.6	0.7	0.7	0.7
16 00	State Representative-Governor Administration in A, bro lauri, Lentekhi, Oni and Tsageri Municipalities	0.7	0.7	0.7	0.7
17 00	State Representative-Governor Administration in Adigeni, Aspindza, Akhaltsikhe, Akhalqalaqi, Borjomi and Ninotsminda Municipalities	0.6	0.7	0.7	0.7
18 00	State Representative-Governor Administration in Bolnisi, Gardabani, Dmanisi, Tetritskaro, Marneuli, Tsalka Municipalities and self-governing city Rustavi	0.8	0.8	1.0	1.0
19 00	State Representative-Governor Administration in Gori, Kaspi, Qareli and Khashuri Municipalities	0.7	0.7	0.7	0.7

Code	NAME	2013	2014	2015	Including Budget Funding
20 00	The apparatus of the State Minister on Integration with European and Euro-Atlantic Issues	4.2	2.8	3.1	3.1
21 00	The Apparatus of the State Minister on Diaspora Issues	1.3	0.9	1.2	1.2
22 00	The Apparatus of the State Minister on Reintegration	1.3	1.4	1.4	1.4
23 00	The Ministry of Finance of Georgia	95.9	96.0	100.0	100.0
24 00	The Ministry of Economic Development of Georgia	123.5	120.5	120.0	120.0
25 00	The Ministry of Regional Development and Infrastructure	823.6	875.0	1,000.0	400.0
26 00	The Ministry of Justice of Georgia	75.0	60.5	68.5	68.5
27 00	The Ministry of Prisons, Probation and Legal Assistance Issues	157.7	154.0	155.0	155.0
28 00	The Ministry of Foreign Affairs of Georgia	76.4	90.0	100.0	100.0
29 00	The Ministry of Defense of Georgia	610.4	623.0	640.0	640.0
30 00	The Ministry of Internal Affairs of Georgia	585.5	600.0	638.7	638.7
31 00	Special Intelligence Service of Georgia	5.0	8.0	14.0	14.0
32 00	The Ministry of Education and Science of Georgia	675.9	754.3	853.9	812.0
33 00	The Ministry of Culture, Monument Protection and Sports of Georgia	77.7	80.0	95.0	95.0
34 00	The Ministry of Settlement of Refugees and IDPs	47.3	48.0	70.0	70.0
35 00	The Ministry of Health, Labor, and Social Protection	2,126.5	2,658.0	2,785.0	2,785.0
36 00	The Ministry of Energy of Georgia	156.4	114.6	125.0	45.0
37 00	The Ministry of Agriculture of Georgia	227.4	263.5	292.9	260.3
38 00	The Ministry of Environment and Natural Resource Protection	20.6	31.0	39.0	36.4
39 00	The Ministry of Sport and Youth Affairs of Georgia	66.1	53.9	70.0	70.0
40 00	State Special Protection Service	52.0	46.0	53.0	53.0
41 00	Public Defender Office of Georgia	3.0	2.4	4.0	4.0
42 00	LEPL-Georgia Broadcasting	33.7	38.0	40.8	40.8
43 00	LEPL-Competition Agency*	0.7	0.7	1.9	1.9
44 00	South Ossetia Administration	3.8	3.5	3.5	3.5
45 00	The Office of the Patriarch of Georgia	25.0	25.0	25.0	25.0
46 00	LEPL-National Court Expertise Bureau named after Levan Samkharauli	3.5	3.5	3.5	3.5



Code	NAME	2013	2014	2015	Including Budget Funding
47 00	LEPL- The National Statistics Office of Georgia (Geostat)	6.4	14.6	8.9	8.9
48 00	LEPL-State Insurance Supervision Service of Georgia	0.6	1.3	1.3	1.3
49 00	LEPL-Georgian National Investment Agency	1.2	2.4	2.5	2.5
50 00	LEPL-Civil Service Bureau	0.6	0.6	1.2	1.2
51 00	The Office of Personal Data Protection Inspector	0.2	0.6	1.5	1.5
52 00	The Chamber of Commerce and Industry of Georgia	1.3	0.5	0.5	0.5
53 00	LEPL-Legal Aid Service	2.8	3.0	4.5	4.5
54 00	LEPL-State Office of Veterans Affairs	0.0	3.5	7.5	7.5
55 00	LEPL- The state agency of Religion	0.0	0.0	4.2	4.2
56 00	The Financial Monitoring Service of Georgia	0.0	0.0	2.2	2.2
57 00	N(N)LP-The Public Health Reference Laboratory	0.6	0.0	0.0	0.0
58 00	N(N)LP-The Fund of Solidarity	0.0	0.0	0.3	0.3
59 00	General-state Appropriations	1,808.8	2,075.4	2,026.5	1,993.6
<b>Total State Budget Appropriations</b>		<b>8,104.2</b>	<b>9,080</b>	<b>9,575.0</b>	<b>8,785.0</b>

General-state Appropriations are not related to the functions of any spending unit of State Budget. For 2015 Annual Budget Law considers the General State appropriations which is 21.1% of the overall budget appropriations and 6.4% of GDP. It includes:

- Foreign Loan Repayments;
- Domestic Loan Repayment;
- President's Reserve Fund;
- Government's Reserve Fund;
- Regional Project Implementation Fund;
- Repayment of Arrears and Enforcement of Court decisions;
- Transfers for Autonomous Republics and Local Self-government entities.

Gel in millions

CODE	NAME	2013	2014	2015
58 00	<b>General-State Appropriations</b>	1,808.8	2,075.4	2,026.5
58 01	<b>Foreign Loan Repayment and Interest</b>	564.7	720.0	560.0
	Including Interest (debt service)	134.3	191.0	205.0
	Including Repayment (repayment of principal)	430.4	529.0	355.0
58 02	<b>Domestic Loan Repayment and Interest</b>	133.6	149.0	194.0
	Including Interest (debt service)	98.6	114.0	159.0
	Including Repayment (repayment of principal)	35.0	35.0	35.0
58 03	<b>Loans for Georgia being represented in International Organizations</b>	7.4	5.6	7.7
58 04	<b>Transfers for Autonomous republics and local Self-governance</b>	1,068.5	795.9	854.8
58 05	<b>President's Reserve Fund</b>	0.0	5.0	5.0
58 06	<b>Government's Reserve Fund</b>	0.0	50.0	50.0
58 07	<b>Repayment of Arrears and Enforcement of Court decisions</b>	7.9	20.0	20.0
58 08	<b>Regional Project Implementation Fund</b>	0.0	250.0	250.0
	<i>Including village support program</i>	0.0	50.0	50.0
58 09	<b>Bonuses for State awards</b>	1.2	0.8	0.5
58 10	<b>General-State Appropriations Financed by donors</b>	25.6	29.1	34.5

The 2015 draft Annual Budget Law considers transfers of GEL 845.8 thousand for Autonomous Republics and local self-government entities, and GEL 9 000.0 thousand for territorial entities.

GEL in thousands

<b>Name of the Autonomous Republic and Local Self-governance Unit</b>	<b>Total Transfer</b>	<b>Equalization Transfer</b>	<b>Conditional Transfer to implement delegated functions</b>	<b>Special Transfer</b>
Autonomous Republic of Abkhazia	9,000.0			9,000.0
Self-Governance City Tbilisi	412,682.2	412,282.2	400.0	
Autonomous Republic of Adjara	1,019.4	1,004.4	15.0	
Self-Governance City Batumi	52,542.3	52,542.3		
Kobuleti Municipality	7,198.7	7,198.7		
Khelvachauri Municipality	9,226.9	9,226.9		
Qeda Municipality	3,661.0	3,661.0		
Shuakhevi Municipality	4,232.7	4,232.7		
Khulo Municipality	6,323.5	6,323.5		
Akhmeta Municipality	5,223.9	5,093.9	130.0	
Gurjaani Municipality	7,145.4	6,985.4	160.0	
Dedoplistskaro Municipality	1,925.5	1,740.5	185.0	
Self-Governance City Telavi	7,223.7	7,061.7	162.0	
Telavi Municipality	4,118.8	3,994.8	124.0	
Lagodekhi Municipality	5,786.1	5,576.1	210.0	
Sagarejo Municipality	3,812.0	3,602.0	210.0	
Signagi Municipality	3,158.0	3,013.0	145.0	
Kvareli Municipality	3,873.3	3,738.3	135.0	
Self-Governance City Kutaisi	32,118.0	31,898.0	220.0	
Chiatura Municipality	7,549.8	7,317.8	232.0	
Tkibuli Municipality	3,007.5	2,867.5	140.0	
Tskaltubo Municipality	6,543.8	6,387.8	156.0	
Bagdadi Municipality	3,811.2	3,683.2	128.0	
Vani Municipality	5,727.2	5,577.2	150.0	
Zestaponi Municipality	6,789.5	6,549.5	240.0	

<b>Name of the Autonomous Republic and Local Self-governance Unit</b>	<b>Total Transfer</b>	<b>Equalization Transfer</b>	<b>Conditional Transfer to implement delegated functions</b>	<b>Special Transfer</b>
Terjola Municipality	6,686.2	6,534.2	152.0	
Samtredia Municipality	6,385.1	6,196.1	189.0	
Sachkhere Municipality	6,644.4	6,454.4	190.0	
Kharagauli Municipality	4,444.1	4,306.1	138.0	
Khoni Municipality	5,648.3	5,490.3	158.0	
Self-Governance City Poti	4,376.8	4,116.8	260.0	
Self-Governance City Zugdidi	11,824.9	11,729.9	95.0	
Zugdidi Municipality	11,685.5	11,455.5	230.0	
Abash Municipality	5,134.7	4,987.7	147.0	
Martvili Municipality	5,485.5	5,322.5	163.0	
Mestia Municipality	3,222.3	3,097.3	125.0	
Senaki Municipality	5,097.8	4,902.8	195.0	
Chqorotsku Municipality	4,426.2	4,264.2	162.0	
Tsalenjikha Municipality	4,646.7	4,468.7	178.0	
Khobi Municipality	1,771.8	1,551.8	220.0	
Self-Governance City Gori	10,156.7	9,946.7	210.0	
Gori Municipality	9,650.1	9,544.1	106.0	
Kurta Municipality	1,995.1	1,915.1	80.0	
Eredva Municipality	1,777.0	1,742.0	35.0	
Kaspi Municipality	4,585.0	4,408.0	177.0	
Qareli Municipality	6,390.0	6,177.0	213.0	
Tigva Municipality	1,295.9	1,285.9	10.0	
Khashuri Municipality	6,475.7	6,246.7	229.0	
Self-Governance City Rustavi	16,633.8	16,133.8	500.0	
Bolnisi Municipality	305.0	0.0	305.0	
Gardabani Municipality	4,001.4	3,741.4	260.0	

Name of the Autonomous Republic and Local Self-governance Unit	Total Transfer	Equalization Transfer	Conditional Transfer to implement delegated functions	Special Transfer
Dmanisi Municipality	1,770.3	1,655.3	115.0	
Tetritskaro Municipality	4,225.0	4,008.0	217.0	
Marneuli Municipality	9,164.5	8,914.5	250.0	
Tsalka Municipality	2,093.2	1,984.2	109.0	
Lanchkhuti Municipality	6,101.1	5,881.1	220.0	
Self-Governance City Ozurgeti	6,338.1	6,252.1	86.0	
Ozurgeti Municipality	5,445.5	5,271.5	174.0	
Chokhatauri Municipality	3,313.4	3,130.4	183.0	
Adigeni Municipality	3,097.9	2,960.9	137.0	
Aspindza Municipality	2,242.4	2,116.4	126.0	
Akhalqalaqi Municipality	6,547.7	6,332.7	215.0	
Self-Governance City Akhaltsikhe	5,470.2	5,303.2	167.0	
Akhaltsikhe Municipality	3,132.6	3,033.6	99.0	
Borjomi Municipality	190.0	0.0	190.0	
Ninotsminda Municipality	3,348.4	3,183.4	165.0	
Akhalgori Municipality	2,034.0	1,944.0	90.0	
Dusheti Municipality	3,755.0	3,645.0	110.0	
Tianeti Municipality	3,037.5	2,901.5	136.0	
Self-Governance City Mtskheta	1,779.2	1,737.2	42.0	
Mtskheta Municipality	280.0	0.0	280.0	
Kazbegi Municipality	803.1	718.1	85.0	
Self-Governance City Ambrolauri	3,660.3	3,579.3	81.0	
Ambrolauri Municipality	2,688.0	2,633.0	55.0	
Lentekhi Municipality	2,743.6	2,638.6	105.0	
Oni Municipality	2,852.8	2,749.8	103.0	
Tsageri Municipality	4,239.8	4,081.8	158.0	
<b>Total</b>	<b>854,800.0</b>	<b>834,233.0</b>	<b>11,567.0</b>	<b>9,000.0</b>

The following is the functional breakdown of the state budget expenses and increase in non-financial assets:

GEL in Million

Code	NAME	2013	2014	2015
	<b>Total Expenses</b>	<b>7,313.2</b>	<b>8,273.7</b>	<b>8,858.7</b>
	General Public Service	1,727.2	1,897.1	2,030.3
	Defense	630.3	633.7	650.4
	Public Order and Safety	860.0	890.1	949.7
	Economic affairs	910.7	1,000.1	1,138.7
	Environmental Protection	25.8	36.3	46.0
	Housing and Community and Amenities	37.8	98.3	82.5
	Healthcare	481.3	673.6	727.5
	Recreation, Culture and Religion	144.6	158.3	199.8
	Education	682.5	768.9	852.6
	Social Benefits	1,812.9	2,117.4	2,181.2