

Investigative
Journalists'
Team

A circular graphic containing a grayscale image of a newspaper page. The text 'Wer wen gewählt hat' is visible at the top. Below it, there are names 'Hillary Clinton' and 'Donald Trump'. A bar chart is partially visible on the right side of the circle, with horizontal bars and the text '50 Prozent' repeated several times. The word 'Prognose' is visible at the bottom of the circle. The background of the entire cover is a solid purple color with a white circle in the center containing the text 'Annual Report 2022'.

Annual
Report
2022

iFact – Investigative
Journalists' Team

WWW.IFACT.GE

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Introduction by the Founder and Director

Dear Friends, Colleagues, Partners and Readers of iFact,

The past year, 2023 has been remarkably in its historic significance: after numerous challenges, and paramount efforts of the citizens of Georgia, journalists, and civil society at large, Georgia has finally achieved long-awaited EU Candidacy Status, bringing new life to our collective efforts to strengthen our work towards Euro-Atlantic integration. iFACT strongly believes that Euro-Atlantic integration is essential to ensure that human rights, democracy, and security of Georgia are protected. This is why, in 2024, iFACT plans to strengthen its focus around the 9 priorities, published by the EU, towards further integration of Georgia.

The past year, however, along with historic achievement of the people of Georgia, has been marked with acute challenges: following the wave of adoption of the restrictive laws in the region, the ruling party has also made efforts to adopt the so-called “Russian law” (analogue to Putin’s 2012 law that was ruled as undemocratic by the ECHR). Although, following considerable efforts and protests by the citizens of Georgia, the bill was recalled, the propaganda against civil society, human rights and equality principles has strengthened considerably.

The disinformation and propaganda against the equality principles and human rights is being heavily instrumentalized ahead of the 2024-2025 electoral cycle in Georgia. Furthermore, there are substantial risks in abuse of administrative resources and instrumentalization of the large-scale infrastructural and social projects ahead of the electoral cycle, considering past experiences.

Amid heightened polarization however, the voices of the citizens of Georgia remain largely unheard: healthcare, education, safety and security, local infrastructure, mobility, environment, access to justice and cultural heritage are some of the topics, important to the citizens of Georgia.

In 2023, iFACT developed 130 investigative reports which reached over 7 million users online. Its materials were reposted by TV, radio, other digital outlets, and were used as the basis for various advocacy campaigns, allowing to change procurements, legislation, government decisions and overall – to positively impact Georgia’s democratic environment.

Those achievements would have been impossible without continuous support of iFACT’s readers, donors, partner organizations – we would like to express our deepest gratitude for your continuous support and collaboration.

In 2024, iFACT plans to continue responding to the high-impact issues, and to focus on the topics that are important to the citizens – to allow for participatory democracy and mitigating polarization, as well as to focus on high-impact areas that affect Georgia’s ability to develop its democratic institutions and human rights environment in Georgia.

To improve its work, iFACT is constantly working on development of the quality of its work as well: in 2023, iFACT introduced the new Impact Assessment mechanism, allowing to plan its content for maximal positive impact on Georgia’s democratic development.

We look forward to improved collaborations and remain hopeful that Georgia continues successfully on its path towards democratization and Euro-Atlantic integration, despite the substantial obstacles and challenges faced.



Nino Bakradze

Founder and Director of Investigative Journalists' Team iFact

Summary

In 2023, iFACT developed 130 investigative reports; iFACT's webpage was visited almost a million times (724k visits), totaled over 7 million reaches on Facebook and received 1.3 million engagements on Facebook (likes, shares or comments). In 2023, iFACT launched Instagram (54.4k reaches) and TikTok (20.7k reaches) and growing.

iFACT's materials primarily focused on high-impact stories, based on interest of citizens, as well as the topics that affect Georgia's overall security, democratic development, and human rights environment, among others:

- **Good Governance: Transparency and Accountability in Governance** – the category involves topics of likely corruption, nepotism, lack of transparency in government procurements, increased infrastructural and social expenditures ahead of the electoral cycle, as well as the issues of access to fair justice and other related topics;
- **National and International Security, Cross-Border Collaborations** – the category involves topics that affect Georgia's national and regional security, such as increased dependence on Russian supplies affecting food security, non-transparent international businesses, shady funding of violent pro-Russian groups in Georgia and other related topics;
- **Local Issues: Mobility, Safety and Participatory Local Governance** – the category involves topics, such as mobility (roads and transportation) for local communities, safety of local infrastructure, as well as local processes – reflecting on the ability of citizens to engage in local governance;
- **Environment and Cultural Heritage** – projects and developments that substantially damage the environment and cultural heritage in

Georgia, contrary to the requirements of the Aarhus convention and other international instruments that Georgia is party to.

iFACT is also working towards development of the quality of media and journalistic standards in Georgia, continuing its training and internship of young journalists. In 2023, furthermore, iFACT published various instructions and guidelines for investigating specific topics, for example:

- **Guide** on investigating public servants' declarations,
- **Advice** on what to do if one is under illegal surveillance,
- **Guide** on investigating illegal gun trade,
- **Guide** on investigating kleptocracy,
- **Guide** on investigating cyber crime.

iFACT has been paying particular attention to continuous development of its quality as well: in 2023, iFACT introduced the Impact Assessment Mechanism, to systematize monitoring of its impact and planning its stories to ensure maximal positive impact towards Georgia's democratization and protection of human rights.

1. Overview of Achievements

Upcoming chapters provide short descriptions of some of iFACT's investigative reports, out of a total 130 produced in 2023. Archive of iFACT's materials is available on its website: www.ifact.ge.

1.1. Good Governance: Transparency and Accountability in Governance

Sustaining public legal entities with no transparency or tangible results: PPP chaired by wife of the chairman of the ruling party



PPP agency, headed by the wife of the Georgian Dream chairman, appointed by the Prime Minister. PPP Agency was launched in February 2019 (following adoption of the PPP Law in 2018), since when about 900k GEL was spent – however, with almost no transparency to the public and most importantly – not a single implemented project. Furthermore, Government adoption of the Decree #515 in October 2018 allowed to exclude energy related projects from a detailed scrutiny and justification – including such high-profile cases on hydro dams, which are a topic of protests, and high public interest.

Details of the story



Hidden from politicians’ declarations: state grants provided to family members of a ruling party, during their political career



Son in law of former member of the Parliament from Georgian Dream – Guguli Maghradze received 348k GEL grant and 436k GEL low interest agro-credit, partially from the Georgian government budget, during the period when Guguli Maghradze was in active politics, however, the former MP hid her son in law from the disclosure declarations. With the funds, he created the new successful tea company Manna.

Details of the story



Double nepotism in Gori: family appointments and empty kindergarten buildings



რომორსაც უყვარდა ნაპოთიანი ბორის
ბაღების საბაგენომო?

Details of the story



As of the 2021 data, the salary of kindergarten staff varied from 220 to 400 GEL monthly, when the same year, minimal sustenance was calculated as 198 GEL by GEOSTAT (227 GEL in 2023). Kindergartens have been constructed, but remain empty up to date, many of them do not have heating and spaces are cramped – such as having 40 children in 15 square meters without appropriate facilities or developmental appliances. Local parents, staffers and oppositional politicians are attributing the problems to the case of “double” nepotism: only few months after appointment as a mayor of Gori, Vladimer

Khinchegashvili fired the previous Head of Preschool Development Agency of Gori, and appointed his close friend, Giorgi Shatirishvili to the post, without any appropriate experience of kindergarten governance, nor competition. In turn, Giorgi Shatirishvili fired the previous director of kindergarten #1 within months of his appointment, and appointed his mother in law to the position – again, without competition (who later decided to leave the position, when reports of nepotism came out). Former staffer, Marine Surameli, is currently litigating against Shatirishvili for dismantling the Food, Hygiene and Preschool Development department and firing her.

Government’s Gift to 1000 Police Officers: “Police City” Housing



Government announced that about 1000 police officers will be partially gifted apartments in the so-called “Police City” settlement, to “encourage” their work (police officers will have to pay only 300 GEL per square meter, while the remaining is to be covered by the government - for comparison, average price of the apartment per square meter in the similar location is about 3344 GEL within that period). Considering the complete lack of housing strategy in Georgia, as well as the upcoming electoral cycle, iFACT investigated various aspects of this project.

პროფესიონალების წახალისება თუ წინასწარჩვენი გათვლა?

Details of the story



Dangerous Practice of Georgia’s Courts: Using Police Witness Statement, as an Inarguable Evidence



რა უნდა ვქნათ, რომ მოხაზართლი მხოლოდ პოლიციელის ჩვენებას აღარ ედომს?

The February-March protests against the so-called “Russian Law” (analogue of Putin’s 2012 law that resulted in complete elimination of critical voices in Russia and judged as undemocratic by the ECHR), uncovered a systemic judiciary problem in Georgia: the peaceful protesters report that police have lied on numerous occasions in court, blaming peaceful protesters for violations they didn’t commit – while the judges sided with the police and treated police statements as inarguable pieces of evidence.

Details of the story



2. Key priorities for 2023

2.1. National and International Security, Cross-Border Collaborations

OCCRP and iFACT collaboration: 270 million USD Georgian business empire of a businessman from Azerbaijani dictator's circle



Details of the story



Investigation uncovers 270-million USD business empire in Georgia likely owned by Talibov, through his proxy – Emin Uchar. Their portfolio involves networks known as Gamigaya in Azerbaijan and Maqro Group in Georgia, including three hotels, partnering with a French hospitality giant – Accor. Talibov has governed Nakhchevan since 1995, when he became a relative of Heydar Aliyev through marriage. His regime involved silencing independent media, torturing and sending dissidents to psychiatric wards.

Talibov accumulated wealth during his tenure. Transparency International Georgia expresses concern that investments obtained corruptly in Azerbaijan create risk of corruption in Georgia as well – especially since Georgia does not have a strong anti-corruption mechanism in place.

Food Security: Rising Dependence on Russia for Wheat



Details of the story



Import of Russian wheat has increased substantially (it has tripled within a year), driving out the local producers and creating dependence on Russia for supply of this key strategic supply (a bag of wheat from Russia costs about 10-12 GEL cheaper than wheat produced in Georgia). This creates substantial risks for food security in Georgia, while the government fails to develop any response mechanisms.

Shady Funding of the Pro-Russian, Violent Political Party in Georgia



ვინ და საიდან სწირავს ფულს
“კონსერვატიულ მოძრაობას”?

Details of the story



The violent and pro-Russian political movement “Conservative Movement” has been involved in promoting war, conflict, calling for its supporters towards physical violence and openly supporting Russian politics in Georgia. While its traceable income is about 590 million GEL in two years, it has only 101 contributors: after close examination by iFACT, the vast majority of those contributors cannot offer public justification of the source of the funding.

2.3. Local Issues: Mobility, Safety and Participatory Local Governance

Life without water, heating and road in mountainous Imereti region



Details of the story 



Details of the story 

1.4 million GEL was paid in 2021-2022 to the ltd “Inter Gas” to lay the gas pipes in eight villages of mountainous Tkibuli municipality in the Imereti region for total, however, 776 villagers still live largely without gas (heating), road or water. Among others, villagers from Tchkepi report they don’t know when they will be able to access basic living conditions. According to the government structure, the “Gas Transportation Company of Georgia”, 100% owned by the Ministry of Economy of Georgia is responsible for ensuring that Georgian villages have access to gas (including management of gas pipes, laying pipes, improvement of quality, etc.). According to the procedure, laid pipes are either managed by the company itself or sold to companies such as Sokar, however, despite nearly a year and millions spent, it is unclear why the gas is still not being provided to the population.

Emergency condition of the Simoneti-Navenakhevi road, connecting three villages



In three villages of Terjola municipality of Imereti region – villages Nakhshirghele, Navenakhevi and Kveda Simoneti are connected by the road, which is in the emergency condition – to the extent that transportation even by car is dangerous, and locals report having difficulty to access the basic services – including difficulty of being reached by the emergency medical services.

Details of the story



Pupils and teachers risking lives to reach school in mountainous Imereti



February 22, teacher Gela Liparteliani was killed by a landslide on his way to school. 115 pupils and dozens of teachers are risking sharing his fate every day in winter, on their way to school, through a thick layer of snow. Before starting classes, they all sit by the fire to dry their clothes, with no internet, electricity, gas, or other basic facilities.

Details of the story



Dysfunctional self-governance in Terjola municipality

State's "Village Support Program", which is supposed to provide a forum for local self-governance and citizen participation in the budget allocation process, through village assemblies, has been operational for 13 years now. Within the program, this year, 690k GEL is allocated for 45 villages of Terjola municipality. In



როგორ თარღება სოფლის კრებები
თარჯომლანი?

Details of the story



response to locals' request, iFACT visited 7 village assemblies: in all of them, the village assembly process appears to be superficial. Locals claim that mostly ruling party activists are invited to meetings, through personal calls or through local trustees. Information is not systemically shared to offer everyone a chance of participation. There is no proper follow up either: only 12 village assembly reports were uploaded, out of 21 held so far. There is no mechanism to track whether municipalities take into account the request of even those who attend. For example, one of the villag-

ers reported that he never heard of the meetings, believing it is due to his critical opinions about the ruling party.

2.4. Environment and Cultural Heritage

Hydro Dam plans amid security and environmental risks, launched by one of the funders of the ruling party

27%-owners of the company donated in total 105k GEL to the Georgian Dream in 2016-2017; the very same company got a green light from the government for construction of a hydro dam, against the fears of local population regarding avalanches (ზვანთი), loss of water supply and overall safety. Since the law doesn't require to conduct Environmental Impact Assessment on smaller dams, no such assessment is being carried out, despite the negative prior experience and warning from Acting Director of the Earth Science Institute, Tea Godoladze, who



Details of the story



says that construction of the dam may cause “irreversible” problems for the village. Population is scared – remembering other examples in other cities of Georgia, where construction of hydro dams resulted in termination of water supply, avalanche and other environmental and security problems. The process is largely non-transparent, with company sowing confrontation among the

population through incomplete information and intentional omission of locals from the meetings, who are against the dam. The same owners also plan to build five other small hydro dams in Truso gorge.

Updates on non-transparent process of rehabilitating cultural heritage site – Gelati Church

3 years of financial police interest in gelati, the government says nothing. Criminal offence to damage prosecution is quiet. 2020 October asked for investigation from prosecution. Investigation likely not going on cuz says nothing, no updates, middle age paintings damaged by rain.

Sixth century UNESCO heritage site falling apart: personal interests in state tenders again?

Mtskheta Jvari Monastery – UNESCO world cultural heritage site from the sixth century is facing “substantial danger”, according to Georgian and international heritage specialists. In its October 18/2021 letter, UNESCO writes “considering the gravity of the situation, the rehabilitation works must start immediately.” In the same letter, UNESCO joins the cultural heritage agency of Georgia and Georgia’s patriarchate in positively evaluating the proposed rehabilitation project, funds for



Details of the story



which were provided by the U.S. Cultural Heritage Fund. However, sometime during anticipation of the positive conclusion from UNESCO to the proposed rehabilitation project, the new minister of culture was appointed – Tea Tsuluki-ani, under whom, Ministry started requesting full control of the financial decisions of the agency and substitution of agency’s key employees with its own. Due to this, the project has been

delayed for over a year and a half, meanwhile, circumventing the public tendering system, Ministry directly hired Ltd. “Koneksi” to re-evaluate the state of the site and prepare a new project, despite the company never having experience of working on the world heritage site.

11th Century Cultural Heritage Site: Bagrati Church, Damaged by Water Leakage



Details of the story



The extraordinary site of cultural heritage of Georgia – Bagrati Church, built in 1003 has been damaged by leaking water for over five years now. And yet, similar to Gelati heritage, the government did very little to address the problem, while the condition of the heritage site keeps worsening.

3. Financial Report

3.1. Ethical Income and Expenditure Policy

iFact's core organizational objective is to not only work towards protection of the rule of law, human rights, and democracy in Georgia, but also to observe those fundamental principles in its work as well – both in grant-making as well as ethical sourcing of its expenditures. In 2023, iFACT continued commitment to the key international principles and good practices of accountability, reflected in its Financial Management Guideline, which involves various provisions, to safeguard, among others, the four-eye principle, ensure traceability of all expenditures and proper documentation, digitalization of all expenditures, as well as ethical sourcing of its providers.

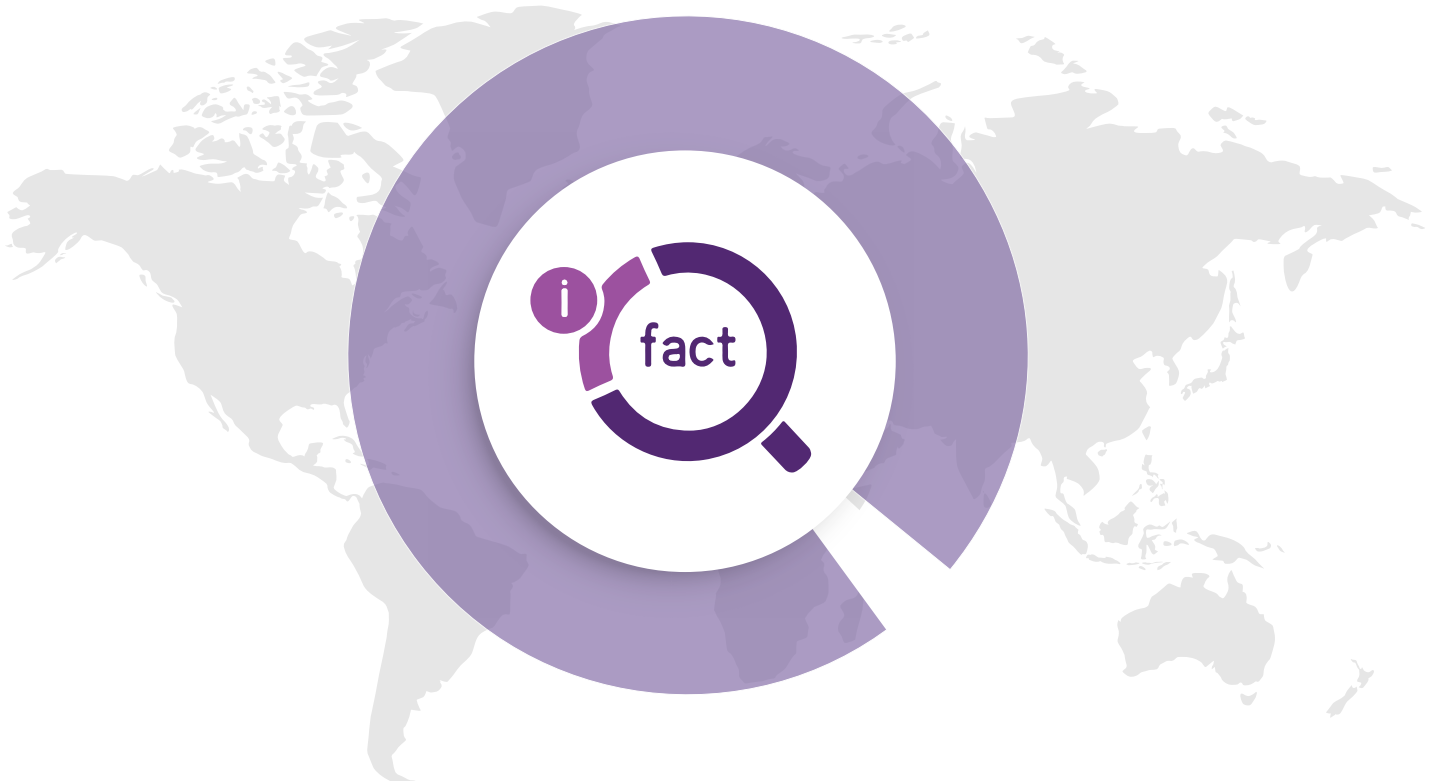
Among others, iFact strives to ensure that procurements ensure selection of providers with competitive advantage to those who demonstrate positive effort in ensuring workplace equality and environmental responsibility. At the same time, one of iFact's core rules is to never receive funding from political parties and government, as well as from such private business, which may cause conflict of interest in iFact's impartial investigative process.

At the same time, iFact has an Employment and Benefits Manual, which ensures fair and transparent process of employment, promotion, provision of benefits, disciplinary action and contract termination, along other sets of regulations for ensuring good organizational governance.

3.2. Summary

Total income of iFact in 2023 amounted to 294,502.65 USD, which originated from grants of recognized, ethical international donors, within the principles and formats of the Official Development Assistance (ODA). **Within the reporting period, iFact employed 11 permanent staff (of which 3 are administrative) and 28 contractual service providers.**

Total expenditures of iFact in 2023 amounted to 233,014.13 USD, of which 34% was spent on salaries, 27% on contractual services, 19% on taxes, 14% on various production/direct costs, and 5% on issuance of sub-grants.



3.3. Income

Total income for 2023: 294,502.65 USD.

Income break-down by sources:

Donors/Income sources		Type		TOTAL (USD)
1	National Endowment for Democracy - NED	Grant	-	75,820.00
2	Open Society Georgia Foundation	Grant	-	20,620.00
3	US Embassy	Grant	-	16,650.00
4	International Media Support (2023-2024 Grant)	Grant	-	40,282.86
5	Publika	Grant	-	3,324.77
6	OCCRP	Grant	-	19,983.64
7	GIJN	Grant	-	8,322.18
8	IREX	Grant	-	9,850.90
9	Prague Civil Society	Grant	-	1,042.99
10	European Endowment for Democracy	Grant	-	28,580.63
11	IRI	Grant	-	4,802.77
12	Journalism Development Network	Grant	-	9,984.01
13	Journalism Fund	Grant	-	5,259.36
14	International Media Support	Grant	-	16,374.13
15	Service Contracts	Service	-	33,604.40

3.4. Expenses

Total expenses for 2023: **233,014.13 USD, of which:**

Salaries

80,179.15 \$

**Contractual services**

63,501.64 \$

**Taxes**

44,255.08 \$

**Various production/direct costs**

33,551.02 \$

**Issuance of sub-grants**

11,527.25 \$





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