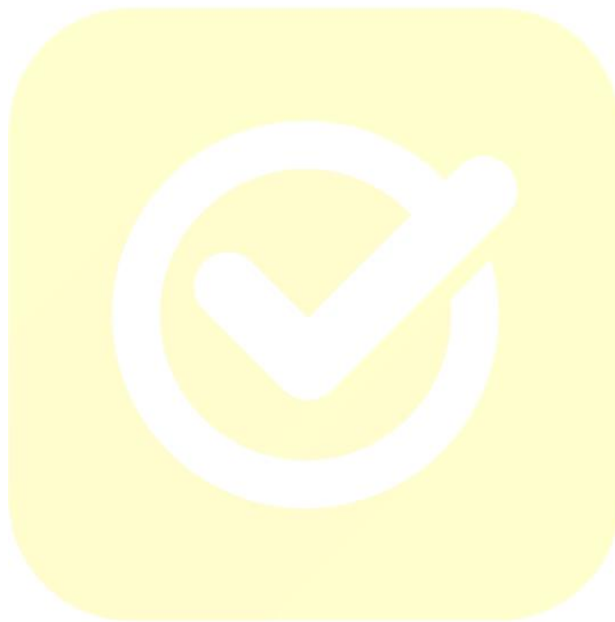




2021 Y.

Review of 2020 State Budget Execution of Georgia



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Parliamentary Budget Office, 2021 Y.

Table of Contents

Main indicators of the State Budget	1
General Review of the State Budget Execution.....	1
Macroeconomic parameters fixed by the Organic Law of Georgia on "Economic Freedom"	5
State Budget Total Revenues	8
Revenues.....	10
Disposals of nonfinancial assets	16
Disposals of financial assets.....	16
Incurrence of liabilities.....	17
State Budget Total Expenditures	19
Expenses.....	21
Acquisitions of nonfinancial assets	27
Acquisitions of financial assets	28
Reductions of liabilities	28
Functional Classification of Operations on Expenses and Nonfinancial Assets	29
State Budget Priorities	31
Performance Indicators of spending Institutions and Programs defined by the State Budget.....	32
Performance Indicators on the level of Spending Institutions.....	32
Performance Indicatorss on the level of Program	34
Capital Projects	38
Expenditures of General State Importance.....	38
State Budget Net Change in the Stock of Cash, Gross Operating Balance and Net Lending/Net Borrowing Balance	43
Net Change in the Stock of Cash.....	43
Gross Operating Balance and Net Lending/Net Borrowing Balance	44
Annexes	45
Annex 1: Review of Central Budget Execution	45
Total Revenues of the Central Budget	46
Total Expenditures of the Central Budget.....	48
Annex 2: State Budget Total Revenues, Total Expenditures and Net Change in the Stock of Cash (million GEL).....	52
Annex 3: State Budget Balance (million GEL)	53
Annex 4: State Budget Appropriation (million GEL)	54
Applied Data Sources:	65

In accordance with the Budget Code of Georgia, State Budget transitioned to program format from 2012, what correspondingly envisages unification of programs according to priorities. Correspondingly, data analysis is generally implemented from 2012.

Main indicators of the State Budget

General Review of the State Budget Execution

According to the law of Georgia “on State Budget of Georgia 2020” the planned annual **total revenues** were defined with the amount of 18,420.3 million GEL, while the planned annual **total expenditures** defined - 15,923.8 million GEL. In 2020 the execution of total revenues amounted to 18,042.3 million GEL - 97.9% of an annual plan¹ and 124.0% of the initial annual plan (14,554.2 million GEL), while exceeding the same indicator of the previous year by 4,790.1 million GEL (by 36.1%). As to the execution of total expenditures of 2020, the indicator of total expenditures amounted to 16,174.6 million GEL², 101.6% of the annual plan and 112.1% of the initial annual plan (14,432.9 million GEL), exceeding the same indicator of previous year by 20.1% (2,704.9 million GEL).

The diagram below represents the 2012-2020 annual budget plans and execution indicators of the State Budget total revenues and total expenditures.

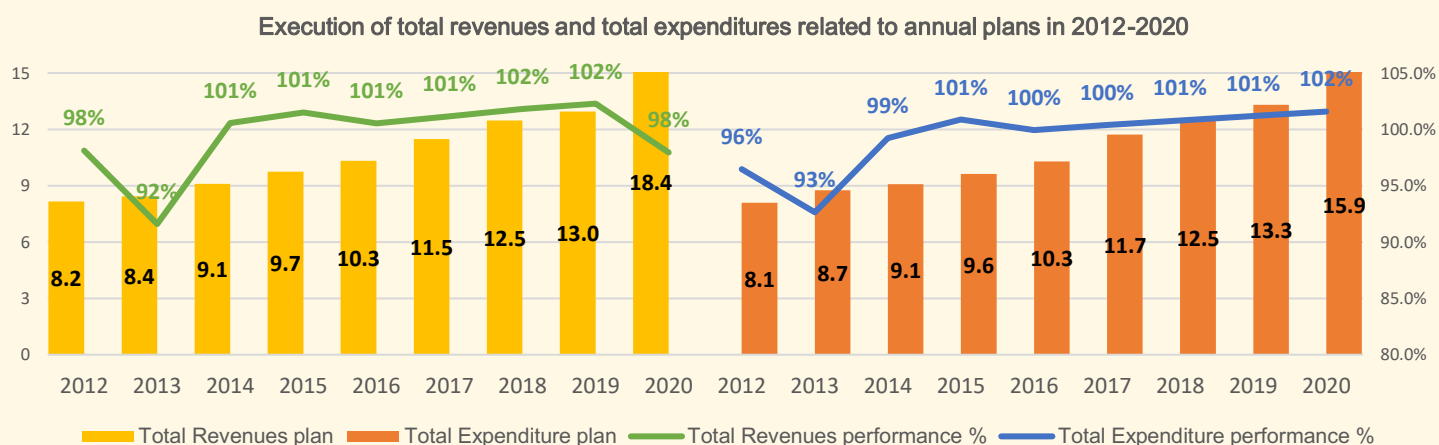


Diagram 1: Execution of total revenues and total expenditures according to annual plans in 2012-2020 (billion GEL, %).

Concerning the execution of total revenues according to components, the performance of the revenues and disposals of nonfinancial assets stand out with good performance level and correspondingly, amount to 102.7% and 109.1% of the annual plan. Performance indicator of Incurrence of liabilities is characterized by low performance level and amounts to 90.7% of the annual plan. However, positive deviation of disposals of financial assets is identified towards the annual plan and is defined by – 204.2%. As to the performance of abovementioned components of total revenues relatively to the initial annual plans, the performance of Incurrence of liabilities amounts to 237.7% of the initial plan, disposals of financial assets amount to - 125.7%, revenues are defined at - 93.4% and disposals of nonfinancial assets are defined at - 75.5%.

The performance of the greatest component of the total expenditures – expenses – amount to 99.8% of the annual plan, the performance of acquisitions of nonfinancial and financial assets components exceed annual plans and correspondingly amount to - 115.5% and 115.6%, whereas, the performance of reductions of liabilities component is defined at 91.4% of the annual plan. Likewise the annual plan, expenses, with the amount of 99.6%, stand out with good performance level relatively to the adjusted plan, the performance of acquisitions of nonfinancial and financial assets component exceeds the adjusted annual plans (correspondingly, 114.0% and 121.7%), whereas, the performance of reductions of liabilities component amounts to 95.1% of the adjusted plan. As to the execution of the total expenditures’ components relatively to the initial annual plans, in this case, the performance of expenses amounts to 115.6% of its initial annual plan, acquisitions of financial assets amount to – 110.4%, acquisitions of nonfinancial assets are defined at – 104.4% and reductions of liabilities amount to – 92.3%.

¹ The 2020 initial annual plan represented in the given document implicates 2020 State Budget indicators approved in December 2019, whereas annual plan implicates defined planned indicator by June amendment to the 2020 State Budget law.

² The exceed of an actual execution of total expenditures and its certain components is caused by the direct investment transfers of and by reflection of target grants only in the performance indicator.

	2020 Initial Plan	2020 Annual Plan	2020 Adjusted Plan	2020 Actual	% towards initial plan	% towards annual plan	% towards adjusted Plan
Total Revenues	14,554.2	18,420.3	18,420.3	18,042.3	124.0%	97.9%	97.9%
Revenues	11,226.9	10,212.7	10,212.7	10,490.4	93.4%	102.7%	102.7%
Disposals of nonfinancial assets	130.0	90.0	90.0	98.2	75.5%	109.1%	109.1%
Disposals of financial assets	130.0	80.0	80.0	163.4	125.7%	204.2%	204.2%
Incurrence of liabilities	3,067.3	8,037.6	8,037.6	7,290.4	237.7%	90.7%	90.7%
Total Expenditures	14,432.9	15,923.8	15,923.8	16,174.6	112.1%	101.6%	101.6%
Expenses	10,846.5	12,556.4	12,586.5	12,533.9	115.6%	99.8%	99.6%
Acquisitions of nonfinancial assets	2,221.4	2,007.8	2,034.6	2,319.0	104.4%	115.5%	114.0%
Acquisitions of financial assets	342.2	326.8	310.3	377.7	110.4%	115.6%	121.7%
Reductions of liabilities	1,022.7	1,032.7	992.3	944.0	92.3%	91.4%	95.1%
Net change in the stock of cash	121.3	2,496.5	2,496.5	1,867.7			

Table 1: Performance of the 2020 state budget total revenues and total expenditures by components (million GEL, %).

The review of the revenues received from the **taxes** is especially important in the State Budget total revenues, on which 89.3% comes from the revenues received in 2020, whereas, the 51.9% comes from the total revenues. In 2020, State Budget received 9,364.8 million GEL from taxes, which is 104.3% of the annual plan (8,979.4 million GEL) and 89.5% of the initial plan (10,465.0 million GEL). The diagram below represents 2020 State Budget tax revenues according to months.

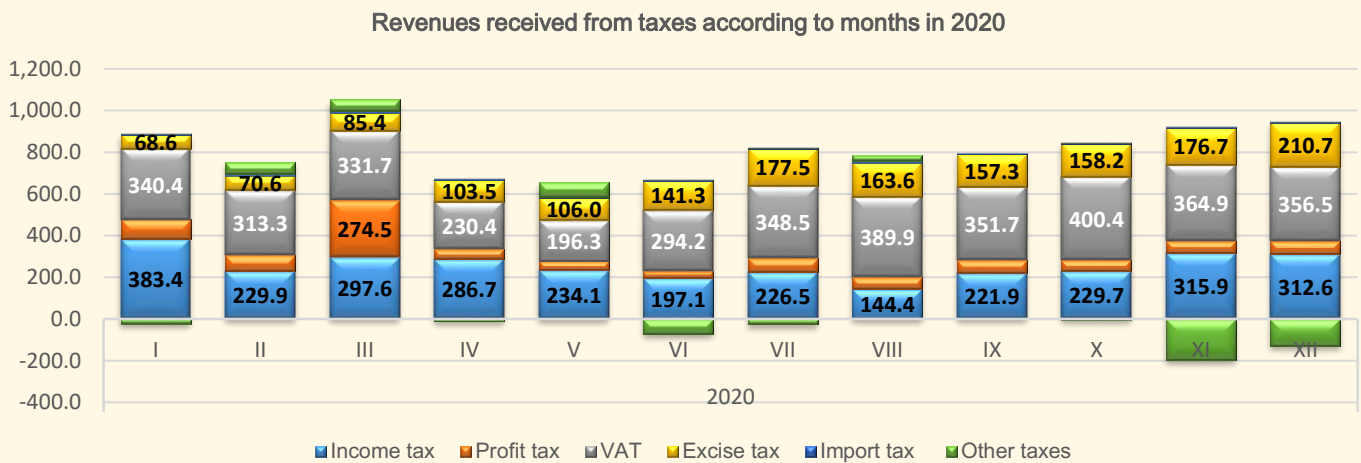


Diagram 2: Revenues received from taxes according to months in 2020 (million GEL).

As represented on the diagram, the State Budget have received the highest revenue from taxes in March 2020 (1,053.0 million GEL), whereas, the lowest amount was received in June (600.5 million GEL), the average monthly indicator of the taxes amounted to 780.4 million GEL. As to the structure of revenues received from taxes, major share comes from the revenues received in the ways of VAT and income tax, which annually amounts to - 3,918.2 million GEL and 3,079.8 million GEL- 41.8% and 32.9% of revenues received from taxes in 2020.

Structure of revenues received from taxes in 2020

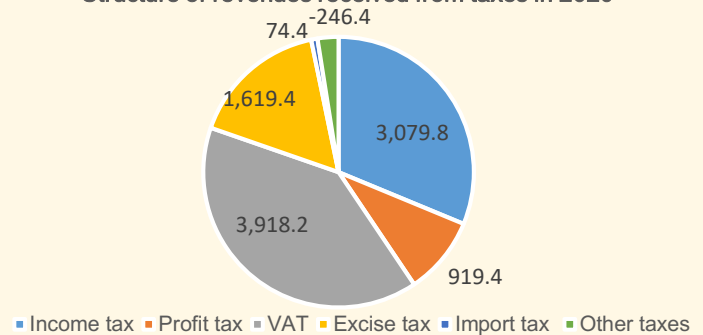


Diagram 3: 2 Structure of revenues received from taxes in 2020 (million GEL)

As to the **expenses**, which is the greatest component of State Budget total expenditures, it amounts to 77.5% of 2020 total expenditures. The diagram below represents the 2020 State Budget expenses according to months.

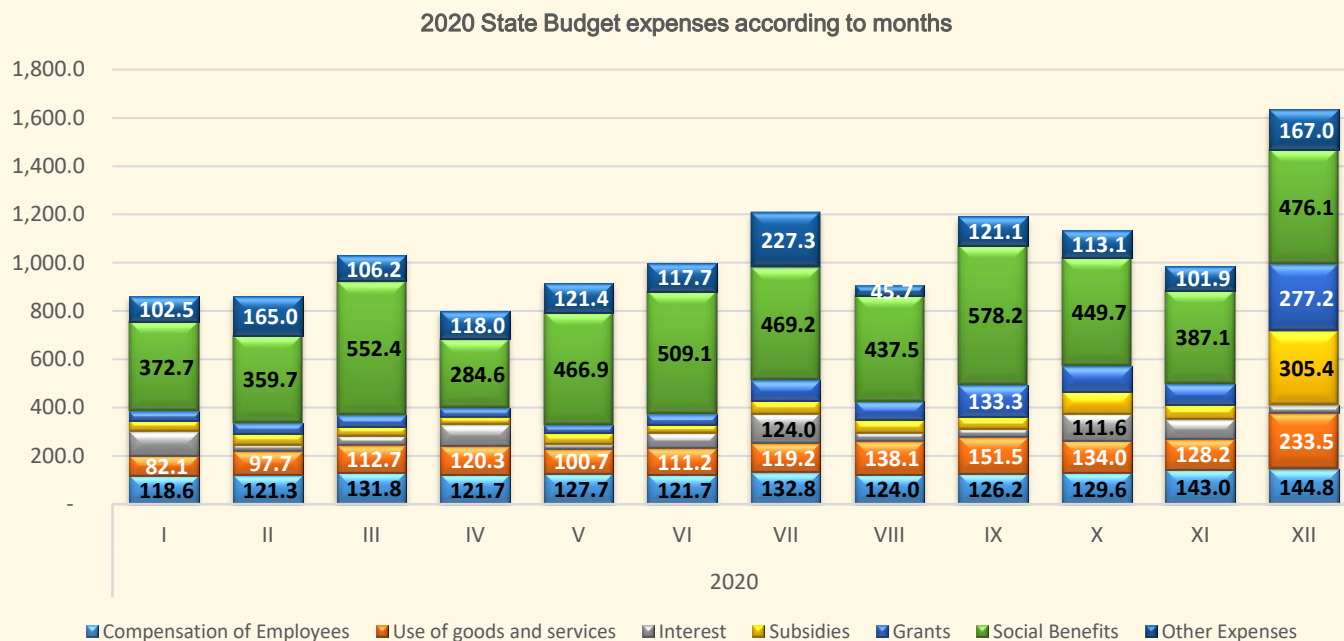


Diagram 4: 2020 State Budget expenses according to months (million GEL).

In December 2020 the biggest amount of expenses was incurred from the State Budget (1,635.8 million GEL), whereas, the smallest amount was incurred in April (800.9 million GEL), monthly average indicator of the expenses amounted to 1,044.5 million GEL. As to the structure of the expenses according to economic classification, the “Social Benefits” has the greatest share, amounting 42.6% (5,343.2 million GEL) of the expenses incurred in 2020. “Compensation of employees”, “Use of goods and services” and “other expenses”, accordingly defined at - 12.3%, 12.2% and 12.0% of expenses, correspondingly, amounting to 1,543.1 million GEL, 1,529.2 million GEL and 1,507.0 million GEL in nominal expression.

Structure of 2020 State Budget expenses

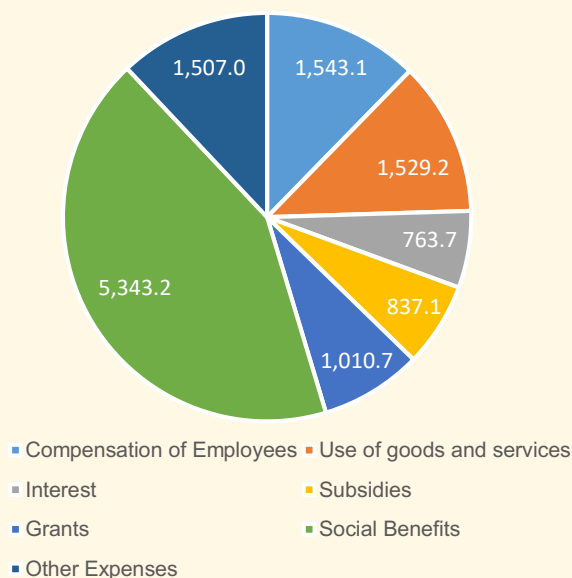


Diagram 5: Structure of 2020 State Budget expenses (million GEL)

In 2020, the State Budget **Gross operating balance**³ was defined at - 2,043.5 million GEL, whereas, the **net lending/Net borrowing balance**⁴ – -4,264.4 million GEL. The diagram below represents the 2020 gross operating and net lending/net borrowing balance according to months.

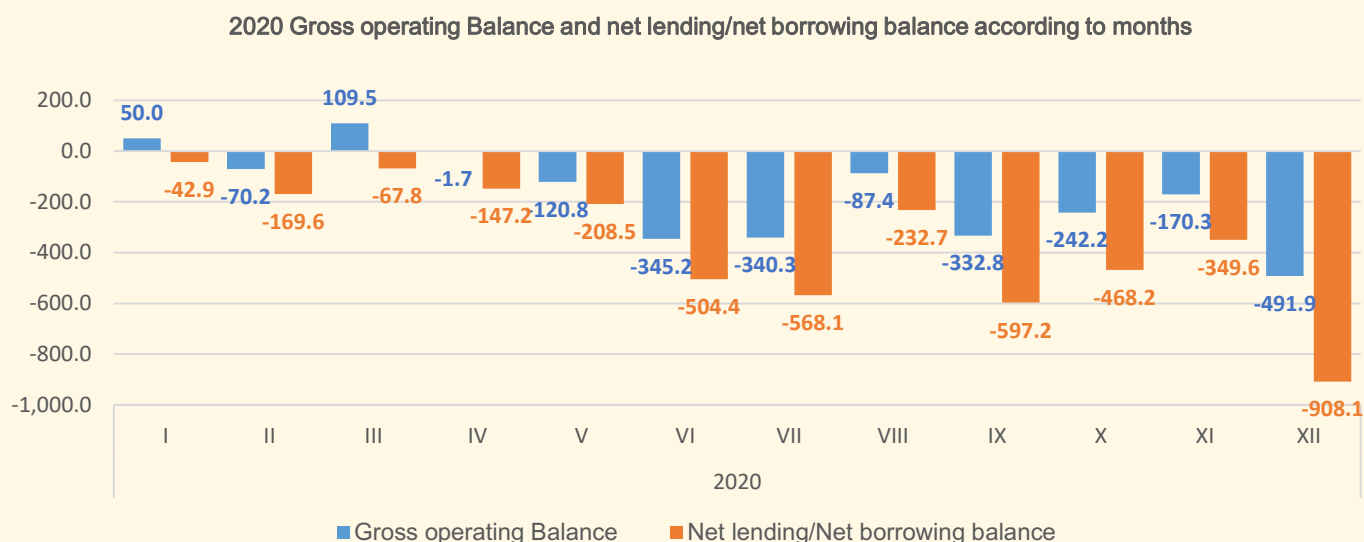


Diagram 6: 2020 Gross operating Balance and net lending/net borrowing balance according to months (million GEL).

As to the **net change in the stock of cash**, at the beginning of the 2020, the adjusted State Budget balance was defined at 443.7 million GEL. With the total revenues and total expenditures taken into account, the net accumulation in the stock of cash amounted to 1,867.7 million GEL and correspondingly, by the end of 2020, the State Budget balance amounted to 2,311.4 million GEL.

The diagram below represents the 2020 State Budget total revenues, total expenditures and net change in the stock of cash according to months.

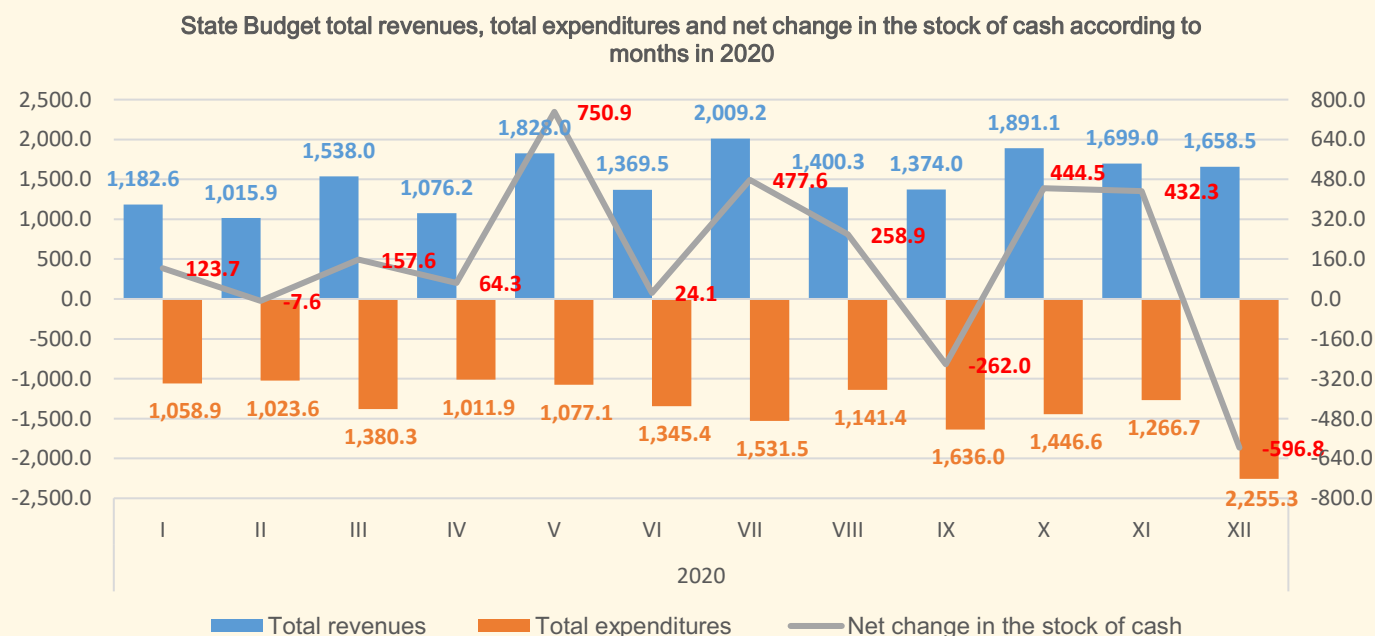


Diagram 7: State Budget total revenues, total expenditures and net change in the stock of cash according to months in 2020 (million GEL).

³ Gross Operating Balance is the difference between revenue and expenses. It can be both positive and negative.

⁴ Net Lending/Net Borrowing Balance is the distinction between Gross operating balance and Gross investment in nonfinancial assets and indicates the Budget surplus (positive value) and Budget deficit (negative value).

Macroeconomic parameters fixed by the Organic Law of Georgia on "Economic Freedom"

According to the Annex of Law of Georgia "on State Budget of Georgia 2020" Approved by the Parliament of Georgia in December 2019 – Basic Economic and Financial Indicators (Baseline Scenario) – the real GDP growth is defined at – 4.5% in 2020, forecasted by the Government of Georgia (hereinafter referred to as the Government). In the same time-period, according to the published forecast made by the Parliamentary Budget Office of Georgia (hereinafter referred to as the Budget Office) the real GDP growth was defined at - 4.7% in 2020.

According to the world pandemic and, therefore, economic situation, caused by the new coronavirus (COVID-19), a state of emergency was inevitably declared and urgent changes were implemented in the State Budget in 2020, according to which, changes were implemented in the Law of Georgia "on State Budget of Georgia 2020" in June, 2020. According to the document prepared by the Government in June 2020 - Basic Economic and Financial Indicators (Baseline Scenario) – forecasted real GDP growth amounted to -4.0% in 2020, whereas, the same indicator, forecasted by the Budget Office, was defined at -4.8% in 2020.

In 2020, the growth of the GDP was defined at -6.2%, lagging behind the June 2020 Government forecast (- 4.0%) by 2.2 percentage point (p.p), and lagging behind the parliamentary budget office forecast of the same time period (-4.8%) by 1.4 p.p. In 2020, the GDP in nominal expression was defined at 49,407.3 million GEL, whereas, the GDP per capita amounted to 13,292.7 GEL (4,274.6 USD).

The economic growth trends in 2020 were seen in the following fields: Health (7.9%); Agriculture (3.6%); Education (3.1%); State governance and defense (1.8%); Mining industry (1.5%). Whereas, the decrease were seen in the following fields: accommodation and food service activities (37.9%); Administrative and support service activities (37.9%); Art, entertainment, recreation (18.9%); Professional, scientific and technical activities (18.4%); Transport and warehousing (22.3%); etc.

The sectoral analysis of the GDP shows that all the fields except from agriculture, state governance, education and health, have made a negative impact on economic decrease. Restrictions established because of the Coronavirus Pandemic caused obstruction of the economic activity and therefore, the indicated made a negative reflection on economic growth. The negative effects of the restrictions mainly reflected on service fields, especially it affected activities related to tourism and correspondingly, the share of indicated fields was high in the formation of negative economic growth. Particularly, It is worth mentioning the contribution of the following aspects: Hotels and restaurants (-1.71 p.p), Transport (-1.29 p.p), Trade (-0.7 p.p), Art, entertainment, recreation (-0.58 p.p) and Construction (-0.35 p.p).

As to the GDP analysis according to the expenditure, on the grounds of 2020 preliminary data, with the estimation of the Budget Office, in -6.2% growth of the real GDP net consumption positive contribution amounts to 4.5 p.p, the investments made negative 0.9 p.p contribution, whereas, the negative contribution of the net export was defined at 9.8 p.p.

The connection between the dynamics of the total factor productivity and economic activity is very interesting, and for its estimation, it is important to analyze the accordance of current economic growth towards the potential, available for the country to use in frames of optimal assimilation and utilization of its resources. The most valid is to calculate the so-called potential GDP and should be compared to the actual situation. This difference between real and potential GDP will be the so-called GDP gap⁵.

The evaluation of the potential GDP by the Parliamentary Budget Office shows that from 2016 **the negative gap of the GPD represents significant improvement trend** and in 2019 negative gap have closed and economic activity equalized its potential level. However, in 2020, problems caused by the COVID-19 pandemic had a negative impact on GDP gap – the gap has significantly increased. In 2020, the economic activity lags behind its potential level by 4.3%.

⁵ If the actual GDP exceeds its potential level, then we have a positive GDP gap (inflation gap), and if the actual GDP lags behind the potential, then there is a negative GDP gap in the country, which is often called recessive GDP.

The organic law of Georgia on “Economic Freedom”⁶ establishes **maximum limits of macroeconomic parameters**:

- The ratio of the deficit of the state’s unified budget⁷, defined by the Budget code of Georgia, to GDP – **no more than 3% (i.e. balance/deficit rule)**;
- The ratio of Government debt⁸ to GDP **shall not be more than 60% (i.e. debt rule)**.

According to the abovementioned organic law, fulfilling planning and/or planned parameters beyond the threshold volume of the State Unified Budget deficit and Government Debt is feasible:

A) In case of the extraordinary or military state of affairs, proclaimed according to the rule stipulated by the legislation of Georgia or in the case of the need to liquidate the effects of such extraordinary developments.

B) In case of retarded economic growth or recession, if the annual real growth quarterly figures announced by the GEOSTAT for two consequent quarters show real growth (growth over same quarters of the previous year) that is 2% lower than the average real growth of the past 10 years.

According to the version of the Law of Georgia “on State Budget of Georgia 2020” Approved in December 2019, as well as, according to the state of emergency declared and formed economic situation as a result of the world pandemic caused by the new coronavirus (COVID-19), the forecast of the marginal parameters (of deficit and debt rules) established by abovementioned organic law is determined in an amendment made to the 14th paragraph of the Budget Law in June, 2020.

According to the changes implemented in the Law of Georgia “on State Budget of Georgia 2020” in June, 2020, with regard to 14th paragraph of the abovementioned Law, the State’s Unified Budget Deficit was defined at - 4,152.1 million GEL, beyond the established limit (deficit rule) of the first item of the 2nd paragraph of abovementioned organic law, amounting to – 8.3% of the forecasted GDP.

As to the actual execution, the GDP was defined at 49,407.3 million GEL in 2020 nominal expression, whereas the deficit of the state’s unified budget amounted 4,450.8 million GEL, 9.0% of the GDP, by 0.7 percentage point (p.p) more compared to the indicator (8.3% of the GDP) determined by 14th paragraph of Law of Georgia “On 2020 State Budget of Georgia”.

It needs to be mentioned that abovementioned budget balance/deficit rule defined by organic law, with the existing editorial, operating from 2019, whereas before 2019 the deficit rule was defined as the ratio of consolidated budget deficit to GDP.

Considering all the abovementioned, the diagram below represents the ratio of the state’s unified budget and consolidated budget deficits to GDP in the years of 2015-2020.

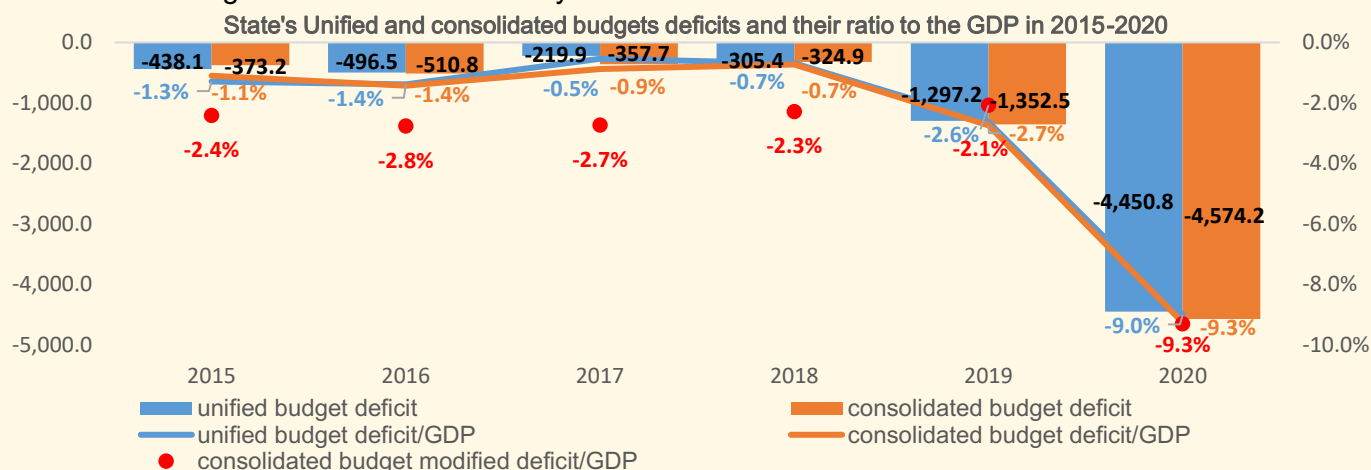


Diagram 8: States’s Unified and consolidated budgets deficits and their ratio to the GDP in 2015-2020 (million GEL, %).

⁶ Article 2. Determination of maximum limits of macroeconomic parameters.

⁷ According to the Budget Code of Georgia, Unified budget is consolidated budget of the Central, Autonomous Republics unified republican and Municipalities unified municipal budgets..

⁸ For these purposes, Government debt of Georgia includes: a) The State Debt defined by the Law of Georgia on “State Debt”, excluding the NBG commitments; b) The Debt contracted by the budget organizations, excluding their borrowing from other budget organizations. This margin also envisages the current value of the commitments made within the basic principles of public-private partnership and corresponding projects of the criteria of public-private partnership, which is envisaged in the Law of Georgia on Public-Private Partnership.

As to the second maximum limit of the macroeconomic parameters determined by the organic law of Georgia on “Economic Freedom” (Debt rule), by the amendments in the law of Georgia “on State Budget of Georgia 2020” in June, 2020, according to the 14th Article, the threshold volume of Government Debt was defined with 54.4% of the GDP by the end of 2020, whereas, current value of undertaken liabilities in frames of public-private partnership project (as of January 1st, 2019) was determined by – 1.3% of the GDP – Sum: 55.7% of the GDP.

In fact, by the December 31, the balance of the Government debt amounted to 29,653.6 million GEL, 60.0% of the GDP. Current value of undertaken liabilities in frames of public-private partnership project (as of January 1, 2020) amounts to - 388.8 million GEL (0.8% of the GDP), correspondingly, sum of the indicated liabilities amount to - 60.8% of the GDP (fixed limit – at most 60%).

Unlike the so called deficit rule, breaking the limit of the macroeconomic parameters determined by so called debt rule, was not foreseen by the Law of Georgia “on State Budget of Georgia 2020”, though, the indicated limit (likewise, so called deficit rule) was broken during 2020.

The state debt considered by the law of Georgia “On State Debt”, from the government debt, except from the commitments of the National Bank of Georgia, by 31 December of 2020 amounted to - 29,612.8 million GEL, whereas, the balance from debts taken by the budgetary organizations was defined at - 40.8 million GEL.

Furthermore, the government external debt, 23,467.5 million GEL appears to be 79.1% of the total government debt. The great share of the indicated credit resource is received from multilateral and bilateral donors/partners. The 52% of the government external debt portfolio consists of fixed interest rate credits. This circumstance assists the security of the external debt service parameters of Georgian Government from the exogenous fluctuation of the interest rate and guarantees the preservation of expenses from the debt service on low-level.

	Balance as of 31.12.2020
Government external debt balance	23,467.5
From multilateral credits	16,417.1
From bilateral creditors	5,406.5
Other external liabilities	1,638.3
State guaranteed loans	5.6
Government domestic debt balance	6,186.1
Government debt balance in total	29,653.6

Table 2: Structure of Government debt balance as of 31.12.2020 (million GEL)

Government domestic debt, 6,186.1 million GEL, appears to be 20.9% of total government debt. 5,792.5 million GEL is debt in part of treasury liabilities and bonds, 352.8 million GEL in – "Bonding for NBG and Open Market Operations" and the balance – 40.8 million GEL from the debts of budgetary organizations.

Herewith, the existing edition of the debt rule determined by the abovementioned organic law operates from 2019, whereas before 2019 it was defined as the ratio of the state debt to GDP.

The diagram below shows the amounts of state debt of Georgia and the amounts of Government debt of Georgia and their ratio to GDP for the years of 2012-2020⁹.

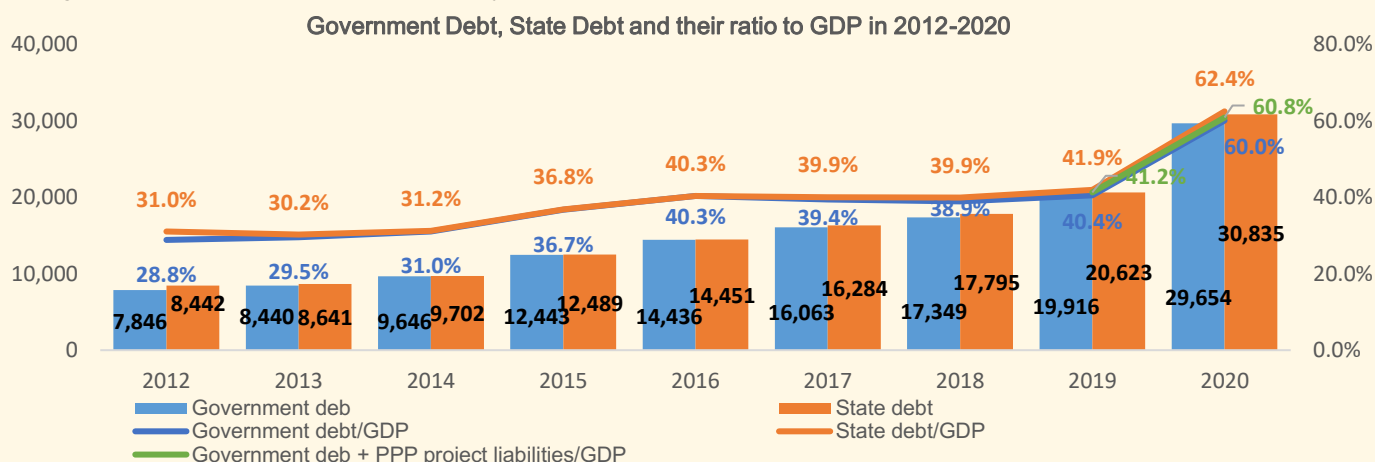


Diagram 9: Government Debt, State Debt and their ratio to GDP in 2012-2020 (million GEL, %).

⁹ The information presented in Diagram 9 does not include the conditional amount of historical debt in the amount of 672 million GEL.

State Budget Total Revenues

According to the law of Georgia “on State Budget of Georgia 2020” the planned annual **total revenues** plan were defined with the amount of 18,420.3 million GEL, whereas, the total indicator of the performance amounted to 18,042.3 million GEL, which is equal to 97.9% of the annual plan and 124.0% of the Initial annual plan (14,554.2 million GEL). Whereas, exceeded the Indicator of the same time period of previous year by 4,790.1 million GEL (by 36.1%).

The nominal indicator of the State Budget total revenues shows annual growth trend (except from 2013) and stands out with the variability of growth rate indicator. In 2013-2020 the average growth rate of total revenues amounted to 11.2%, whereas, the same indicator for 2020 reaches its maximum level (36.1%), which is mainly connected with the significant growth of Incurrence of liabilities (Hence the attracting additional resources from external source for financing, taking into account the negative effects because of the world pandemic caused by COVID-19).

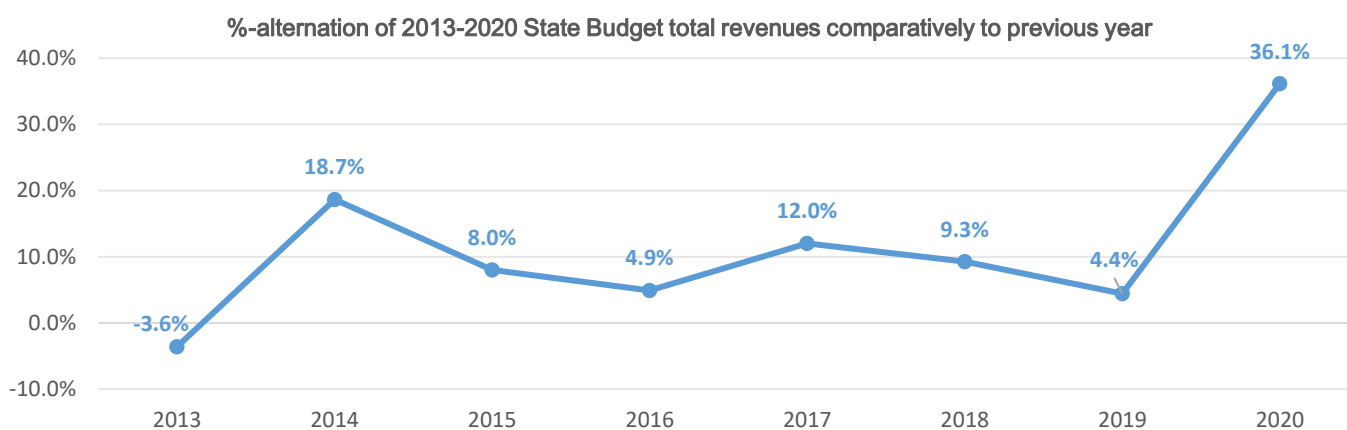


Diagram 10: %-alternation of 2013-2020 State Budget total revenues comparatively to previous year.

As to the execution of the total revenues on components level: according to the final annual plan, all main types of total revenues (revenues, funds received from financial and nonfinancial assets transactions), except total revenues from the incurrence of liabilities, were received with exceed, although, total revenues received from the realization of financial assets, stand out with significant positive deviation. As to the total revenues received from incurrence of liabilities, the indicated component stands out with 9.3% negative deviation (which is connected with budget supportive credits to be received from external source of financing). The execution of total revenues components is between the range of 90.7%-204.2% of the annual plan.

Title	2019 Actual	2020 Initial Plan	2020 Annual plan	2020 Actual	2020 Actual / 2020 Annual plan		2020 actual towards Initial Plan	2020 Actual / 2019 Actual	
					Distinction	%		Distinction	%-Alternation
Total revenues	13,252.2	14,554.2	18,420.3	18,042.3	-378.0	97.9%	124.0%	4,790.1	36.1%
Revenues	10,675.0	11,226.9	10,212.7	10,490.4	277.7	102.7%	93.4%	-184.7	-1.7%
Taxes	9,665.6	10,465.0	8,979.4	9,364.8	385.4	104.3%	89.5%	-300.8	-3.1%
Grants	489.6	241.9	558.3	459.6	-98.8	82.3%	190.0%	-30.1	-6.1%
Other revenues	519.8	520.0	675.0	666.0	-9.0	98.7%	128.1%	146.2	28.1%
Disposals of nonfinancial assets	93.2	130.0	90.0	98.2	8.2	109.1%	75.5%	4.9	5.3%
Disposals of financial assets	148.5	130.0	80.0	163.4	83.4	204.2%	125.7%	14.8	10.0%
Incurrence of liabilities	2,335.4	3,067.3	8,037.6	7,290.4	-747.2	90.7%	237.7%	4,955.0	212.2%
External	1,386.6	1,867.3	6,187.6	5,264.3	-923.2	85.1%	281.9%	3,877.7	279.7%
Domestic	948.8	1,200.0	1,850.0	2,026.1	176.1	109.5%	168.8%	1,077.3	113.5%

Table 3: 2019-2020 State Budget total revenues (million GEL, %).

The different indicators are seen in the performance of total revenues components towards the initial plan (Which was approved in December 2019 and correspondingly, the feasible effects caused by the COVID-19 world pandemic could not be taken into account). The negative deviation is seen towards the initial plan in frames of total revenues received from disposals of nonfinancial assets (75.5%) and in frames of revenues

(93.4%) (Influenced by the 10.5% decrease of taxes), whereas, the positive deviation is seen in frames of total revenues received from disposals of financial assets and Incurrence of liabilities (accordingly, with 25.7% and 137.7% exceed).

Compared to the previous year the indicator of the total revenues has increased by 4,790.1 million GEL. The indicated 36.1% growth mainly comes from the total revenues received from the incurrence of liabilities, which is connected with the increase of credits received from external sources with the amount of 3,877.7 million GEL and with incurrence of domestic liabilities (net revenue received from the emission and redemption of treasury liabilities and treasury bonds) with the amount of 1,077.3 million GEL. Little growth is seen in total revenues received from disposals of financial and nonfinancial assets, whereas, revenues slightly (by 1.7%) lags behind the same indicator of 2019.

The diagram below represents 2012-2020 State Budget total revenues according to components:

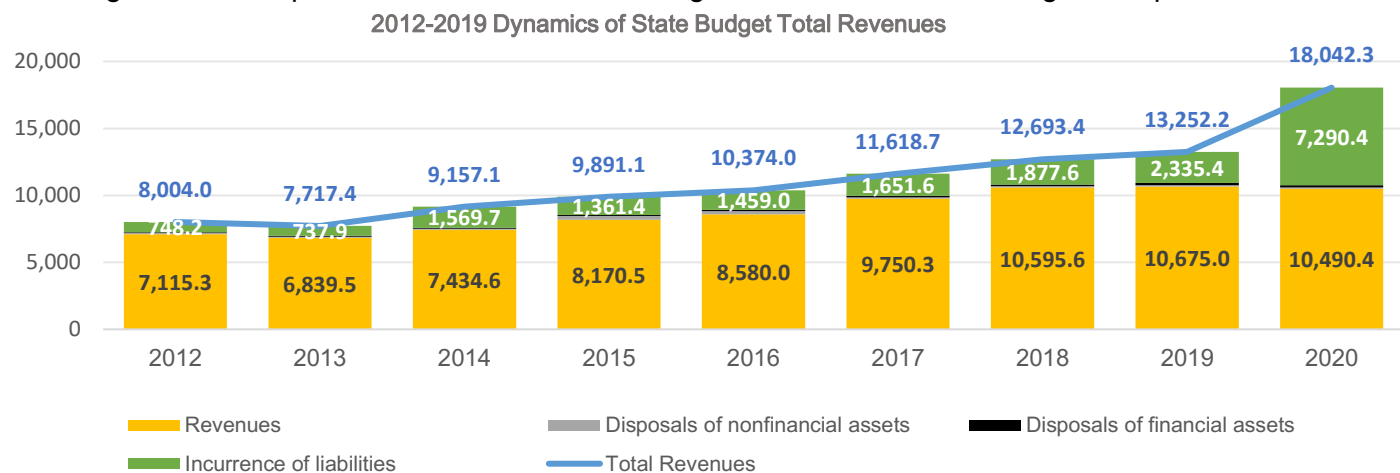


Diagram 11: 2012-2020 Dynamics of State Budget Total Revenues (million GEL).

As represented on the diagram, State Budget total revenues show growth trend in previous years, what is the result of the important growth of the total revenues main components – revenues and incurrence of liabilities significant increase. Average growth rate (46.1%) of 2013-2020 total revenues received from incurrence of liabilities is much higher compared to revenues same indicator (5.1%), what is accordingly reflected on the total revenues structure: the share of receipts received by incurrence of liabilities in total revenues increases from 9.3% to 40.4% in 2012-2020 (correspondingly, the share of revenues decreases from 88.9% to 58.1%). It needs to be mentioned that, increase of total revenues from the incurrence of liabilities is connected with external liabilities (additionally see “incurrence of liabilities”), with 12.9% average growth rate in 2013-2019. Whereas, the same indicator reaches 279.7% in 2020 (the indicated increase stipulates the growth of incurrence of liabilities total amount by 212.2%), what is correspondingly reflected on the structure of the total revenues received from the incurrence of liabilities: In 2020, the share of the total revenues from the incurrence of domestic liabilities in total liabilities indicator amounts to 27.8%. Whereas, the share of the external loans amounts to 72.2%. The main share of external liabilities are obtained by ways of budget supportive credits (is also connected with financing the budget deficit derived from the world pandemic caused by COVID-19), in the same way, important funds have been received for financing programs of infrastructural, capital purposes.

For the representation of the percentage distribution of the main components, the diagram below shows percentage distribution of components of State Budget total revenues in 2012-2020:

Structure dynamics of 2012-2020 State Budget total revenues

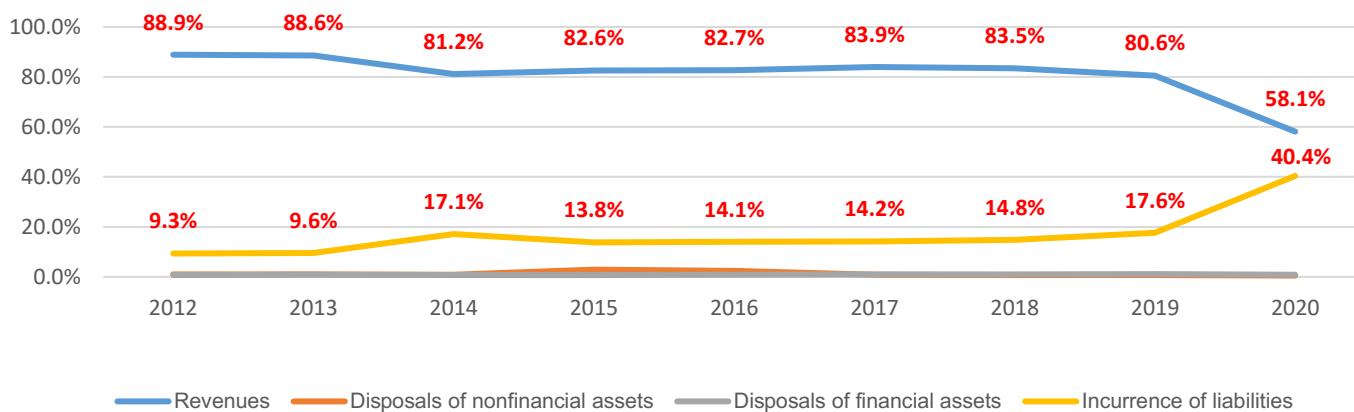


Diagram 12: Structure dynamics of 2012-2020 State Budget total revenues (%).

While considering 2020 total revenues, it is important to review the execution of State Budget total revenues according to months. The highest indicator of the total revenues mobilization was attested in July (2,009.2 million GEL), whereas the least – in February (1,015.9 million GEL). More specifically, towards to the total annual indicator, the mobilization indicator of total revenues reaches an average of 10.6% in May, July and October (mainly, by the influence of significant funds received in the state budget from external source of financing), an average of 9.0% - in March, November and December (mainly, by the influence of high indicator of revenue’s mobilization), whereas, in the remaining six months (in January-February, April, June and August-September) - an average of 6.9% .

The diagram below represents 2020 State Budget total revenues according to months:

2020 State Budget total revenues according to months

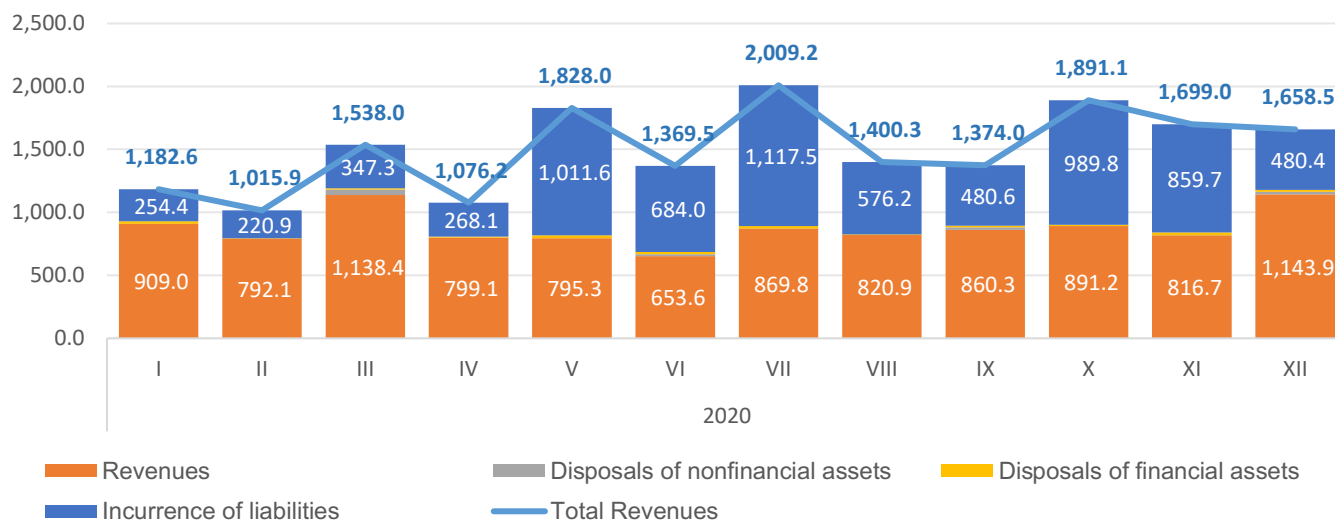


Diagram 13: 2020 State Budget total revenues according to months (million GEL)

Revenues

The plan of 2020 State Budget **revenues** was defined at 10,212.7 million GEL, whereas the execution amounted to 10,490.4 million GEL, composing 102.7% of an annual plan and insignificantly lagging behind (mainly, by the influence of decrease of taxes) the same indicator of the previous year by 184.7 million GEL (by 1.7%). Certain components of the revenues:

- In ways of **tax revenues** (on which 89.3% of revenues were formed) 9,364.8 million GEL is mobilized in 2020, 104.3% of an annual plan (8,979.4 million GEL), less than the indicator of previous year’s same time period by 300.8 million GEL (by 3.1%).

Title	2019 Actual	2020 Initial Plan	2020 Annual plan	2020 Actual	2020 Actual / 2020 Annual plan		2020 Actual towards Initial plan	2020 Actual / 2019 Actual	
					Distinction	%		Distinction	%-Alteration
Tax Revenues	9,665.6	10,465.0	8,979.4	9,364.8	385.4	104.3%	89.5%	-300.8	-3.1%
Income tax	3,200.3	3,415.0	2,990.0	3,079.8	89.8	103.0%	90.2%	-120.4	-3.8%
Profit tax	866.3	970.0	840.0	919.4	79.4	109.5%	94.8%	53.2	6.1%
VAT	4,243.6	4,398.3	3,754.4	3,918.2	163.8	104.4%	89.1%	-325.4	-7.7%
Excise tax	1,506.7	1,400.0	1,325.0	1,619.4	294.4	122.2%	115.7%	112.7	7.5%
Import Tax	79.1	80.0	70.0	74.4	4.4	106.2%	93.0%	-4.7	-5.9%
Other taxes	-230.3	201.7	0.0	-246.4	-246.4		-122.2%	-16.1	7.0%

Table 4: 2019-2020 State Budget tax revenues (million GEL, %).

Compared to annual plan indicator, revenues from all types of taxes were received by over fulfillment in 2020. In the execution of tax revenues (except from the excise and other taxes), accordingly to the annual plan, there is no important deviation: the execution of income, profit, VAT and import taxes lay between the interval of 103.0%-109.5% of an annual plan. As to the revenue received from excise, 22.2% exceed is seen in this direction (15.7% positive deviation is demonstrated compared to initial plan). Concerning actual amount of other taxes (which was defined at 0 GEL by the annual plan), it amounts to -246.4 million GEL, which (by definition of the Government of Georgia) is connected with increased indicator of return of the overpaid taxes¹⁰ - in total, overpaid taxes (VAT) were returned with the amount of 1,040.0 million GEL, in 2020.

As to the correspondence with the same indicator of 2019, the amount of tax revenues are decreased with the amount of 300.8 million GEL (by 3.1%) in 2020 (on basis of negative effect on economic situation, caused by the new coronavirus COVID-19). The indicated decrease is stipulated by 3.8% decrease of income tax (mainly, by the influence of 147.3 million GEL decrease of the income tax withheld by lessee) and 7.7% decrease of VAT. 3,918.2 million GEL was received in the State Budget by way of VAT, less than in previous year¹¹ by 325.4 million GEL, including, decreased VAT from products realized and services rendered on the territory of Georgia by 3.0% (by 36.8 million EL), whereas, from the imported products (compiling 69.6% of the total amount of VAT) – by 9.6% (by 288.7 million GEL). Actual indicator of Import tax slightly lags behind (by 4.7 million GEL) the indicator of previous year. Profit tax and more importantly excise tax have increased, compared to previous year: Namely, by 112.7 million GEL (by 7.5%) more is received by way of excise tax, which is mainly stipulated from 7.0% increase of excise tax from the taxation of imported tobacco. Profit tax has increased by 6.1% (After the profit tax reform held in 2019, when the first increase of indicated tax was attested, the same indicator amounted to 17.6%).

Dynamics of the state budget tax revenues 2012-2020

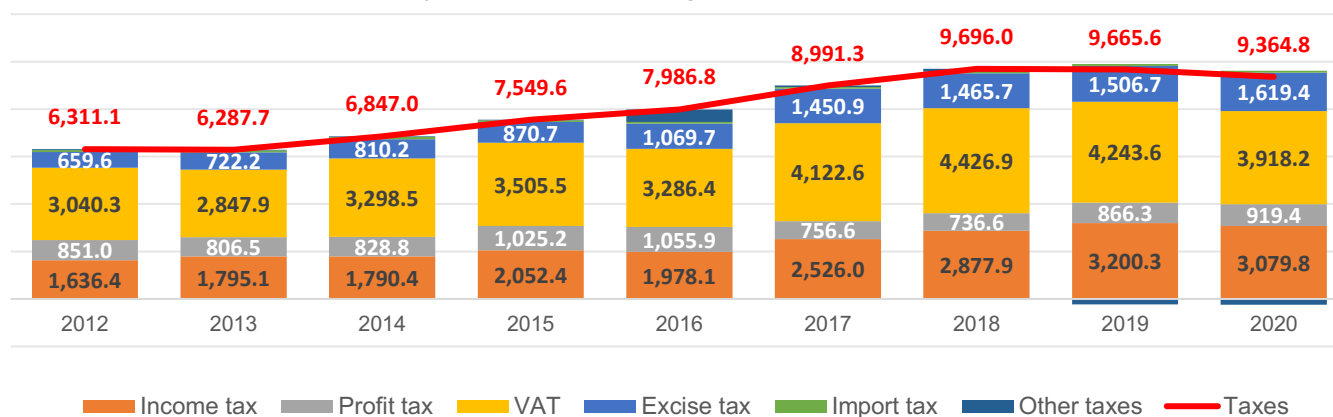


Diagram 14: Dynamics of the state budget tax revenues 2012-2020 (million GEL).

It is interesting to discuss **tax revenues of consolidated budget** while analyzing tax revenues. The forecasted amount of tax revenues of consolidated budget according to initial annual plan was 12,305.0 million GEL, however according to updated forecast of Government of Georgia (which was presented with amended

¹⁰ Based on the reform of the treasury code system in 2016, paid tax is being realized in other taxes and is transferred to the sub-account of return of the overpaid taxes. Correspondingly, the execution of other taxes in specific reporting period can be positive as well as negative.

¹¹ It needs to be mentioned, that totally 4,837.2 million GEL was mobilized by way of VAT, by 401.8 million GEL less compared to previous year, from which 19%, 919.1 million GEL was addressed to budget of territorial units.

version of law concerning the state budget in June 2020) the forecasted tax revenues of consolidated budget was defined at 10,510.0 million GEL. According to the forecast published by the Budget Office in December 2019, the forecasted amount of 2020 consolidated budget tax revenues were defined with the amount of - 12,496 million GEL, whereas, according to the information on changes in June 2020 state budget, the indicated forecast was amended and decreased to 10,209 million GEL.

As to the **execution**, the indicator for tax revenues of consolidated budget for 2020 amounts to 10,964.4 million GEL, which is 89.1% of the initial forecast of government of Georgia and 104.3% of the updated forecast. Furthermore, it represents 87.7% of the initial forecast of the Budget Office and 107.4% of the updated forecast.

Title	Government Forecast (June)	Budget Office Forecast (June)	2020 Actual	2020 Actual/ Government Forecast	2020 Actual/ Budget Office Forecast
Tax Revenues	10,510	10,209	10,964	104.3%	107.4%
Indirect Tax	5,896	5,935	6,531	110.8%	110.0%
Direct Tax	4,614	4,275	4,433	96.1%	103.7%

Table 5: 2020 Consolidated Budget tax revenues (million GEL, %).

The dynamics of the tax revenues of consolidated budget in 2012-2019 stand out with increase trend (except from 2013), though, on basis of negative effect on economic situation, caused by the new coronavirus COVID-19, the actual indicator of tax revenues of the consolidated budget 2020 lags behind the indicator of 2019 by 453.4 million GEL (by 4.0%). The average rate of growth of tax revenues amounts to 6.5% in 2013-2020. However, if tax revenues of consolidated budget are discussed in relation to GDP in 2012-2020, the lowest indicator is attested in 2020 (22.2%).

The diagram below shows tax revenues of consolidated budget and their ratio to GDP in years 2012-2020.

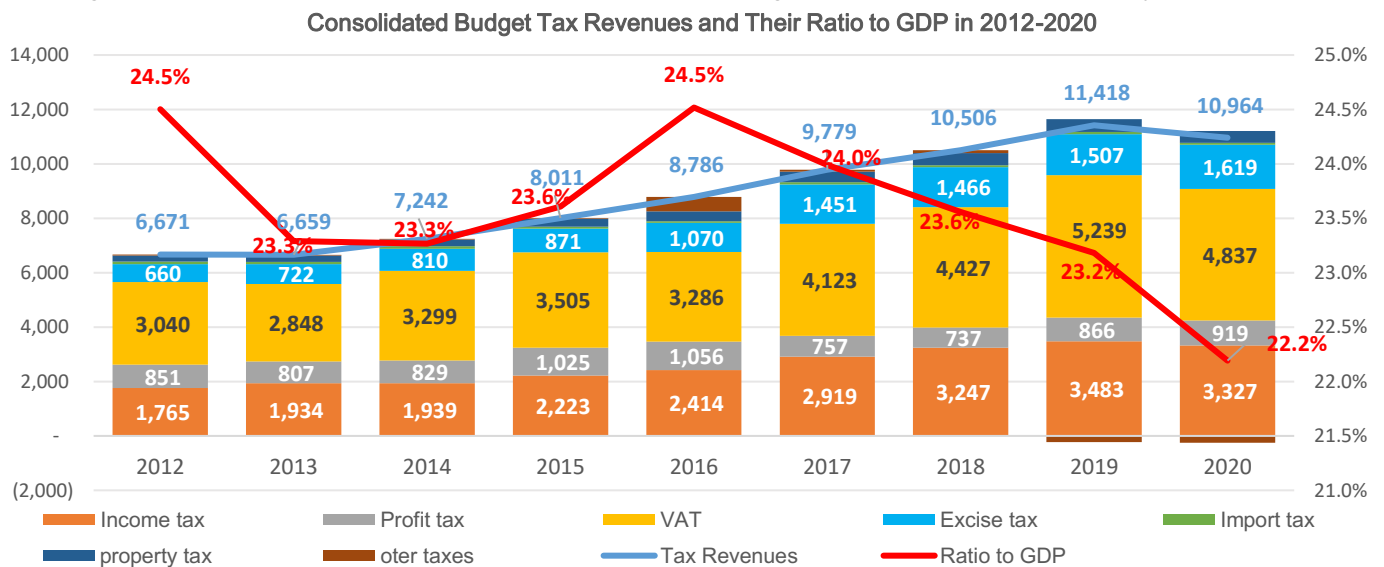


Diagram 15: Consolidated Budget Tax Revenues and their ratio to the GDP in 2012-2020 (million GEL, %)

It is interesting while analysing the tax revenues of consolidated budget, to analyse the revenue generated from **direct and indirect taxes**¹². 59.6% (6,531.0 million GEL) of generated tax revenue comes from indirect taxes, however 40.4% (4,433.4 million GEL) – comes from the revenue generated from direct taxes received in 2020.

The diagram below represents the revenues generated by direct and indirect taxes in consolidated budget 2012-2020.

¹² According to the Tax Code of Georgia, indirect tax is a tax (value added tax, excise tax, import tax), which is set as a supplement to the price of delivered (imported) goods and/or services and paid by the consumer (importer) at the price of goods and/or services increased by this tax upon purchase (import).

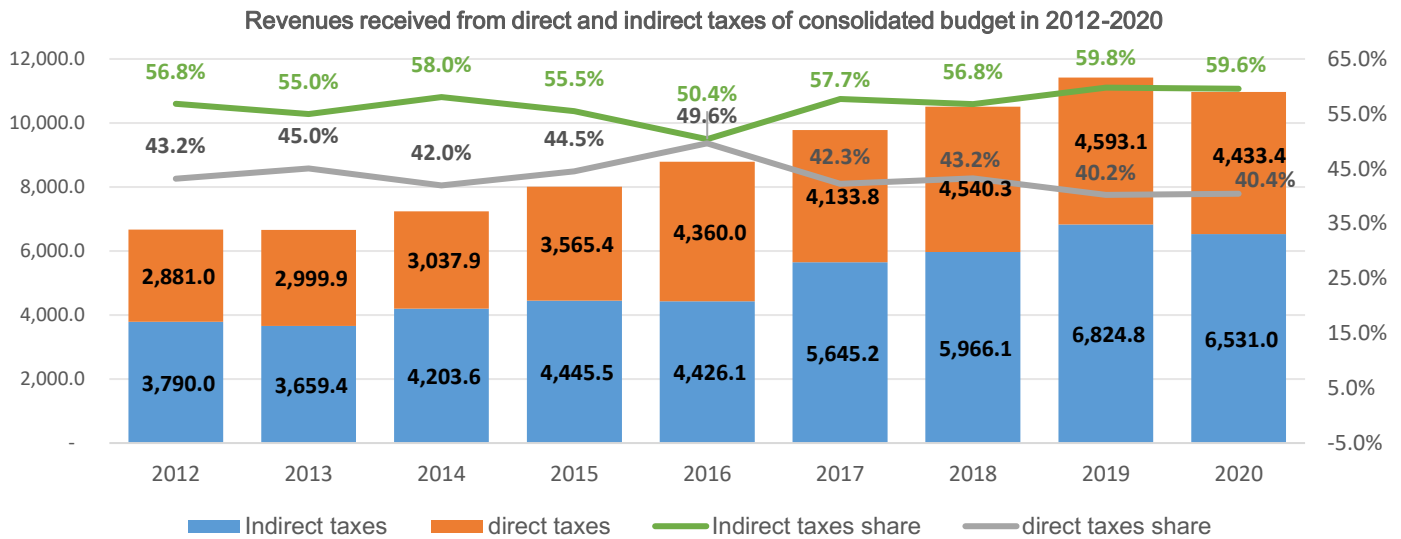


Diagram 16: Revenues received from direct and indirect taxes of consolidated budget in 2012-2020 (million GEL, %)

As it is represented on the diagram, in 2020, compared to 2019, revenues received from both direct and indirect taxes have decreased, however, the percentage distribution ratio was nearly invariable.

As to the percentage distribution ratio of previous years, in 2012-2016 the direct taxes were characterized with growth trend and indirect taxes were characterized with decrease trend, in 2016, both types of taxes had nearly equalised (indirect taxes – 50.4%; direct taxes- 49.6%), whereas, In 2017-2020, the structure of direct and indirect taxes have changed with the opposite trend.

- The indicator of **grants** according to plan is characterised with relatively low level of performance: the initial annual plan for grants was defined by 241.9 million GEL. However, after the amendments in the state budget law, made in June 2020 (for financing the deficit caused by the pandemic, with the influence of increase Budget grants¹³), the annual plan have increased up to 558.3 million GEL.

Actually, under the grants article into budget is received 459.6 million GEL, 82.3% of the planned indicator. The indicated decrease is related to budget supportive grants, in form of which 60.7% of annual plan indicator (279.1million GEL) were transferred into the budget, which (by explanations of the Government) is stipulated by the fact, that a part of grants (more than 160 million GEL) were transferred by the end of December 2020, and were reflected in total revenues of January 2021. As to other grants, 56.6 million GEL (117.0% of annual plan) were received into the budget by way of investment grants. Furthermore, from the LEPLs¹⁴ of central budget received revenue in a form of grants in 2020 amounted to 50.6 million GEL. In addition, in actually received grants, the targeted grants that were made by donors to budgetary organisations were reflected with the amount of 73.3 million GEL.

Relatively to the same indicator of 2019, in 2020, by 6.1% (by 30.1 million GEL) less is received by ways of grants, which is mainly connected with investment grants (113.2 million GEL, by 2-times more, was received in this direction in previous year).

The diagram below shows the revenue received in state budget in form of grants according to components in years 2012-2020.

¹³ In frames of State Sustainability program, for financing the deficit caused by pandemic, the receipt of additional 330 million GEL was foreseen from the European Union, subsequently, Budget grants were increased up to 460 million GEL.

¹⁴ Pursuant to Article 35 of Chapter 8 of the Law of Georgia "on the State Budget of Georgia 2020": a legal entity of public law provided in paragraph 4 of Article 12 of the Law of Georgia on Legal Entities of Public Law, at least 10% of the (own) revenues permitted by the legislation of Georgia, mobilized in 2020, shall be transferred to the state budget of Georgia. "

Dynamics of Grants according to components in 2012-2020

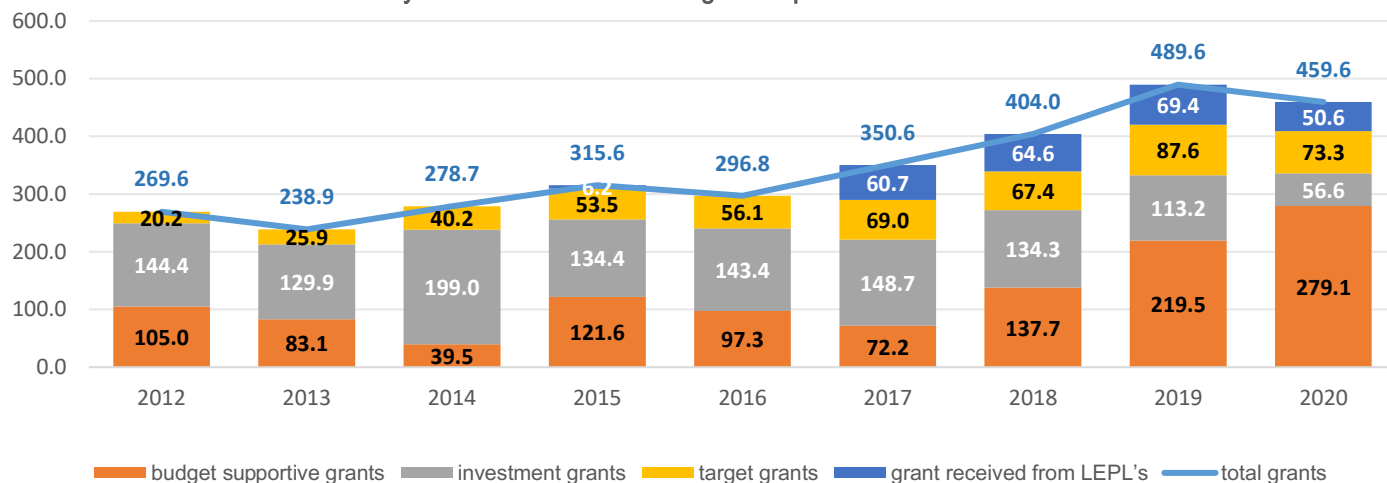


Diagram 17: Dynamics of Grants according to components in 2012-2020 (million GEL).

- In form of **other revenues** state budget has received 666.0 million GEL, 98.7% of annual plan. The indicated slight negative deviation according to annual plan is mainly connected with administrative fees and taxes, by which state budget have received 63.4% of the plan. Compared to the same indicator of the previous year, in 2020, by 28.1% (146.2 million GEL) more was received by ways of other revenues.

Title	2019 Actual	2020 Initial plan	2020 Annual plan	2020 Actual	2020 Actual /2020 Annual plan		2020 Actual towards Initial plan	2020 Actual /2019 Actual	
					Distinction	%		Distinction	%-Alteration
Other revenues	519.8	520.0	675.0	666.0	-9.0	98.7%	128.1%	146.2	28.1%
Revenues from property	211.7	191.0	274.5	291.9	17.4	106.3%	152.8%	80.2	37.9%
interest	107.6	95.0	148.5	156.3	7.8	105.3%	164.5%	48.7	45.3%
dividends	80.4	71.0	101.0	100.1	-0.9	99.1%	140.9%	19.6	24.4%
From the profit of enterprises operating with the shareholding participation of the State	0.4	1.0	1.0	0.1	-0.9	7.0%	7.0%	-0.4	-83.7%
From the profit of National Bank	80.0	70.0	100.0	100.0	0.0	100.0%	142.9%	20.0	25.0%
rent	23.8	25.0	25.0	35.5	10.5	142.1%	142.1%	11.8	49.6%
Realization of goods and services	95.4	101.0	59.5	38.2	-21.3	64.3%	37.9%	-57.2	-59.9%
Administrational fees and taxes	92.3	97.4	55.9	35.4	-20.5	63.4%	36.4%	-56.9	-61.6%
Goods and Services Purchased by non-market rule	3.1	3.6	3.6	2.8	-0.8	78.4%	78.4%	-0.3	-9.8%
Fines, Sanctions and Penalty interests	98.1	105.0	85.0	71.9	-13.1	84.6%	68.5%	-26.2	-26.7%
Transfers that are not classified elsewhere	114.5	123.0	256.0	264.0	8.0	103.1%	214.6%	149.4	130.5%

Table 6: 2019-2020 State Budget indicators of other revenues (million GEL, %).

The indicator of other revenues was defined by 520.0 million GEL by the initial plan of 2020. However, considering the economic situation caused by world pandemic, by the changes implemented in State Budget in June 2020, on the basis of 133.5 million GEL reflection mobilized in other revenues in StopCoV fund and 53.5 million GEL increase of interest revenues (due to placement of additional mobilized resources on deposits), the plan of other revenues have increased by 155.0 million GEL, and reached 675.0 million GEL.

The main share of other revenues (43.8%), received in 2020, mainly comes from **revenues from property** (interest, dividends and rent), the annual plan of which was defined at 274.5 million GEL, whereas, the performance amounted to 291.9 million GEL (106.3%), by the influence revenues received from interest and rent. Namely:

The revenue received from the **Interest** amounts to 156.3 million GEL, more than the annual plan by 7.8 million GEL. From the revenue received under the article of interest, 130.9 million GEL was mobilized as accrued Interests on deposits and accounts, whereas, 20.9 million GEL - in the form of interest received from loans (credits) given to enterprises operating with the shareholding participation of the state.

The revenue received as **dividends** (100.1 million GEL) is 99.1% of annual plan (101.0 million GEL), mainly (100.0 million GEL) mobilized from profits of national bank. With regard to dividends from the profit of enterprises operating with the shareholding participation of the state, Dividends to be directed to the budget in 2020 was stated as 1.0 million GEL, however, as of 12 months, the revenue received in this direction in the budget compiled only 7.0% (0.1 million GEL) of the plan.

The revenue received under **rent** (35.5 million GEL) exceeded annual plan by 10.5 million GEL and amounted to 142.1% (Including main funds that amounted to 32.9 million GEL, were mobilized by revenue received from the fee of issuance and usage of license).

The significant amount (39.6%) of other revenues' total amount consists of revenues from **non-classified transfers**, according to which 264.0 million GEL, 103.1% of the annual plan is received in 2020. Including, 137.3 million GEL was received by way of current revenue, comprising cash donations and other voluntary transfers. Moreover, important sums were received from road usage fee (63.1 million GEL) and unused and returned budgetary funds of previous years (18.9 million GEL).

As to execution of the other components:

71.9 million GEL (84.6% of the annual plan) is mobilized from **sanctions (fines and penalty interests)**, the main amount of sums goes on sanctions of administrative offenses (including 39.5 million GEL received by sanctions from breaching traffic regulations) and on criminal action provided by Georgian criminal code, accordingly 49.2 million GEL and 14.9 million GEL.

revenues received from **realization of goods and services** amounted to 38.2 million GEL (64.3% of annual plan), which mainly comes from revenue received from administrative fees and taxes.

compared to last year's indicators, the amount received from 2020 other revenues exceeded 2019 indicator by 146.2 million GEL (28.1%), which is mainly connected with increase of non-classified transfers with the amount of 149.4 million GEL.

The diagram below shows execution of other revenues according to components 2012-2020.

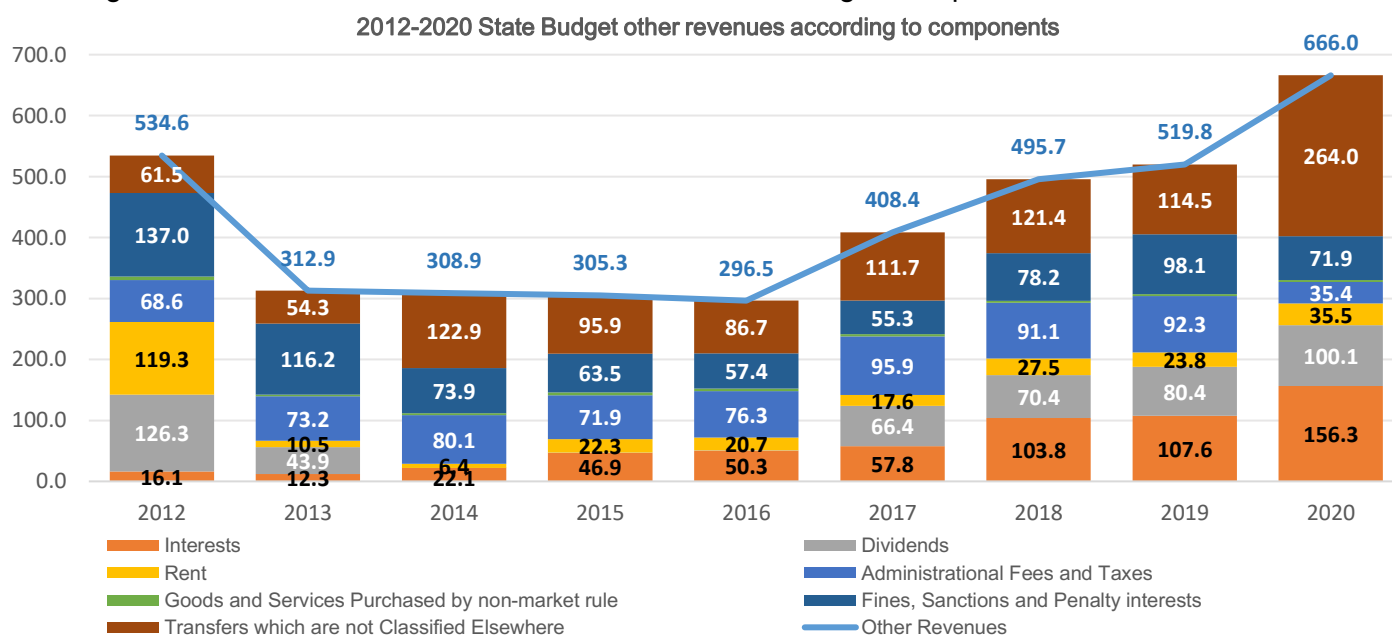


Diagram 18: 2012-2020 State Budget other revenues according to components (million GEL).

Disposals of nonfinancial assets

98.2 million GEL was received from **disposals of nonfinancial assets**, 109.1% of annual plan (75.5% of initial annual plan). The indicated exceed is mainly connected with total revenues received from the realization of the main assets, in frames of which by 5.7 million GEL more (85.7 million GEL) of the planned annual indicator was received. By 2.5 million GEL more of the planned annual indicator was received from realization of non-derivative assets, 12.5 million GEL, which mainly goes on income received from land realization (12.4 million GEL) (according to the treasury service data, 9.0 million GEL was received from realization of non-agricultural land owned by state on the territories of local self-government units).

As to the comparison to the last year, the indicator of disposals of nonfinancial assets is more than the same indicator of previous year by 4.9 million GEL, which is connected with total revenues received from the sale of main assets, in particular from realization of the non-residential buildings of general state importance, in form of which budget received 52.4 million GEL in 2019, whereas 64.6 million GEL in the same time period of 2020.

The diagram below shows received total revenues under article of disposals of nonfinancial assets according to components in years 2012-2020.

2012-2020 Total revenues received from disposals of nonfinancial assets according to components

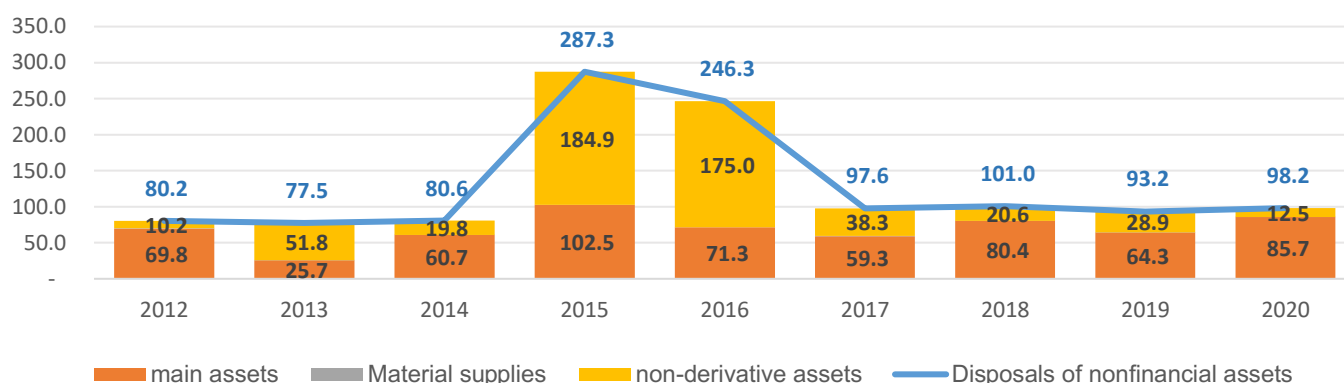


Diagram 19: 2012-2020 Total revenues received from disposals of nonfinancial assets according to components (million GEL)

Disposals of financial assets

The total revenues received from **disposals of financial assets** (Namely, funds received from the repayment of issued loans), are received by significant exceed and amounts to 163.4 million GEL (125.7% of the initial annual plan), what is two times more than the annual plan (80.0 million GEL), whereas, it exceeded the same indicator of previous year by 14.8 million GEL (by 10.0%).

The diagram below shows received total revenues under article of disposals of financial assets according to components in years 2012-2020.¹⁵

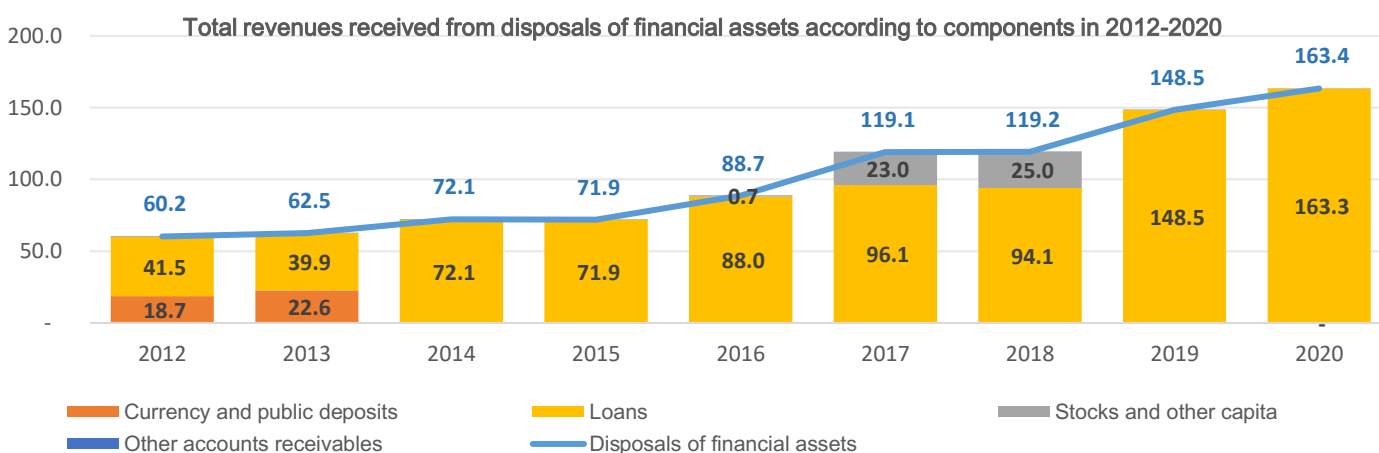


Diagram 20: Total revenues received from disposals of financial assets according to components in 2012-2020 (million GEL)

¹⁵ According to the budget classification in force before October 2014, in the indicators of disposals of financial assets for 2012-2013, in particular, in the item of currency and public deposits, the unused and returned budget funds of the previous year are taken into account, which are recorded in other revenues according to the current classification.

Incurrence of liabilities

The indicator of **Incurrence of liabilities** stands out with correspondingly low performance level towards the annual plan: the initial annual plan of the incurrence of liabilities was determined with the amount of 3,067.3 million GEL, whereas, by the amendment to the Law of Georgia on the State Budget, taking into account the negative outcomes conditioned by the spread of the Covid-19 world pandemic, the planned indicator of Incurrence of liabilities has increased and reached 8,037.6 million GEL, on basis of necessity to attract additional resources, from external (mainly by the influence of budgetary credit increase¹⁶), as well as internal sources¹⁷. Actually, Significant amount of sum was received in the state budget by ways of total revenues received from Incurrence of liabilities, with the amount of 7,290.4 million GEL, in 2020. However, the noted indicator stands out with relatively low performance level towards the annual plan (90.7% of the annual plan), what is connected with foreign loans, particularly, with budget supportive credits, in form of which, budget has received 74.6% (3,845.6 million GEL) of the annual plan indicator. Budget has received 137.4% (1,418.8 million GEL) of the annual plan indicator by way of investment credits.

As to domestic liabilities (net incurrence of liabilities received from the securities procurement and repayment transactions) during 2020 year, the received funds from the emission of treasury securities¹⁸ amounted to 3,553.2 million GEL, whereas redemption of the principal - to 1,527.1 million GEL. As a result, the net incurrence of domestic liabilities amounted to 2,026.1 million GEL, 109.5 % of annual plan (the mentioned indicator amounted 948.8 million GEL in the previous year). Herewith, according to the Paragraph 6, Article 23, Chapter 8 of the amendment to the Law on the State Budget of Georgia for 2020, in frames of facilitation mechanism to provide the economy with long-term resources in II and III quarter, the Ministry of Finance of Georgia has fully placed the funds received from additionally realized emission of 10-year validity, with the amount of 594.3 million GEL, from placement as treasury bonds in certificates of deposit of commercial banks (purchased certificates of deposit), according to the decree of the Government of Georgia of May 22, 2020 N845.

Title	2019 Actual	2020 Initial Plan	2020 Annual plan	2020 Actual	2020 Actual /2020 Annual plan		2020 Actual /2020 Initial plan		2020 Actual /2019 Actual	
					Distinction	%	Distinction	%	Distinction	%-Alteration
Incurrence of liabilities	2,335.4	3,067.3	8,037.6	7,290.4	-747.2	90.7%	4,223.1	237.7%	4,955.0	212.2%
External	1,386.6	1,867.3	6,187.6	5,264.3	-923.2	85.1%	3,397.0	281.9%	3,877.7	279.7%
Budget supportive credits	409.0	685.0	5,155.0	3,845.6	-1,309.4	74.6%	3,160.6	561.4%	3,436.6	840.2%
Investment credits	977.6	1,182.3	1,032.6	1,418.8	386.2	137.4%	236.5	120.0%	441.1	45.1%
Domestic	948.8	1,200.0	1,850.0	2,026.1	176.1	109.5%	826.1	168.8%	1,077.3	113.5%

Table 7: 2019-2020 State Budget indicators of incurrence of liabilities. (million GEL, %).

In 2012-2020, the amount of the total revenues received from incurrence of liabilities shows growth trend (at the expense of increase in both domestic and external liabilities) except from 2013 and 2015. In 2013-2019, the average growth indicator of the noted component **amounts to 22.4%**. In 2020, compared to 2019, total indicator of incurrence of liabilities has increased by 212.2% (by 3-times, by 4,955.0 million GEL). Abovementioned growth is due to the increase of domestic, as well as external liabilities. Namely: total revenues received from external liabilities have increased compared to previous year with the amount of 3,877.7 million GEL. In 2013-2019 the average growth indicator of incurrence of external liabilities is 12.9%, however, compared to 2019, the indicator of 2020 reaches 279.7%. As for the incurrence of domestic liabilities, the average growth indicator of 2013-2019 incurrence of domestic liabilities amounts to 78.7%, whereas, in 2020, compared to 2019, is equal to 113.5% (1,077.3 million GEL)

The diagram below represents the dynamics of incurrence of external and domestic liabilities in 2012-2020.

¹⁶ For financing the pandemic deficit, receipt of the additional 4,470 million GEL was foreseen by way of budget supportive credits, subsequently, budgetary credits have increased and reached 5,155 million GEL.

¹⁷ Issuance of additional 600 million GEL was planned for assistance of commercial banks for long-term GEL liquidity, for the placement of banks in the deposit certificates.

¹⁸ 55 securities auctions were held in 2020, treasury securities were issued with the amount of 3,567.0 million GEL, from which the treasury bonds - bonds issued with validity of 2, 5 and 10 years, with the amount of 2,557.0 million GEL, fully represent so-called "Benchmark Bonds".

2012-2020 dynamics of domestic and external incurrence of liabilities

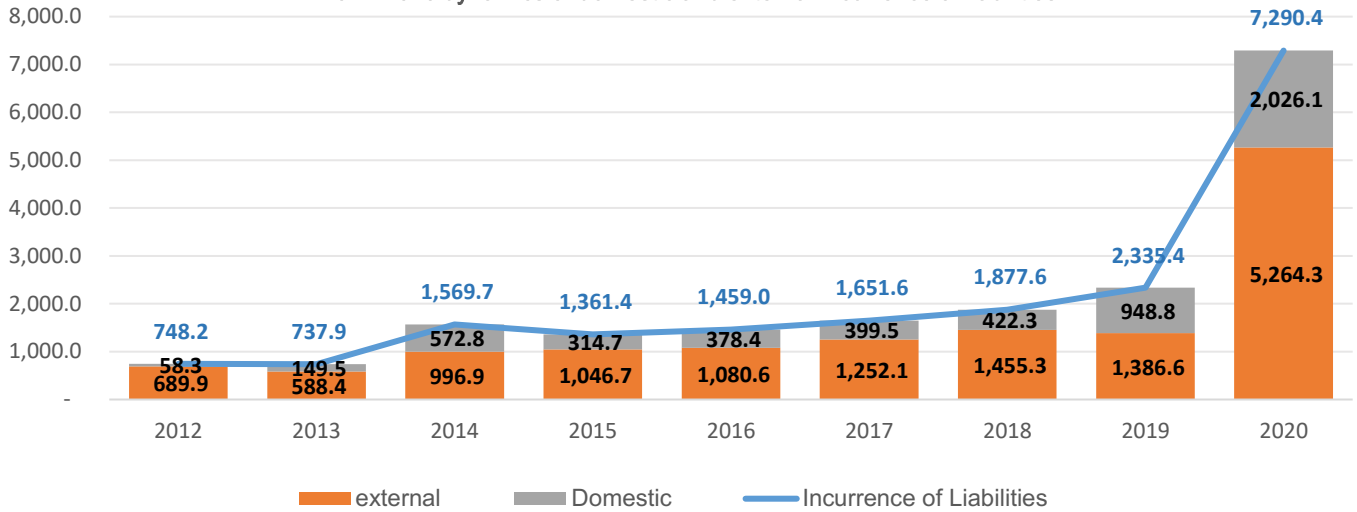


Diagram 21: Dynamics of incurrence of external and domestic liabilities 2012-2020 (million GEL).

From components of incurrence of external liabilities, in 2013-2019 the average growth rate indicator of budget credits (59.5%) exceeds similar indicator of investment credits (9.0%), however, in the same time-period, the share of investment credits is much higher in total amount of external liabilities, which in given period on average amounts to 67.9% (it shows that the most funds driven from external sources are used for financing infrastructure projects). However, the growth indicator of budget credits is very high 2020 (840.2%), correspondingly, 27.0% (1,418.8 million GEL) from the total amount received from incurrence of external liabilities goes on Investment credits, and 73.0% (3,845.6 million GEL) - on budget supportive credits.

The diagram below represents dynamics of budget supportive and investment credits in 2012-2020.

The dynamics of budget supportive and investment credits in 2012-2020

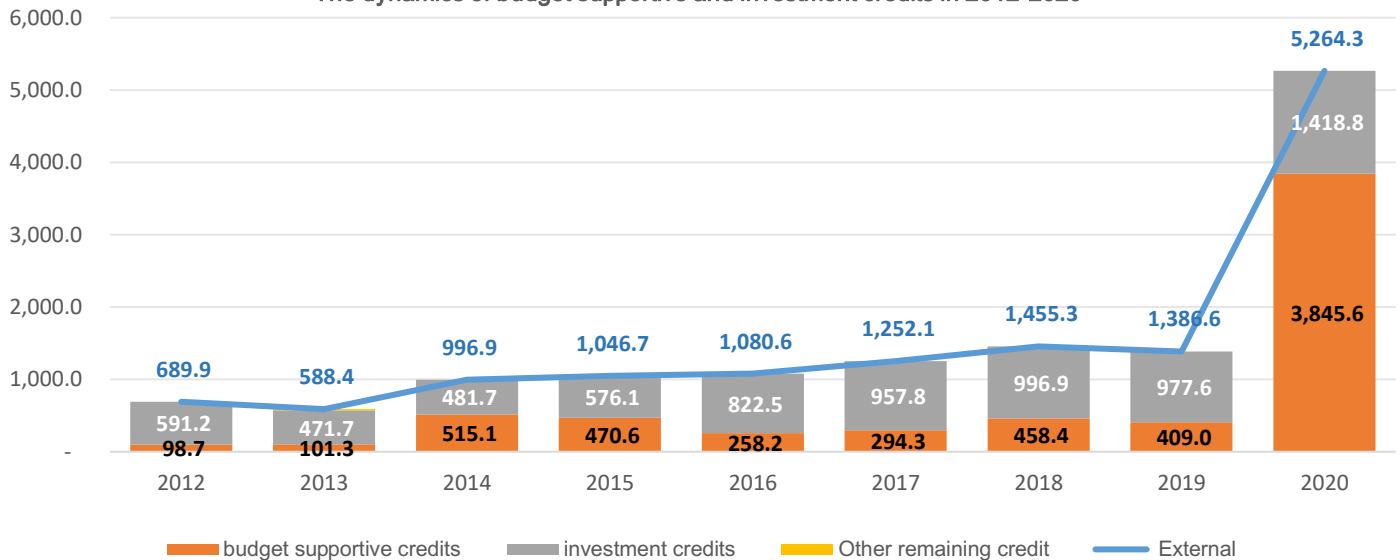


Diagram 22: The dynamics of budget supportive and investment credits in 2012-2020 (million GEL).

State Budget Total Expenditures

According to the law of Georgia “on State Budget of Georgia 2020” **total expenditures plan** was defined at **15,923.8 million GEL**, however by 31st of December 2020 **execution of total expenditures amounted to 16,174.6 million GEL** - 101.6% of annual plan and 112.1% of initial annual plan (14,432.9 million GEL), whereas, compared to previous year’s similar indicator, it exceeds by 20.1% (by 2,704.9 million GEL).

The state budget total expenditures are characterised by annual growth trend and stand out with variability of growth rate indicators. In 2013-2020 average growth rate for total expenditures was defined at – 9.6%. In 2018-2019 abovementioned indicator was determined with the amount of 7%, however, by 20.1% in 2020.

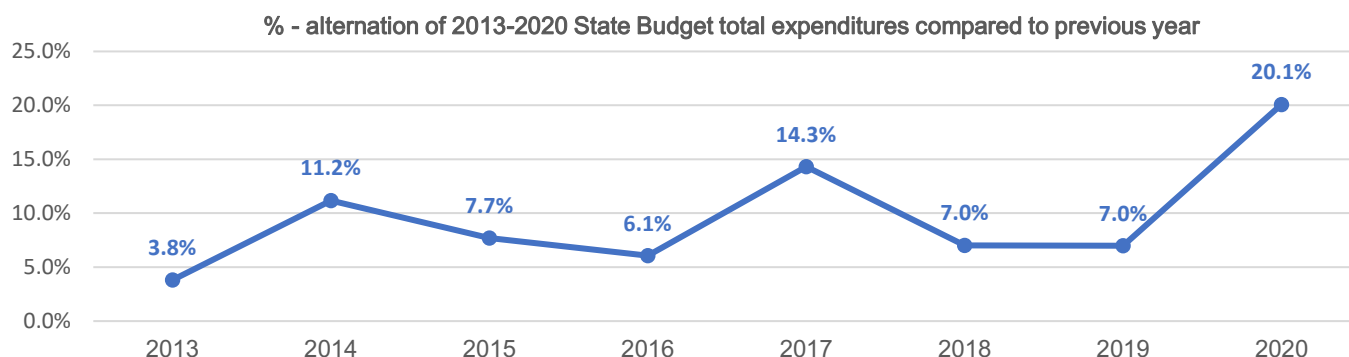


Diagram 23: %-alternation of 2013-2020 State Budget total expenditures comparatively to previous year (%).

The table below represents the state budget total expenditures in 2019-2020. As it is shown on the table, the indicators of 2020 execution of total expenditures vary towards the adjusted plan in frames of 95.1% - 121.7%, however, towards the annual plan are defined at 91.4%-115.6% and towards the initial plan by 92.3%-115.6%.

	2019 Actual	2020 initial plan	2020 annual plan	2020 adjusted plan	2020 Actual	2020 Actual /2020 adjusted plan		2020 Actual /2020 annual plan		2020 Actual /2020 initial plan
						distinction	%	distinction	%	
Total expenditure	13,469.7	14,432.9	15,923.8	15,923.8	16,174.6	250.8	101.6%	250.8	101.6%	112.1%
expenses	9,975.5	10,846.5	12,556.4	12,586.5	12,533.9	-52.7	99.6%	-22.5	99.8%	115.6%
Acquisitions of nonfinancial assets	2,256.1	2,221.4	2,007.8	2,034.6	2,319.0	284.4	114.0%	311.2	115.5%	104.4%
Acquisitions of financial assets	278.9	342.2	326.8	310.3	377.7	67.4	121.7%	50.9	115.6%	110.4%
Reductions of liabilities	959.2	1,022.7	1,032.7	992.3	944.0	-48.3	95.1%	-88.7	91.4%	92.3%

Table 8: State Budget total expenditures 2019-2020 (million GEL, %).

The diagram below represents 2012-2020 State Budget total expenditures of Georgia according to components:

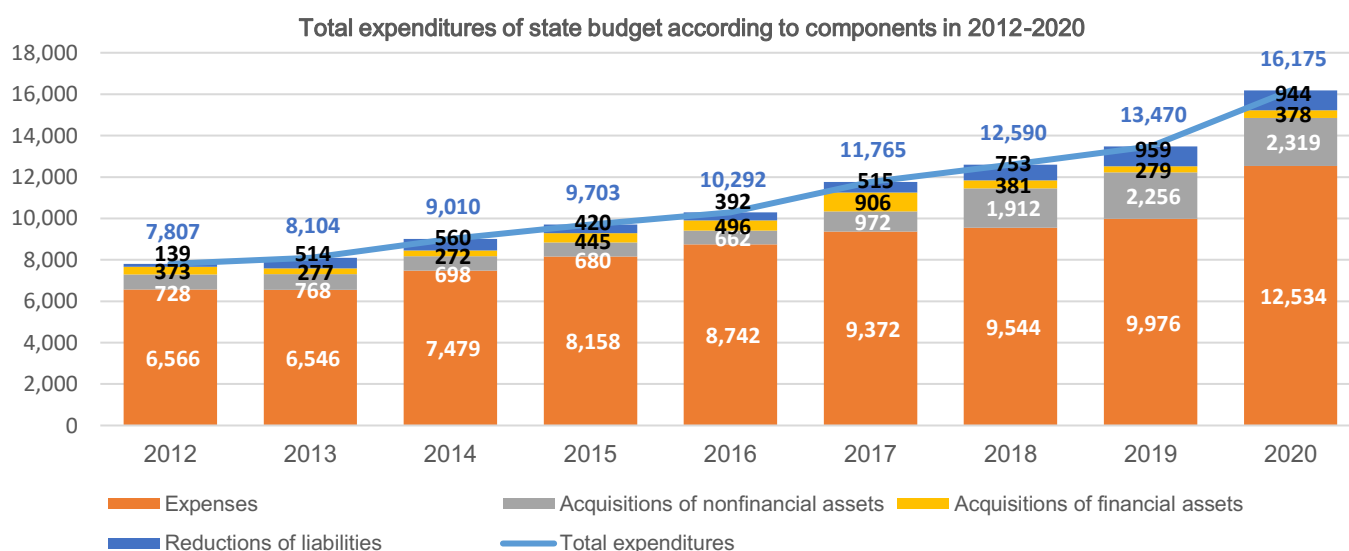


Diagram 24: The total expenditures of state budget according to components in 2012-2020 (million GEL).

As represented on the diagram, state budget total expenditures are characterised by growth trend in recent years, e.g. 2020 indicator has increased by 8,368 million GEL in comparison to 2012, which is due to the growth of main components (expenses and acquisitions of nonfinancial assets). However, if the shares of expenses and acquisitions of nonfinancial assets of 2012-2019 are discussed relatively to the total expenditures, it is clear, that share of expenses shows reduction trend, and share of acquisitions of nonfinancial assets is distinguished by growth trend. In particular, in 2012 expenses in total expenditures were defined at 84.1% and acquisitions of nonfinancial assets were defined at 9.3%. Abovementioned indicators of 2019 were defined accordingly, expenses – 74.1% and acquisitions of nonfinancial assets - 16.7%. In 2020, the share of expenses in total expenditures have increased and reached 77.5%, whereas, acquisitions of nonfinancial assets share have decreased and amounted 14.3%.

For the indication of percentage distribution for the main four component, the diagram below represents the percentage distribution of the State Budget total expenditures components in 2012-2020:

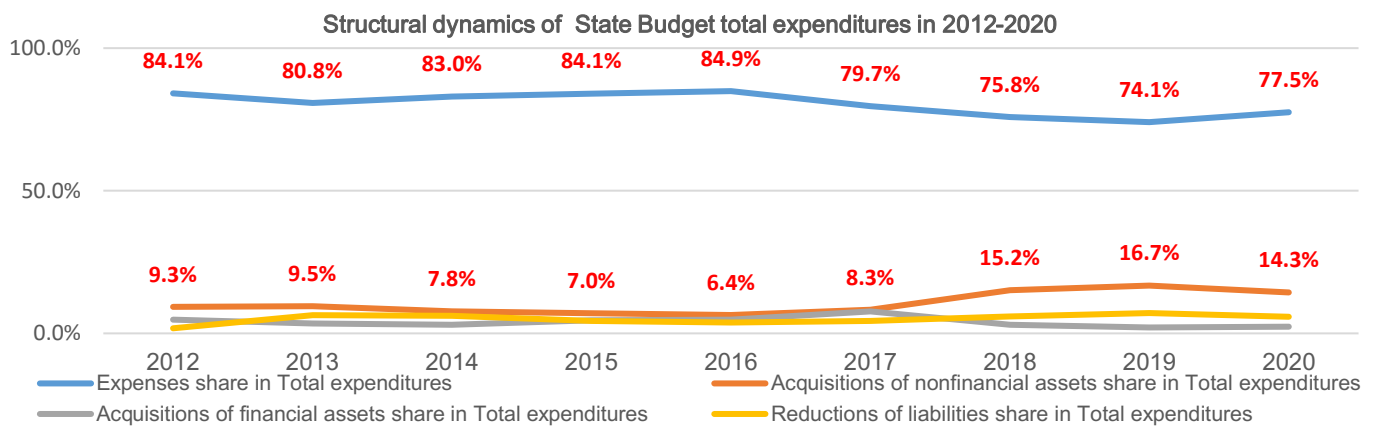


Diagram 25: Structural dynamics of State Budget total expenditures in 2012-2020 (%).

It is interesting to discuss the execution of state budget total expenditures according to months. The highest indicator of execution of 2020 state budget total expenditures occurred in December (2,255.3 million GEL) and the lowest - in April (1,011.9 million GEL). In December 2020 assimilation of 13.9% of annual execution occurred, when the average 11 months indicator amounted to 7.8%. The high performance of December total expenditures was connected to the high performance of all four components. In particular, in the last month of 2020, execution of expenses amounted to 13.1% of annual execution, acquisitions of nonfinancial assets – 18.7%, acquisitions of financial assets -15.6% and execution of the reductions of liabilities amounted to 13.3%.

In April 2020 assimilation of 6.3% of annual execution occurred, the low performance indicator is due to the low performance of all four components of total expenditures in comparison to annual indicator. In particular, expenses of April amounted to 6.4% of annual indicator, the indicator of acquisitions of nonfinancial assets - 6.3%, indicator of acquisitions of financial assets – 6.5% and indicator of reductions of liabilities amounted to 4.3%.

The diagram below shows 2020 State Budget total expenditures according to months.

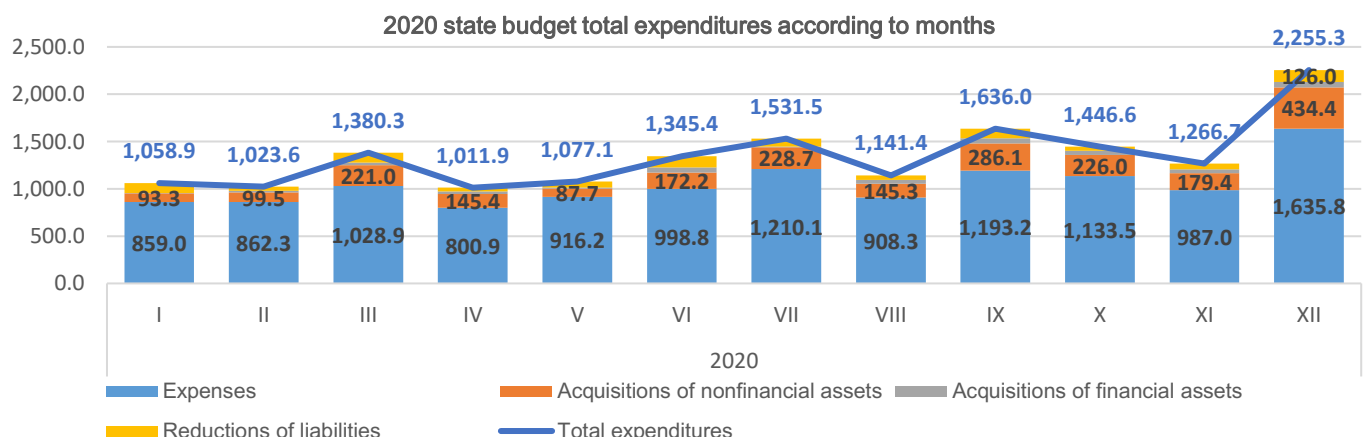


Diagram 26: 2020 state budget total expenditures according to months (million GEL).

As to the **structure of total expenditures of consolidated budget concerning so called current and capital expenses**¹⁹ in 2020, compared to previous years, the ratio of current expenses of consolidated budget towards GDP has increased and amounted to 26.2% and the ratio of capital expenses towards GDP, in comparison to previous years has increased and amounted to 9.0%. It must be noted, that in 2012-2020, the share of indicators of current expenses, as well as capital expenses in GDP occurred in 2020 are the highest.

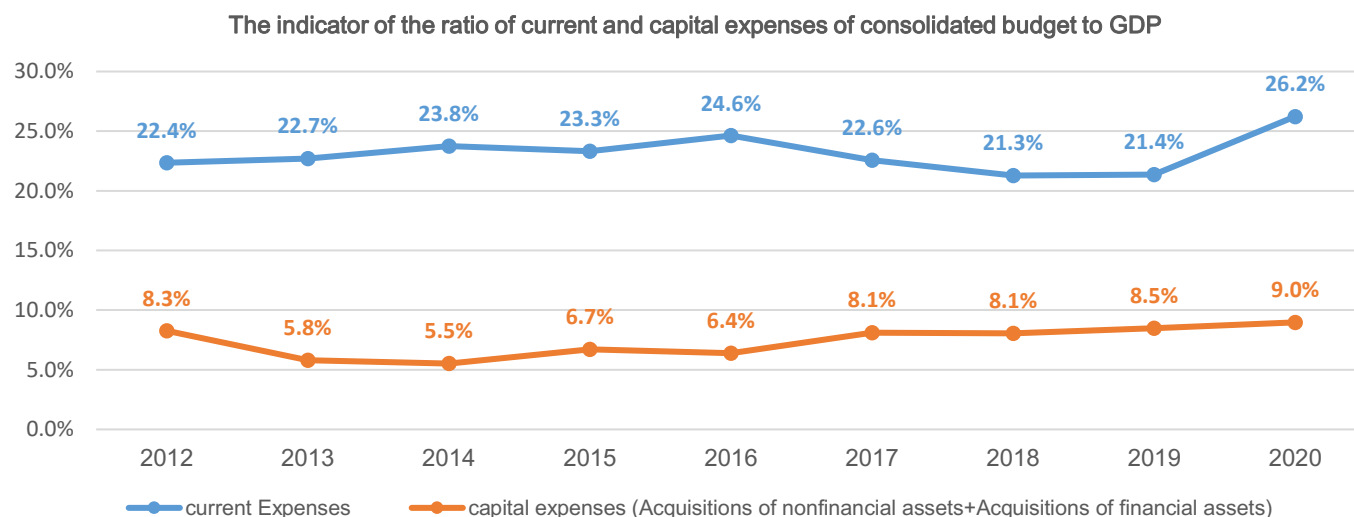


Diagram 27: The indicator of the ratio of current and capital expenses of consolidated budget to GDP 2012-2020 (%).

Expenses

The execution of **expenses**, the largest component of state budget total expenditures amounted to 12,533.9 million GEL in 2020, which is 115.6% of initial plan (10,846.5 million GEL), 99.8% of annual plan (12,556.4 million GEL) and 99.6% of adjusted plan (12,586.5 million GEL). The expenses by economic classifications article are distributed in following way:

	2019 Actual	2020 initial plan	2020 annual plan	2020 adjusted plan	2020 Actual	2020 Actual /2020 adjusted plan		2020 Actual /2020 annual plan		2020 Actual / 2020 initial plan
						distinction	%	distinction	%	
Expenses	9,975.5	10,846.5	12,556.4	12,586.5	12,533.9	-52.7	99.6%	-22.5	99.8%	115.6%
Compensation of Employees	1,454.7	1,576.0	1,554.3	1,552.4	1,543.1	-9.3	99.4%	-11.2	99.3%	97.9%
Use of Goods and Services	1,301.9	1,373.7	1,510.6	1,538.1	1,529.2	-9.0	99.4%	18.6	101.2%	111.3%
interest	604.5	751.0	783.0	773.0	763.7	-9.3	98.8%	-19.3	97.5%	101.7%
Subsidies	489.7	516.5	980.5	822.1	837.1	15.0	101.8%	-143.4	85.4%	162.1%
Grants	798.3	726.1	806.7	1,022.3	1,010.7	-11.6	98.9%	204.0	125.3%	139.2%
Social Benefits	3,946.6	4,294.8	5,339.9	5,350.9	5,343.2	-7.7	99.9%	3.3	100.1%	124.4%
Other expenses	1,379.8	1,608.5	1,581.5	1,527.8	1,507.0	-20.7	98.6%	-74.5	95.3%	93.7%

Table 9: State Budget expenses by Economic Classification in 2019-2020 (million GEL,%)

The diagram below presents the dynamics of state budget expenses by economic classification articles 2012-2020:

¹⁹ The current expenses of consolidated budget comprise incurred expenses determined by economic classification of consolidated budget expenses, whereas, capital expenses imply the sum total of incurred expenses in frames of acquisitions of nonfinancial assets and acquisitions of financial assets components of consolidated budget.

The dynamics of state budget expenses according to components 2012-2020

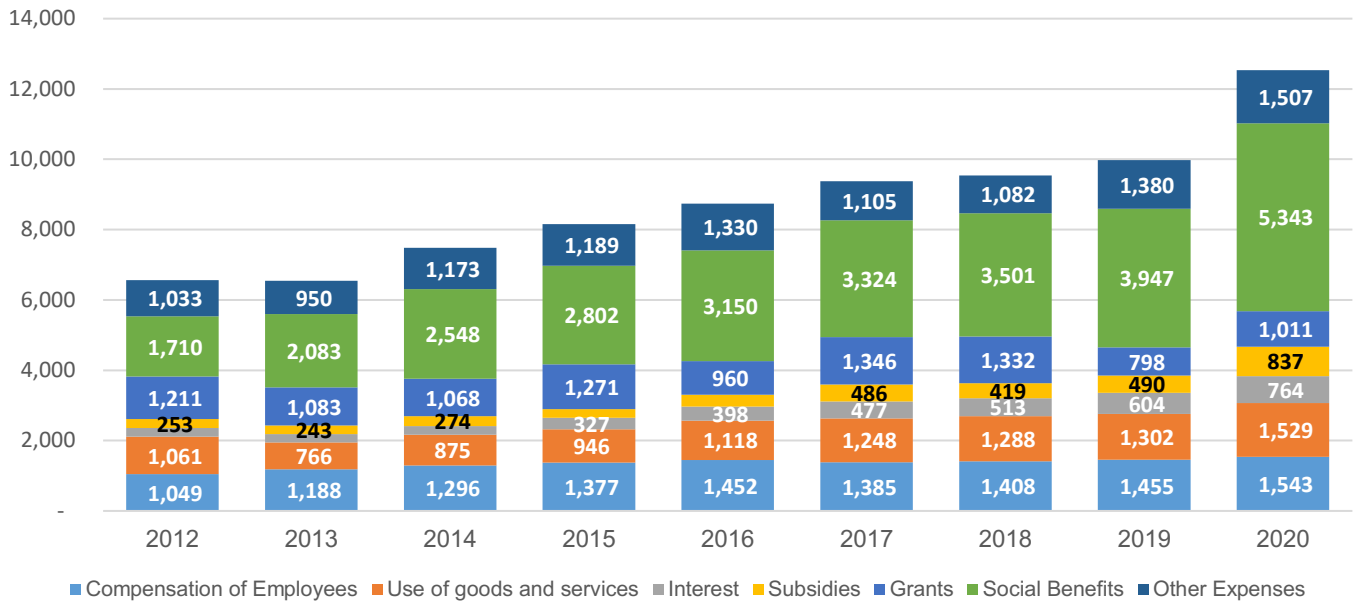


Diagram 28: Dynamics of state budget expenses by economic classification articles 2012-2020 (million GEL)

In 2020, the adjusted plan of “**Compensation of Employees**” amounted to 1,552.4 million GEL, however, expenses amounted to 1,543.1 million GEL (99.4%). As to initial plan (1,576.0 million GEL) and approved plans (1,554.3 million GEL), the abovementioned execution correspondingly amounted to 97.9% and 99.3%. Taking into consideration the growth rate of “Compensation of Employees” in 2013-2020, the indicator (average growth rate) compiles 5.1%, however, in 2020 the indicator amounted to 6.1%.

As for the ratio of execution of “Compensation of Employees” to GDP, state budget total expenditures and expenses. in 2020 in comparison to 2012-2020, according to the state budget total expenditures and expenses, indicator of “Compensation of Employees” was at the minimum. However, the indicator of ratio to GDP only exceeds the indicator of 2019. Namely, in 2020, the expenses incurred under “Compensation of Employees” amounted to 3.1% of the GDP (3.0% in 2019), 9.5% of the state budget total expenditures and 12.3% of state budget expenses.

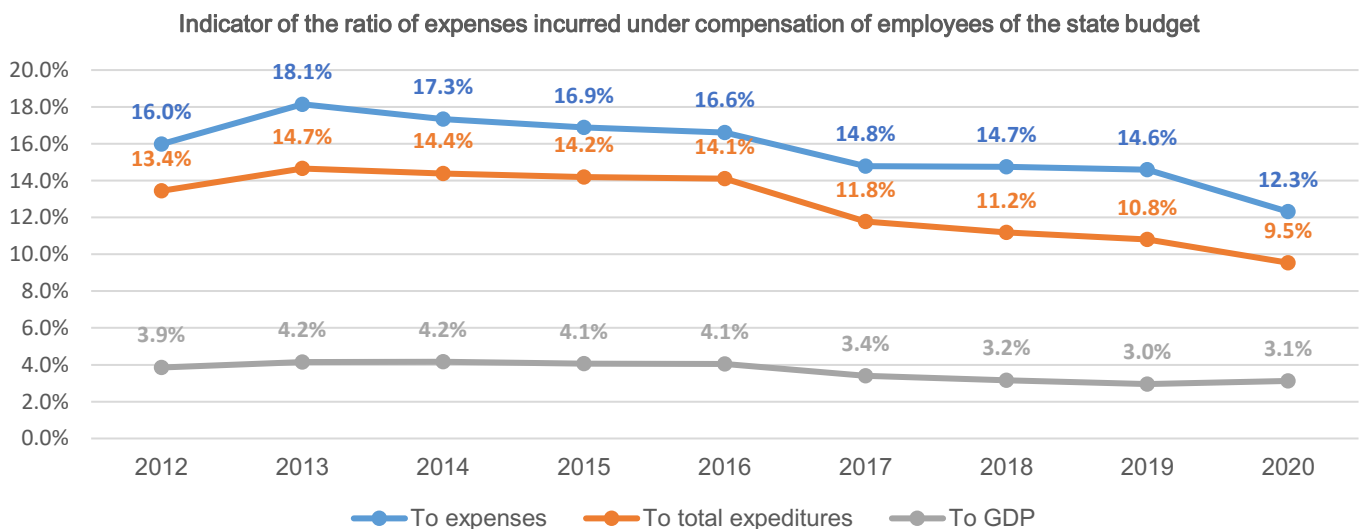


Diagram 29: Indicator of the ratio of expenses incurred under “Compensation of Employees” of the state budget to GDP, state budget total expenditures and expenses in 2012-2020 (%).

In 2020, execution of “**use of goods and services**” amounted to 1,529.2 million GEL, which is 99.4% of adjusted plan (1,538.1 million GEL), 101.2% of approved plan (1,510.6 million GEL) and 111.3% of initial plan (1,373.7 million GEL). The average growth rate of “use of goods and services” in 2013-2020 is 5.8%, however in 2020, the abovementioned indicator amounted to 17.5%.

The expenses of Use of Goods and Services were addressed towards the following directions in 2018-2020:

	2018 Actual	2019 Actual	2020 Actual	2020 Actual /2019 Actual	
				Distinction	%-Alteration
Use of Goods and Services	1,288.3	1,301.9	1,529.2	227.2	17.5%
Wage of contract employees	217.1	242.2	296.3	54.1	22.3%
Business trip	75.6	80.8	57.0	-23.8	-29.4%
Office expenses	187.4	198.6	217.3	18.8	9.5%
Representation expenses	23.2	22.6	10.5	-12.0	-53.4%
Nutritional expenses	69.3	67.7	91.1	23.4	34.6%
Medical expenses	51.0	82.6	196.3	113.8	137.8%
Expenses of soft implements, uniform and personal hygiene	31.2	28.8	67.5	38.7	134.2%
Expenses of maintenance and operation of transport, technics and weapons	153.4	140.0	107.3	-32.7	-23.4%
Expenses of military vehicles and gunpowder and shot purchase	69.4	26.6	12.9	-13.7	-51.3%
Other Use of goods and services	410.7	412.0	472.7	60.7	14.7%

Table 10: The expenses of Use of Goods and Services in 2018-2020, million GEL.

The component of 2020 **“interest”** was defined at 773.0 million GEL according to adjusted plan, the execution amounted to 763.7 million GEL (98.8%), the indicated execution amounts to 101.7% of initial plan (751.0 million GEL) and 97.5% of annual plan (783.0 million GEL). 336.5 million GEL was directed to the state external liabilities and 427.2 million GEL was directed to state domestic liabilities.

In 2020 the execution of **“subsidies”** amounted to 837.1 million GEL, which is 101.8% of adjusted plan (822.1 million GEL). As to the execution towards initial and approved plans, performance of subsidies amounted to 162.1% of initial plan (516.5 million GEL) and 85.4% of approved plan (980.5 million GEL).

The main expenses from **“subsidies”** were addressed towards the following directions in 2020: On the programs/sub-programs of the Ministry of Economy and Sustainable Development of Georgia – on sub-program - **“Economy supportive activities initiated due to the spread of the new coronavirus (program code 24 07 03)”** with the amount of 262.2 million GEL (including 210.0 million GEL for implementation measures to support subsidies of utility bills, and Implementation of the necessary measures to support small, medium and family hotel industry – 51.2 million GEL) and 17.4 million GEL on program – **“Development of Innovative Eco System (IBRD) (program code 24 12)”**. On the programs of the Ministry of Environmental Protection and Agriculture of Georgia – on **“Common Agro Project (program code 31 05)”** - 133.9 million GEL; 85.0 million GEL – on **“Development of Viticulture and Wine-Making (program code 31 03)”** and 24.7 million GEL – on **“Modernization of Irrigation Systems (program code 31 06)”**. On the programs of the Ministry of Education, Science, Culture and Sport of Georgia - on **“Development and Popularization of Mass and High Achievements in Sports” (program code 32 11)”** – 82.7 million GEL; 19.3 million GEL on **“Support to Scientific Research and Studies” (program code 32 05)”** and 15.0 million GEL – on **“Vocational Education (program code 32 03)”**. On the programs of the Ministry of Regional Development and Infrastructure of Georgia – on **“Rehabilitation and Recovery of Water Supply Infrastructure” (program code 25 04)”** – 30.1 million GEL; on **“Measures for the Improvement of Road Infrastructure (program code 25 02)”** – 19.1 million GEL and 18.4 million GEL – on **“Solid Waste Management Program (program code 25 05)”**. 24.0 million GEL – on **“Patriarchate of Georgia (program code 45 00)”**.

The execution of **“grants”** in 2020 amounted to 1,010.7 million GEL, 98.9% of adjusted plan (1,022.3 million GEL), 125.3% of approved plan (806.7 million GEL) and 139.2% of initial plan (726.1 million GEL). Compared to 2019, execution in 2020 has increased by 212.4 million GEL (26.6%). The main share of execution of the indicated component of 2020 goes on the transfers to be transferred to the autonomous republics' and municipalities' budgets – with the amount of 666.8 million GEL (including capital transfer – 440.0 million GEL, special transfer – 214.8 million GEL and targeted transfer – 12.0 million GEL). Moreover, expenses were incurred in frames of Ministry of Economy and Sustainable Development of Georgia Economy supportive activities initiated due to the spread of the new coronavirus (program code 24 07 03) with the amount of 123.9 million GEL and on LEPL – Public Broadcaster (program code 42 00) with the amount of – 68.7 million GEL.

From the execution of 2020 grants (1,010.7 million GEL), as to the current and capital purpose grants, 386.3 million GEL represents the current grants, whereas – 624.4 million GEL represents capital grants.

The diagram below represents the execution of current and capital purpose grants in 2012-2020.

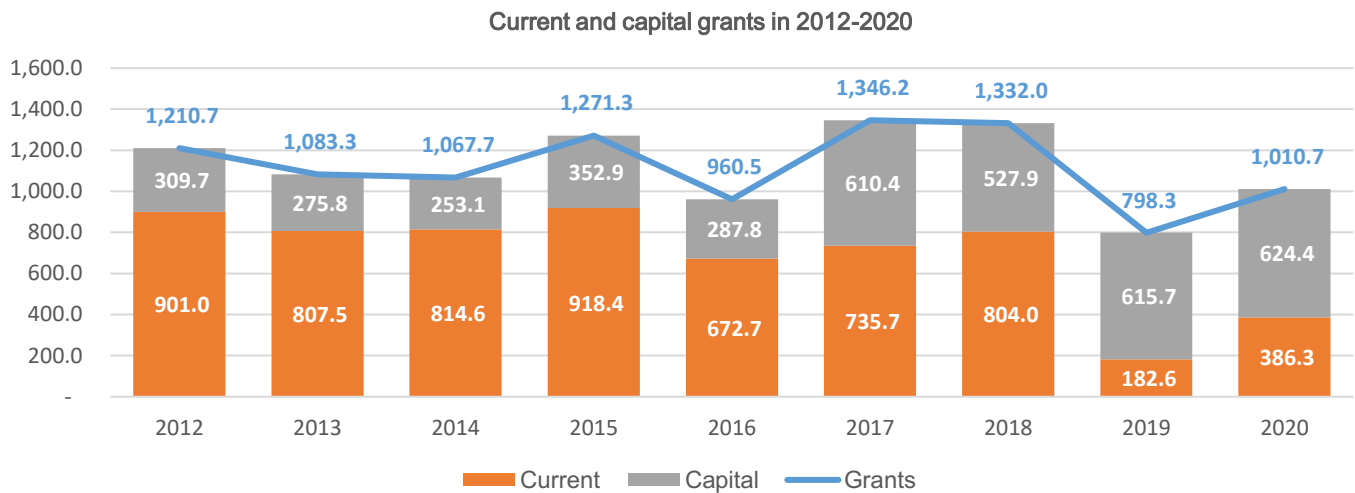


Diagram 30: Current and capital grants in 2012-2020 (million GEL).

As represented on the diagram, in 2020, compared to 2012-2018, the execution of current grants has significantly decreased, which is connected to the amendments made in the budget code by the end of 2018, namely, to the cancelation of equalisation transfer. As to the execution of capital grants (624.4 million GEL), in 2012-2020, the highest indicator was attested in 2020.

In 2020, the highest indicator of expenses were incurred in frames of “**social benefits**” with the amount of - 5,343.2 million GEL (42.6% of expenses), the approved plan amounted to - 5,339.9 million GEL. Correspondingly, annual execution amounted to 100.1% of annual plan. As to the adjusted plan (5,350.9 million GEL), the execution mentioned above amounted to 99.9% of the adjusted plan, however, if it is compared to the initial plan (4,294.8 million GEL), the execution of “social benefits” amounted to 124.4% of the initial plan.

The most of the expenses incurred under the abovementioned indicator were apportioned on the following sub-programs of the Ministry of internally displaced persons from the occupied territories, Labour, health and social affairs of Georgia: “Provision of Pension for Population (program code 27 02 01)” - 2,246.7 million GEL, “Universal Healthcare Services to Population (program code 27 03 01)”- 957.2 million GEL, “Social Assistance for Targeted Groups of Population (program code 27 02 02)”- 792.6 million GEL, 708.1 million GEL on – “Social assistance to the population due to the deterioration of the socio-economic situation caused by the New Coronavirus (program code 27 02 06)” and 242.9 million GEL on “Provision Of Medical Services to the Population In Priority Areas (program code 27 03 03)”. Moreover, 211.0 million GEL was addressed to “Co-financing Cumulative Pension Schemes (program code 56 11).

Compared to 2019, expenses of 2020 rendered from “social benefits” have increased by 1,396.6 million GEL (by 35.4%), which is mainly stipulated by social assistance to the population due to the deterioration of the socio-economic situation caused by the New Coronavirus with the amount of 708.1 million GEL. Moreover, compared to previous years, by 309.2 million GEL more was directed to provision of pension for population, by 132.4 million GEL more to universal healthcare of population, by 101.0 million GEL more to co-financing cumulative pension schemes, by 86.9 million GEL more on provision of medical services to the population in priority areas, and by 53.8 million GEL more on social assistance for targeted groups of population.

The diagram below shows the execution of Social Benefits and its share in total expenditures and expenses in 2012-2020.

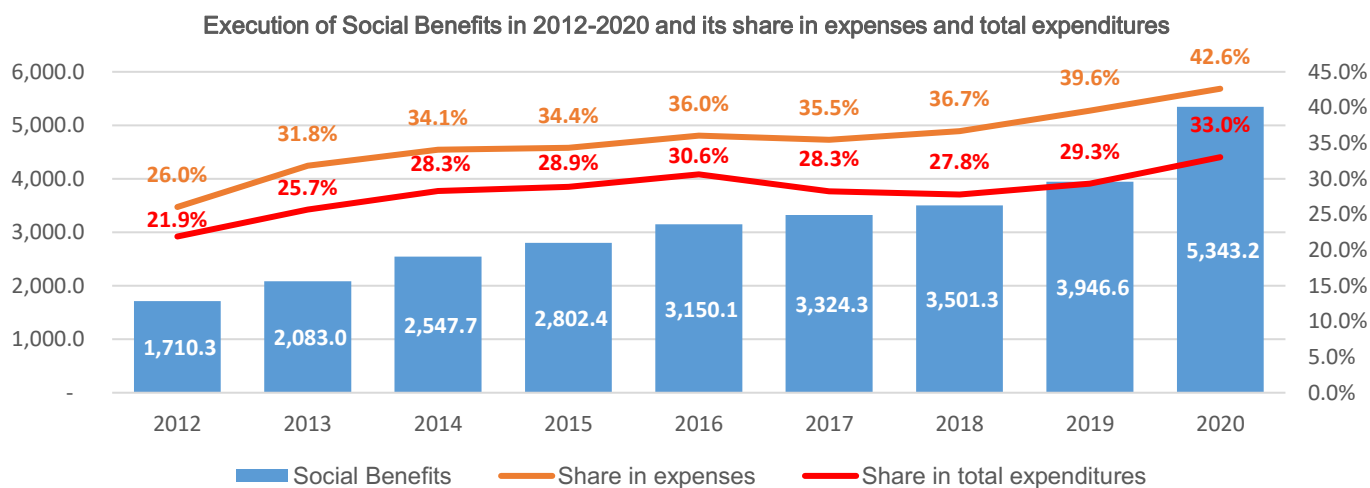


Diagram 31: Execution of Social Benefits in 2012-2020 and its share in expenses and total expenditures (million GEL, %)

As represented on the diagram, execution of “Social Benefits” is characterised by annual growth trend in 2012-2020 and reaches the highest point by 2020. Compared to 2012 the execution has increased by 3.1 times. As to its share in total expenditures and expenses, the share of the “Social Benefits” in expenses reaches its maximum by 2020, and correspondingly, amounts to 33.0% and 42.6%.

In 2020 the annual plan of “other expenses” was defined at 1,581.5 million GEL, however its execution compiled to 1,507.0 million GEL, compiling 95.3% of annual approved plan. The initial plan of “other expenses” was defined as 1,608.5 million GEL, and correspondingly, the execution was 93.7% of initial plan. As to the adjusted plan, by the end of 2020 this indicator was defined at 1,527.8 million GEL, and the execution accordingly, amounted to 98.6% of adjusted plan.

In 2020, compared to 2019, incurred expenses have increased by 127.3 million GEL, which is stipulated by increase of pupils’ vouchers and capital transfers. In 2020, the main sums from “other expenses” were mainly directed to funding the following expenses: Expenses of pupils’ vouchers – 806.7 million GEL; capital transfers that are not classified elsewhere - 384.1 million GEL and expenses of state tuition grants – 91.9 million GEL.

The diagram below presents information about capital and current transfers covered under Other Expenses in 2012-2020.

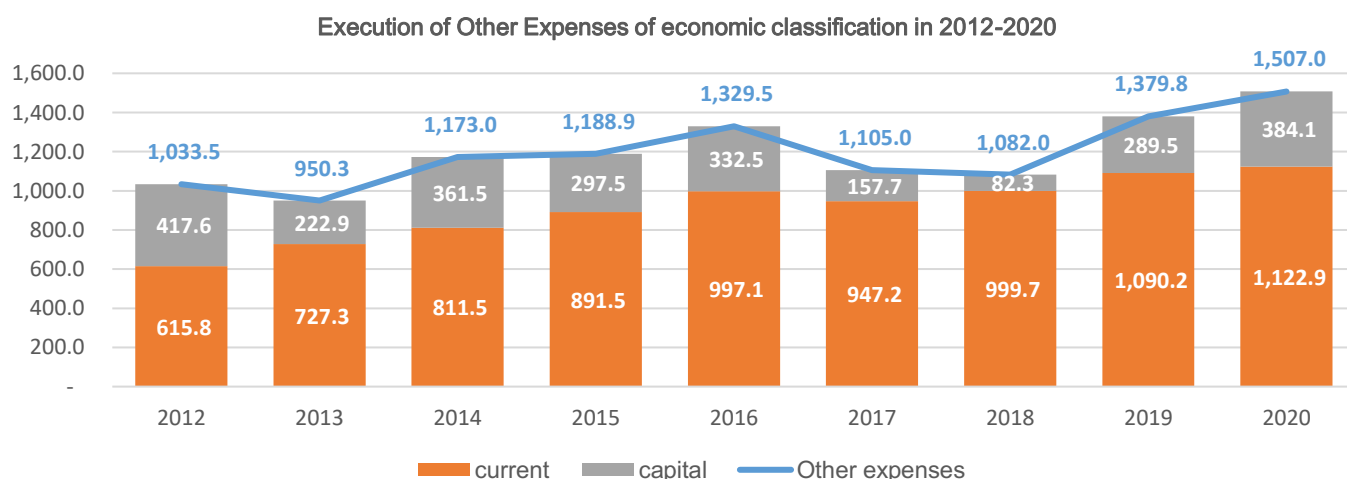


Diagram 32: Execution of Other Expenses of economic classification in 2012-2020 (million GEL).

As to the expenses of State Budget by months, in 2020, the largest execution of expenses occurred in December (1,635.8 million GEL), whereas, the lowest amount was attested in April (800.9 million GEL), the monthly average indicator of expenses was defined at 1,044.5 million GEL.

The diagram below represents 2020 state budget expenses according to months.

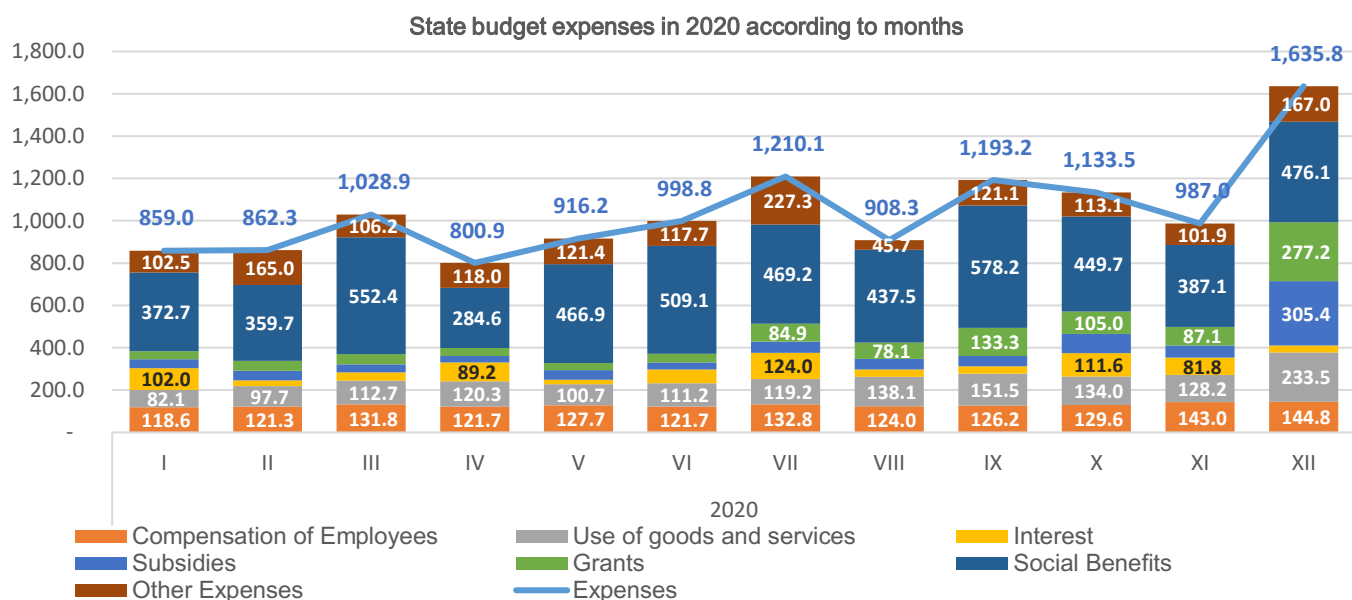


Diagram 33: State budget expenses in 2020 according to months (million GEL)

As to the **expenses of consolidated budget**, 2012-2020 dynamics are characterized by growth trend. In 2020, annual indicator exceeds the indicator of 2012 with the amount of 6,873.0 million GEL, whereas, the average growth rate in 2013-2020 is defined at 10.1%. Moreover, to discuss the ratio of expenses of consolidated budget to GDP, in 2012-2020, the highest indicator was attested in 2020 (26.2%).

The diagram below represents the dynamics of consolidated budget expenses and its ratio to GDP in 2012-2020.

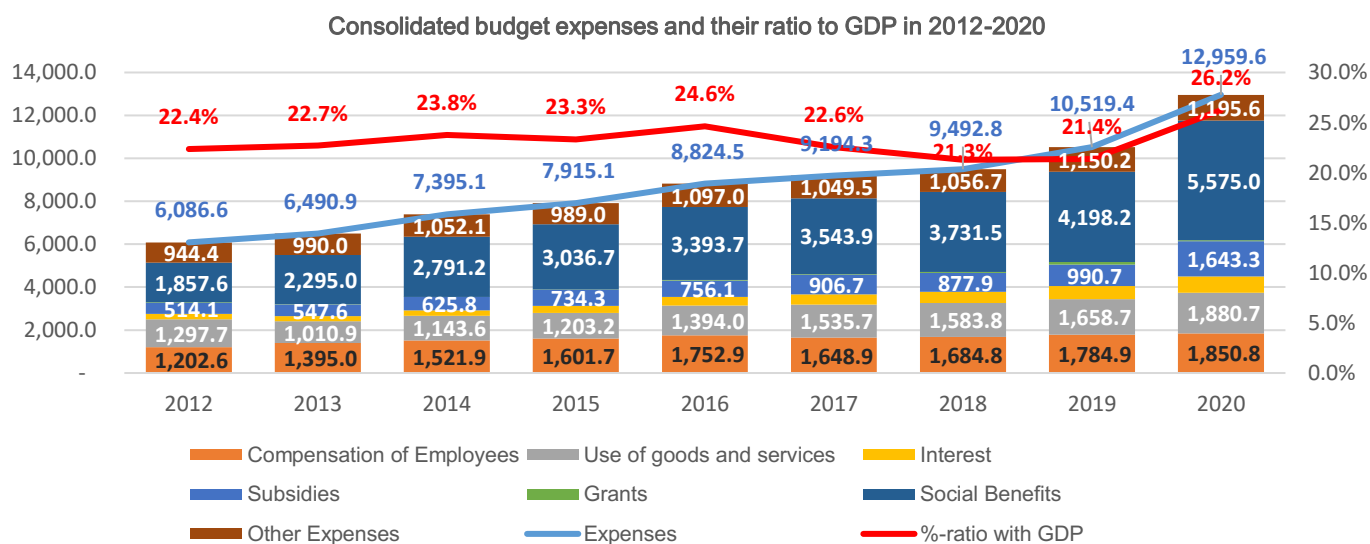


Diagram 34: Consolidated budget expenses and their ratio to GDP in 2012-2020 (million GEL, %)

Acquisitions of nonfinancial assets

The adjusted plan of **acquisitions of nonfinancial assets** was defined at 2,034.6 million GEL by the end of 2020, and execution amounted to 2,319.0 million GEL, which is 114.0% of adjusted plan. Execution exceeds the initial and approved plans. Namely, execution is 104.4% of initial plan (2,221.4 million GEL), whereas, this indicator amounts to 115.5% of approved plan (2,007.8 million GEL). The indicator of 2020 execution has increased by 62.9 million GEL (by 2.8%) compared to 2019.

In 2020, the execution was mainly apportioned on following programs of the Ministry of Regional Development and Infrastructure of Georgia: “Measures for the Improvement of Road Infrastructure (program code 25 02)” – 1,374.8 million GEL, on “Rehabilitation of Regional and Municipal Infrastructure (program code 25 03)” – 269.9 million GEL and 97.3 million GEL on “Construction and Rehabilitation of General Educational Infrastructure (program code 25 07)”.

The main share in execution of acquisitions of nonfinancial assets goes on execution of main assets components. Namely, from the execution (2,319.0 million GEL) of 2020, 2,272.9 million GEL was directed to main assets, 32.0 million GEL on non-derivative assets and 14.1 million GEL on material supplies.

The diagram below shows the execution of acquisitions of nonfinancial assets according to components in 2012-2020.

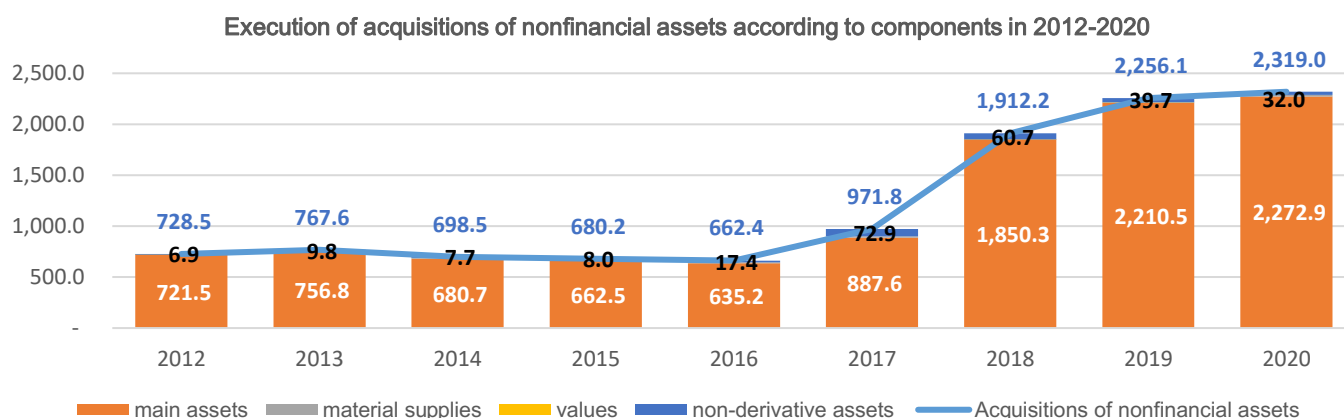


Diagram 35: Execution of acquisitions of nonfinancial assets according to components in 2012-2020 (million GEL)

As to the execution of acquisitions of nonfinancial assets of 2020 by months, the greatest share goes on December with the amount of 434.4 million GEL, 18.7% of annual execution, and 11-month average indicator is defined at - 7.4%.

The diagram below shows the execution of acquisitions of nonfinancial assets in 2020 according to months.

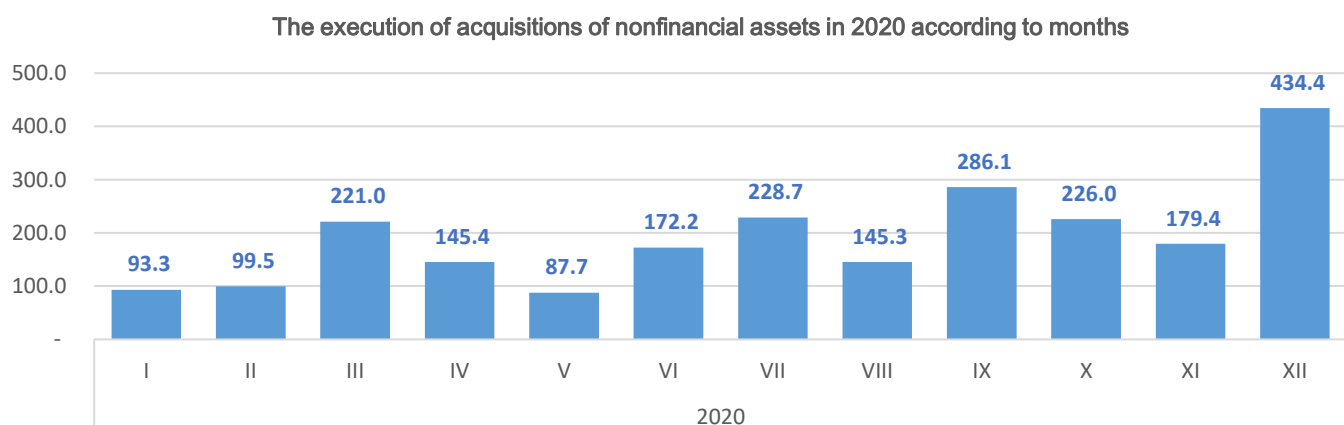


Diagram 36: The execution of acquisitions of nonfinancial assets in 2020 according to months (million GEL)

Acquisitions of financial assets

In 2020, the initial plan determined by the State Budget for **acquisitions of financial assets** was defined at 342.2 million GEL, after the amendments made in state budget law the plan defined at 326.8 million GEL in June, whereas, the adjusted plan was defined at 310.3 million GEL by the end of the year. Execution of abovementioned indicator amounted to 377.7 million GEL, 110.4% of the initial plan, 115.6% of the approved plan and 121.7% of the adjusted plan. The execution of 2020 goes fully on source for financing from credit resources, re-loaning of received credits on domestic debtors.

In 2020 the execution is mainly distributed on the expenditures of general state importance “General-State Expenditures Financed by Donors” – 173.6 million GEL; on programs of the Ministry of Regional Development and Infrastructure of Georgia: “Rehabilitation and Recovery of Water Supply Infrastructure (program code 25 04)”– 135.2 million GEL and on “Solid Waste Management Program (program code 25 05)” – 1.9 million GEL; on the following programs of Ministry of Economy and Sustainable Development of Georgia: “Vardnili and Enguri Hydro Power Plant Rehabilitation Project (EBRD, EIB, EU) (program code 24 13)”- 39.4 million GEL and “Development of Power Transmission Grids of Systemic Importance (program code 24 14)”- 27.6 million GEL.

The diagram below shows the execution of acquisitions of financial assets according to components in 2012-2020.

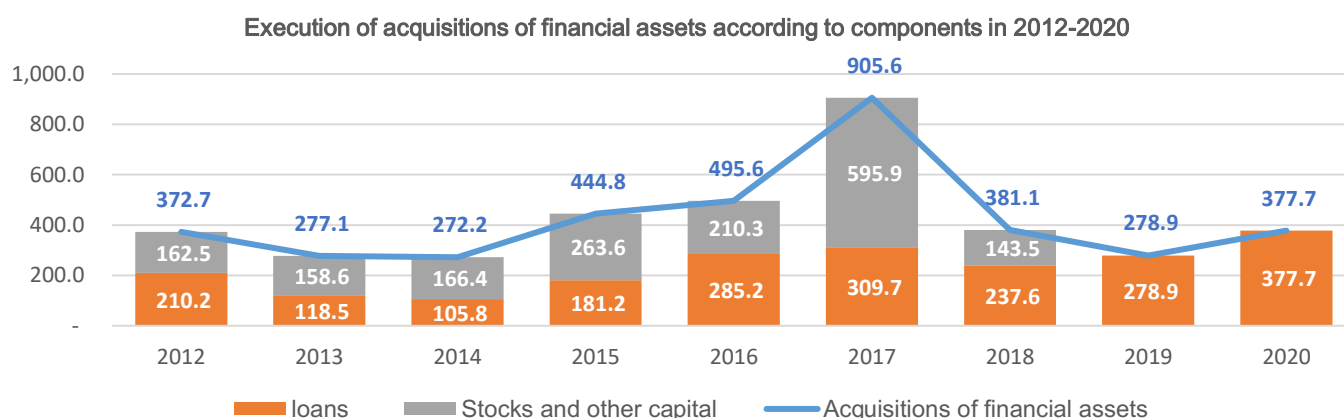


Diagram 37: Execution of acquisitions of financial assets according to components in 2012-2020 (million GEL)

Reductions of liabilities

As to the fourth component of total expenditures of state budget, **reductions of liabilities**, 2020 state budget plan amounted to 1,032.7 million GEL, however, the execution (944.0 million GEL) amounted to 91.4% of the plan. As to the execution indicator for the initial (1,022.7 million GEL) and adjusted (992.3

million GEL) plans, it accordingly amounts to 92.3% and 95.1%. Compared to 2019, the execution has decreased by 15.1 million GEL (by 1.6%), which is stipulated by decrease of repayment of external state liabilities. In 2020, 901.9 million GEL was addressed to repayment of external liabilities, whereas, 42.1 million GEL on repayment of domestic liabilities (see in details - “expenditures of general state importance”).

	2020 performance	performance towards initial plan	performance towards annual plan	performance towards adjusted plan
Reductions of liabilities	944.0	92.3%	91.4%	95.1%
External	901.9	92.2%	91.2%	94.9%
domestic	42.1	95.7%	95.7%	100.0%

Table 11: The performance of reductions of liabilities in 2020 (million GEL, %)

Functional Classification of Operations on Expenses and Nonfinancial Assets²⁰

According to the **Functional Classification of Operations on Expenses and Nonfinancial Assets**²¹ of the 2020 state budget of Georgia, appropriations were defined by 14,564.2 million GEL. The initial plan amounted to 13,067.9 million GEL, whereas, adjusted plan amounted to 14,621.1 million GEL. The execution of 2020 was defined at - 14,852.9 million GEL.

The diagram below represents the execution of 2020 State Budget expenses and nonfinancial asset classification in the functional frame:

Execution of 2020 State Budget expenses and nonfinancial asset classification in the functional frame

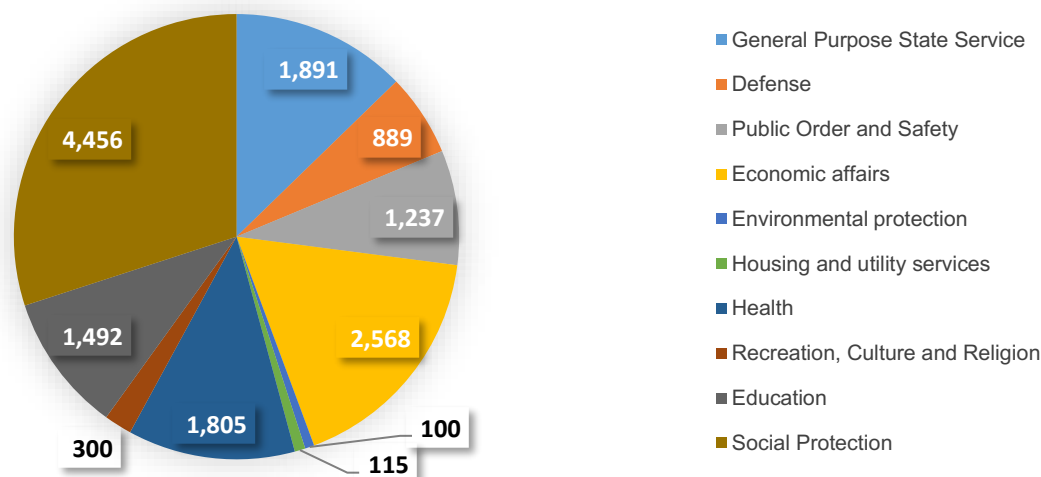


Diagram 38: Execution of State Budget expenses and nonfinancial asset classification in the functional frame in 2020 (million GEL)

As represented on the diagram of functional classification, State Budget appropriations were addressed to the four main directions in 2020: social protection, economic affairs, general purpose state service and health. It must be noted that, according to 2016-2019 functional classification, education was one of the four main directions instead of health. According to the size, health was at 5th and 6th place in previous years (2016-2019).

Moreover, it must be noted, that in 2012-2019, the direction of general purpose state service is characterised by decrease trend and the lowest indicator is attested in 2019. However, in 2020, compared to previous year, funding in this direction has increased by 223.4 million GEL.

The diagram below represents 2012-2020 State Budget execution according to classification of expenses and nonfinancial assets in functional frame and its ratio to GDP:

²⁰ Information on the performance according to the functional classification of operations on expenses and nonfinancial assets in 2012-2020 is indicated on the basis of information from the Treasury Service on the performance of the respective year.

²¹ "Government Finance Statistics Manual" by the International Monetary Fund 2014 (GFSM 2014) The functional classification of expenses and nonfinancial assets provides information on the purpose of governmental functions by incurred expenses.

2012-2020 State Budget execution according to classification of expenses and nonfinancial assets in functional frame and its ratio to GDP

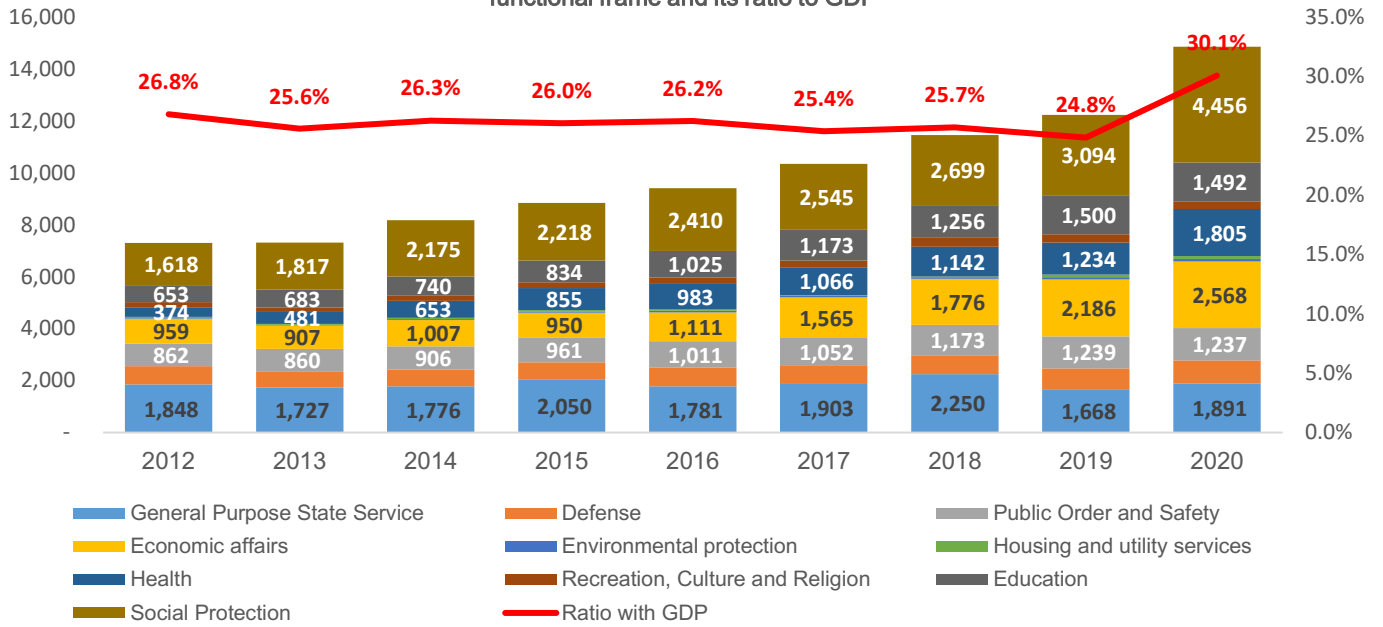


Diagram 39: 2012-2020 State Budget execution according to classification of expenses and nonfinancial assets in functional frame and its ratio to GDP (million GEL, %)

As represented on the diagram, in 2012-2020, health and social protection stand out with annual growth trend from 4 largest directions of functional classification of transactions on expenses and nonfinancial assets. Moreover, funding for education is also noteworthy, which was characterized by constant growth trend in 2012-2019, however, compared to previous years, decreased by 8.1 million GEL in 2020. The diagram below represents executions of abovementioned directions and their ratio to GDP in 2012-2020:

Social protection, health and education in 2012-2020

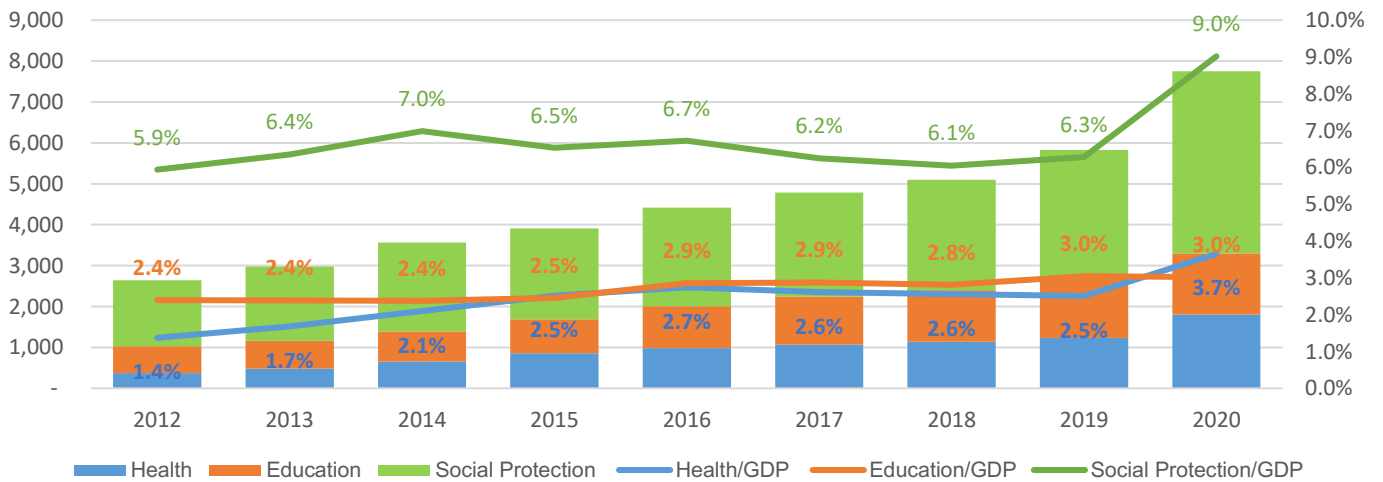


Diagram 40: social protection, health and education in 2012-2020 (million GEL, %)

State Budget Priorities

13,394.5 million GEL was directed to 12 priorities, which were defined according to 2020 state budget law. The execution of these priorities was defined at 114.8% of the initial plan (11,666.1 million GEL), 103.9% of the approved plan (12,896.5 million GEL) and 102.5% of the adjusted plan (13,072.1 million GEL). It exceeds the indicator of 2019 by 2,256.3 million GEL (by 20.3%).

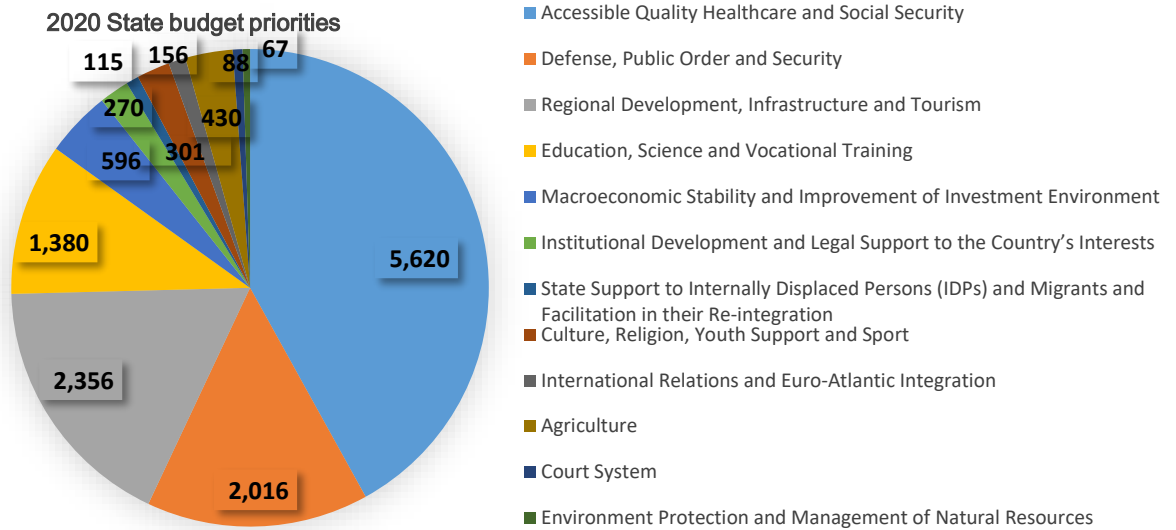


Diagram 41: 2020 State budget priorities (million GEL)

84.9% of appropriations, directed to the priorities defined by 2020 state budget goes on 4 priorities: accessible quality healthcare and social security – 5,619.8 million GEL; defence, public order and security - 2,015.6 million GEL; regional development, infrastructure and tourism- 2,356.1 million GEL; education, science and vocational training – 1,380.2 million GEL.

Moreover, it must be noted, that funding of abovementioned 4 priorities was the highest in 2020, compared to funding in years 2012-2020 (the exception is funding of priority of education, science and vocational training, which is less than the indicator of 2019 by 30.1 million GEL).

The diagram below shows funds directed towards state budget priorities in 2012-2020:

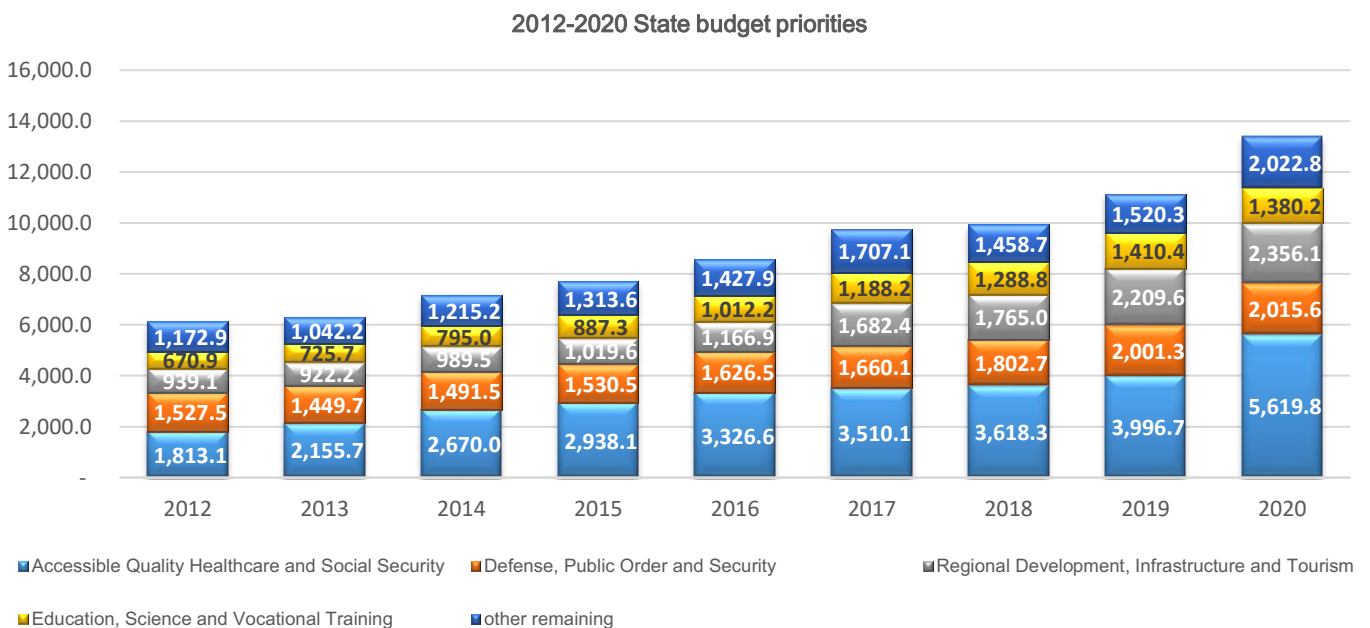


Diagram 42: State budget priorities in 2012-2020 (million GEL).

Performance Indicators of spending Institutions and Programs defined by the State Budget

Performance Indicators on the level of Spending Institutions

According to the law of Georgia “on State Budget of Georgia 2020”, 55 spending institutions²² were identified, according to the initial plan, from which 17 had in total - 124 programs²³, whereas, programs were not provided for 38 spending institutions.

As a result of the amendments made to the law of Georgia “on State Budget of Georgia 2020”, according to annual plan, in June 2020, the number of spending institutions has not changed.

As to the funding, as a result of amendments made to the law of Georgia “on State Budget of Georgia 2020” in June 2020, the funding of spending institutions has increased by 1,230.4 million GEL, from 11,666.1 million GEL to 12,896.5 million GEL. Moreover, redistribution of budgetary appropriations occurred between spending institutions. Namely, funding increased for 3 spending institutions, however, funding was reduced for 27 spending institutions and funding have not changed for 25 spending institutions.

Code	Title	2020 initial plan	2020 annual plan	2020 annual plan/ 2020 initial plan	
				distinction	% - alternation
The spending institutions for which funding has been increased as a result of amendments made to the law					
27 00	Ministry of Internally Displaced Persons from The Occupied Territories, Labour, Health and Social Affairs of Georgia	4,363.0	5,515.0	1,152.0	26.4%
24 00	Ministry of Economy and Sustainable Development of Georgia	364.0	822.4	458.4	125.9%
31 00	Ministry of Environmental Protection and Agriculture of Georgia	353.0	476.9	123.9	35.1%
The spending institutions for which funding has been decreased as a result of amendments made to the law					
25 00	Ministry of Regional Development and Infrastructure of Georgia	2,071.6	1,820.3	-251.3	-12.1%
32 00	Ministry of Education, Science, Culture and Sport of Georgia	1,666.5	1,538.8	-127.7	-7.7%
29 00	Ministry of Defence of Georgia	880.0	805.0	-75.0	-8.5%
23 00	Ministry of Finances of Georgia	93.0	81.0	-12.0	-12.9%
30 00	Ministry of Internal Affairs of Georgia	770.0	760.0	-10.0	-1.3%
09 00	General Courts	84.4	76.4	-8.0	-9.5%
01 00	Parliament of Georgia and Subordinated Organizations	64.7	60.7	-4.0	-6.2%
28 00	Ministry of Foreign Affairs of Georgia	159.0	156.0	-3.0	-1.9%
54 00	LEPL – Youth Center	5.0	3.5	-1.5	-30.0%
Other spending Institutions (18 Spending Institution)		294.9	283.6	-11.3	-3.8%

Table 12: The initial and annual plans of spending institution, whose funding was amended as a result of changes to the law of state budget of Georgia in June 2020 (million GEL, %).

During 2020, as a result of the relevant budget amendments provided by the Budget Code²⁴, funding of spending institutions, according to the appropriations approved by the annual plan, have increased with the amount of 175.6 million GEL and the adjusted plan amounted to 13,072.1 million GEL (as a result of decrease of the same amount in expenditures of general state importance). The indicated increase is mainly due to the Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia with amount of 127.7 million GEL, the Ministry of Justice of Georgia with amount of 23.8 million GEL, the Ministry of Regional Development and Infrastructure of Georgia with amount of 20.0 million GEL.

Furthermore, it is noteworthy that out of 55 spending institutions defined by the state budget law, total expenditures of 42 spending institutions' budgets were not adjusted, and the budget of 13 was amended in both direction of increase and decrease (see Annex №4 for details).

The diagram below shows the percentage indicators of changes of the adjusted budgets of abovementioned 13 spending institutions in relation to the approved budget in the annual plan.

²² Spending Institution – for state and autonomous republican budgets it is a budgetary organization envisaged in Tier One of the Program Classification, while for the municipality budgets - it is municipality; (Budget Code of Georgia)

²³ Program – set of measures to be carried out for the achievement of priority goals envisaged in the budget, which are grouped by common substance and implemented for the attainment of a common outcome and whereby a single spending institution is kept responsible over the implementation; (Budget Code of Georgia)

²⁴ Budget Code of Georgia Article 31. Distribution of Budget Appropriations and Adjustments in the Program Classification

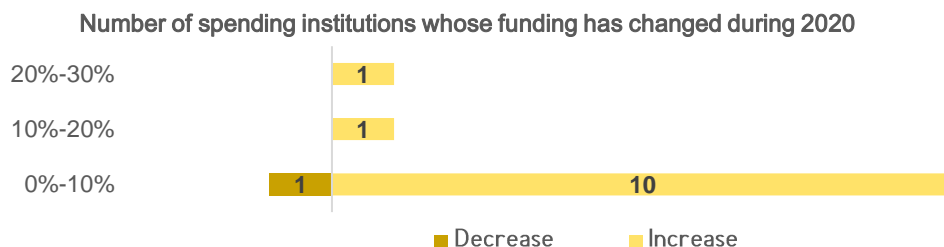


Diagram 43: Percentage change of the adjusted budget of spending institutions for 2020 related to the approved budget (units).

At the end of 2020, total budget execution of spending institutions amounted to 13,394.5 million GEL, which is 114.8% of the initial annual plan, 103.9% of the annual plan and 102.5% of the adjusted plan. In addition to the abovementioned 55 spending institutions, **execution of 3 additional spending institutions were attested in the budget performance** ("LEPL - Kutaisi International University, NNLE - Millennium Fund, LEPL - National Intellectual Property Centre of Georgia - "Sakpatenti") with the amount of 2.2 million GEL, which represents expenditures incurred in frames of targeted grant and the plan won't be represented in annual and adjusted plans. Accordingly, **58 spending institutions were represented in 2020 annual report.**

As for the execution of the 2020 budget execution of 55 spending institutions defined by the state budget law, the diagram below represents the number of spending institutions in terms of percentage alternation between their execution of the 2020 budget and the adjusted plan.

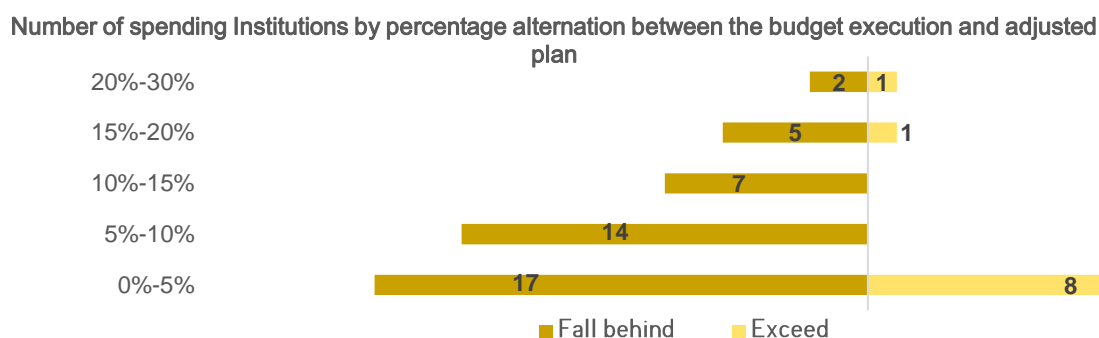


Diagram 44: Number of spending institutions by the percentage alternation between the budget execution and the adjusted plan (units)

As represented on the diagram, the budget execution of 10 spending institutions exceeds their adjusted plan, while the budget execution of 45 spending institutions lags behind the adjusted plan. However, the performances do not frequently differ significantly from the adjusted plans. Namely, in case of 46 spending institutions, these deviations range from 0% to 15%.

As to the requirements²⁵ of the Budget Code of Georgia, **in the case of spending institutions, as a program**, there was no 30% distinction between approved plan and adjusted plan foreseen by law. As the distinction between approved and adjusted appropriations of spending institutions as a program doesn't exceed 30%. Concerning the 15% distinction between adjusted plan and execution, this was the case only for **8 spending institutions (as programs)**. Namely, these are:

Code	Title	2020 adjusted plan	2020 actual	2020 actual / 2020 adjusted plan	
				distinction	% - alternation
02 00	Administration of the President of Georgia	6.3	4.7	-1.5	-24.5%
10 00	High Council of Justice of Georgia	5.8	4.5	-1.3	-22.1%
08 00	Supreme Court of Georgia	12.0	9.7	-2.3	-19.0%
07 00	Constitutional Court of Georgia	4.3	3.5	-0.8	-18.4%
03 00	Office of the Business Ombudsman of Georgia	0.7	0.6	-0.1	-17.4%
16 00	Administration of State Representative in Ambrolauri, Lentekhi, Oni, Tsageri Municipalities	0.6	0.5	-0.1	-16.1%
14 00	Administration of State Representative in Akhmeta, Gurjaani, Dedoplistskaro, Telavi, Lagodekhi, Sagarejo, Signaghi, Kvareli Municipalities	0.8	0.6	-0.1	-15.4%
35 00	LEPL - Civil Service Bureau	1.3	1.6	0.3	20.4%

Table 13: Spending institutions as programs whose difference between adjusted plan and performance exceeds 15% for 2020 (million GEL,%).

²⁵ Budget Code. Article 56 "Annual Report on the Execution of the State Budget": 1. The annual report on the execution of the state budget includes at least the following information on the execution of the annual budget: E) Clarification on the inconsistencies between the approved and adjusted budget allocations according to the programs of the spending institutions, if such inconsistencies exceed 30% F) Clarification on the inconsistencies between the adjusted allocations and the performance according to the programs of the spending institutions, if such inconsistencies exceeds 15%;

Performance Indicators on the level of Program

According to law of Georgia “on State Budget of Georgia 2020”, **124 programs²⁶ were initially defined**. As a result of the amendment to the above-mentioned law in June 2020, **1 program was added** (“Implementation of quarantine and other measures related to the New Coronavirus”). Correspondingly, **State Budget approved plan involves 125 programs**.

As for the funding of programs, appropriations determined for 124 programs according to the initial plan was defined at 11,397.4 million GEL. As a result of the amendments to the law, funding of programs has increased by 1,241.1 million GEL, to 12,638.5 million GEL, from which 45.0 million GEL is an appropriation of 1 new abovementioned program, whereas, funding for primary 124 programs have increased by 1,196.1 million GEL. Also, budget assignments were redistributed between programs. Namely, funding has decreased for 57 programs and has increased for 11 programs, and funding remained the same for 56 programs.

The table below represents the initial and annual plans of the programs whose funding has changed as a result of an amendment to the state budget law in June 2020.

Code	Title	2020 initial plan	2020 annual plan	2020 annual plan / 2020 initial plan	
				distinction	% - alternation
Programs whose funding has been increased by an amendment to the law					
27 02	Social Protection of Population	3,126.0	3,911.8	785.8	25.1%
24 07	Development of Entrepreneurship	57.6	477.0	419.5	728.9%
27 03	Healthcare Services to Population	1,078.6	1,366.3	287.7	26.7%
31 05	Common Agro Project	142.5	211.8	69.3	48.6%
31 03	Development of Viticulture and Wine-Making	12.7	80.0	67.3	529.6%
27 04	Rehabilitation and Equipment of Healthcare Facilities	25.0	85.0	60.0	240.0%
27 06	Support of Internally Displaced Persons and Migrants	67.1	87.5	20.4	30.4%
24 13	Vardnili and Enguri Hydro Power Plant Rehabilitation Project (EBRD, EIB, EU)	15.0	25.0	10.0	66.7%
32 15	Applied Scientific Research Grant Program (IBRD)	2.0	6.3	4.3	217.1%
26 08	Service Development and Accessibility of the LEPL - National Agency of Public Registry	4.4	7.4	3.0	68.0%
26 01	Development of Public Policy to Support the Law Making and Legal Protection of the Best Interests of Georgia, Including the Implementation of Criminal Law System	22.8	25.6	2.8	12.0%
Programs whose funding has been decreased by an amendment to the law					
25 02	Measures for the Improvement of Road Infrastructure	1,315.3	1,197.8	-117.5	-8.9%
25 04	Rehabilitation and Recovery of Water Supply Infrastructure	256.8	206.4	-50.4	-19.6%
32 11	Development and Popularization of Mass and High Achievements in Sports	130.4	84.3	-46.1	-35.4%
25 03	Rehabilitation of Regional and Municipal Infrastructure	262.1	217.8	-44.3	-16.9%
29 10	Capacity Building of Defence Forces of Georgia (SG)	35.0	5.0	-30.0	-85.7%
25 06	Support to Internally Displaced Persons	55.0	30.0	-25.0	-45.5%
32 02	Pre-school and General Education	927.3	906.9	-20.4	-2.2%
29 05	Development of Infrastructure	100.0	80.0	-20.0	-20.0%
32 09	Facilitation of Development of Culture	88.7	70.9	-17.8	-20.1%
32 07	Development of Infrastructure	136.8	119.2	-17.6	-12.9%
29 09	Provision of Logistics	171.0	156.0	-15.0	-8.8%
29 08	Preservation/Development of Defence capability	51.6	41.6	-10.0	-19.4%
30 01	Public Order and Development of International Cooperation	584.8	574.8	-10.0	-1.7%
24 05	Facilitation of Developments in Tourism	31.7	22.7	-9.0	-28.5%
32 05	Support to Scientific Research and Studies	65.5	57.3	-8.2	-12.5%
09 01	Development and Support of General Judiciary System	82.5	74.5	-8.0	-9.7%
23 02	Revenue Collection and Improvement of Taxpayer Service Delivery	40.8	32.8	-8.0	-19.6%
32 12	Social Security and Assistance Events for Public Figures of Sports and Culture	21.1	13.9	-7.2	-34.1%
25 07	Construction and Rehabilitation of General Educational Infrastructure	149.0	142.0	-7.0	-4.7%
32 03	Vocational Education	52.9	46.5	-6.3	-12.0%
25 05	Solid Waste Management Program	24.2	19.2	-5.0	-20.6%
Other programs (36 programs)		1,063.0	1,011.9	-51.0	-4.8%

Table 14: Initial and annual plans of the programs, the funding of which was changed as a result of the amendments in the state budget law in June 2020 (million GEL,%).

²⁶ This refers to only those programs that are defined within the spending institution. And for those programs that are also spending institutions, information about them is discussed in the spending institutions section (38 programs/spending institutions)

During 2020, as a result of the implementation of the relevant budget amendments provided by the Budget Code, funding for programs have increased with the amount of 171.4 million GEL and the adjusted plan amounted to 12,810.0 million GEL. As a result of the budget amendments, the appropriations were determined for 2 additional programs, funding of which was not provided according to the approved budget, however, appropriation was cancelled for 1 program. Accordingly, **adjusted state budget plan includes 126 programs.**

Annual plans of 39 from 125 programs, determined by approved budget, were not adjusted according to the amendments provided by the budget code during the year, funding for 33 programs was increased and funding was decreased for 53 programs.

The diagram below shows the programs funding for which was increased in 2020 compared to the annual plan.

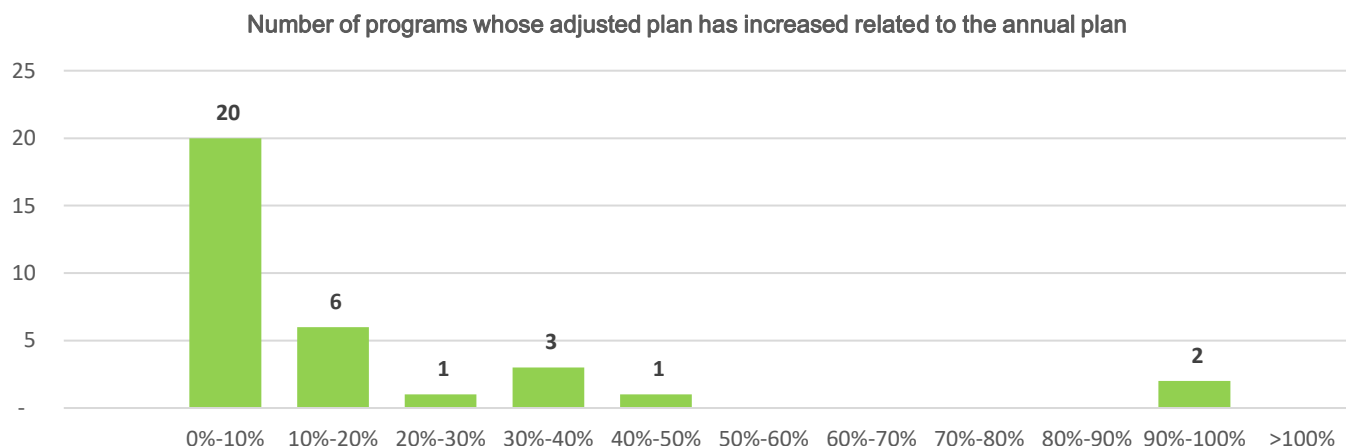


Diagram 45: Number of programs whose adjusted plan has increased related to the annual plan (units).

As represented on the diagram, mostly, funding for programs was not significantly increased, although, there were cases where program funding have increased almost twice compared to the approved plan.

As for the reduction of funding for programs, the diagram below shows the number of programs funding for which was reduced in 2020 compared to the annual plan.

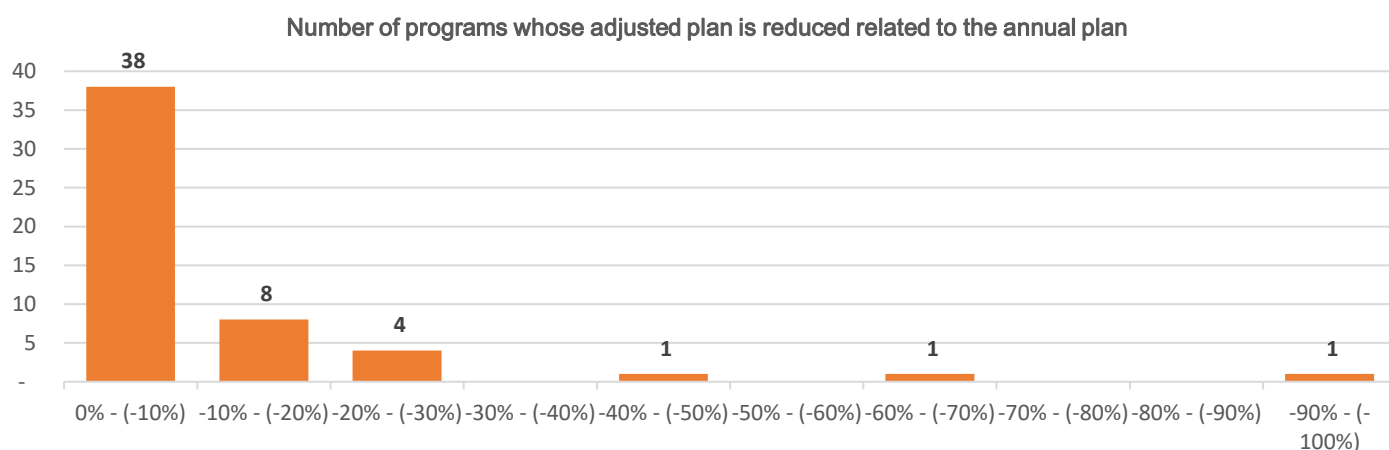


Diagram 46: Number of programs whose adjusted plan is reduced related to the annual plan (units).

As in case of increase of funding for programs, significant reductions have not been attested in most cases of decrease of funding for programs, although, few exceptions are attested in this case.

As for the requirements of the Budget Code of Georgia²⁷ on the distinction between approved and adjusted appropriations the indicated irrelevance exceeded 30% in the case of 11 programs (2 new programs, 6 in the direction of increase and 3 in the direction of decrease).

²⁷ Budget Code. Article 56 "Annual Report on the Execution of the State Budget", 1. The annual report on the execution of the state budget includes at least the following information on the execution of the annual budget: E) Clarification on the inconsistencies between the approved and adjusted budget allocations according to the programs of the spending institutions, if such inconsistencies exceed 30%.

Code	Title	2020 annual plan	2020 adjusted plan	2020 adjusted plan / 2020 annual plan	
				distinction	% - alternation
Programs that were not funded by the approved budget and as a result of the budget adjustments were funded from the state budget					
26 11	Service Development and Accessibility of the State Service Development Agency	-	5.1	5.1	
40 03	LEPL - Governmental Special Communications Agency	-	0.04	0.04	
Programs whose funding has increased by more than 30% compared to the annual plan					
31 13	Monitoring, Projections and Prevention of Environmental Protection	1.3	2.6	1.3	97.8%
26 01	Development of Public Policy to Support the Law Making and Legal Protection of the Best Interests of Georgia, Including the Implementation of Criminal Law System	25.6	48.6	23.0	90.1%
24 25	Implementation of quarantine and other measures related to the new coronavirus	45.0	67.0	22.0	48.9%
30 05	Healthcare of the Staff Employed at the Ministry of Internal Affairs of Georgia and at the State Security Service of Georgia	4.1	5.7	1.6	38.3%
29 08	Preservation/Development of Defence capability	41.6	56.9	15.3	36.7%
20 02	Maintenance of Operational and Technical Activities	18.2	24.5	6.3	34.9%
Programs whose funding has been reduced by more than 30% compared to the annual plan					
24 18	Measures connected with Recognized Liabilities in Terms of Bilateral Contract	3.7	-	-3.7	-100.0%
27 05	Reform Agenda of Labor and Employment System	6.0	2.3	-3.7	-62.4%
24 05	Facilitation of Developments in Tourism	22.7	11.7	-11.0	-48.5%

Table 15: Programs whose difference between the approved and adjusted assignments for 2020 is more than 30% (million GEL,%).

At the end of 2020, the performance of the programs amounted to 13,146.1 million GEL, which amounts to 115.3% of the initial annual plan, 104.0% of the annual plan and 102.6% of the adjusted plan. Execution of 10 from 126 programs amounted to 100% of the annual adjusted plan, excessive performance towards the adjusted plan was attested in case of 35 programs, whereas, performance of 81 programs lagged behind towards the adjusted plan.

The diagram below represents the number of programs, by the percentage difference between the execution and the adjusted plan whose budget execution of 2020 exceeds the adjusted plan (35 programs in total).

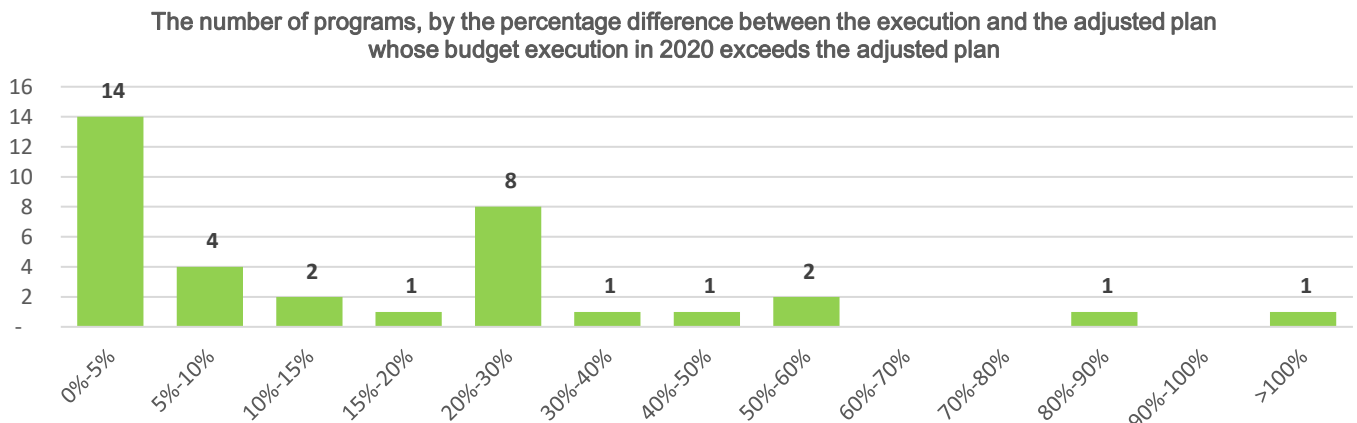


Diagram 47: The number of programs, by the percentage difference between the execution and the adjusted plan whose budget execution in 2020 exceeds the adjusted plan (units).

As represented on the diagram, in most cases of excessive program execution, no significant exceed was attested except from several cases.

As for the lag of program execution relatively to the adjusted plans, the diagram below represents the number of programs, distinction between execution and adjusted plan according to percentage indicator, whose 2020 budget execution lags behind the adjusted plan (81 programs in total).

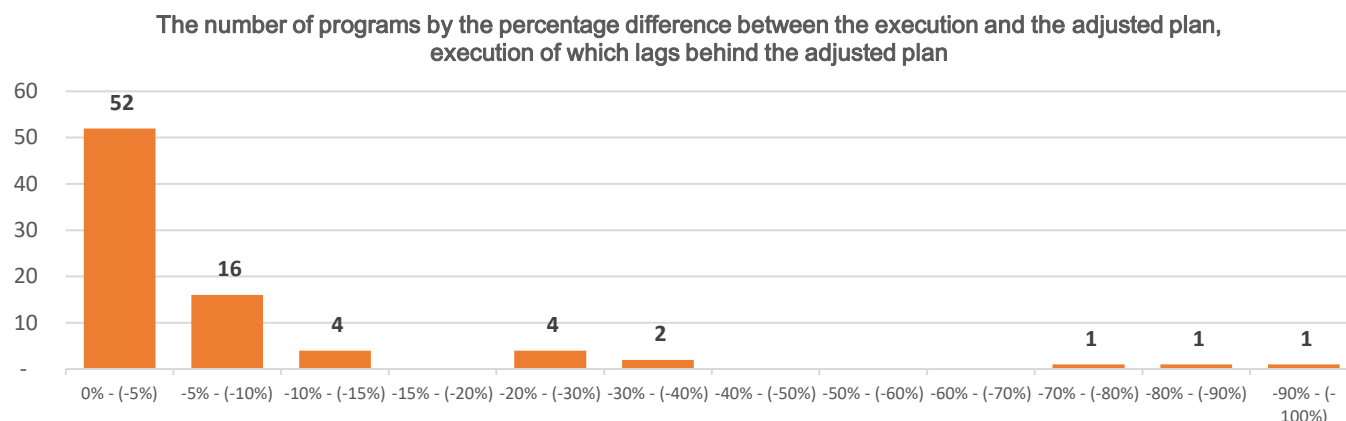


Diagram 48: The number of programs by the percentage difference between the execution and the adjusted plan, execution of which lags behind the adjusted plan (units).

As in excessive program execution towards the adjusted plans, no significant deviations were attested in most cases of lagging of program execution, although there are a few exceptions.

As for the requirements²⁸ of the Budget Code of Georgia on the distinction between the adjusted plans and the executions, irrelevance exceeded 15% in the case of 24 programs (15 exceed and 9 lags).

Code	Title	2020 adjusted plan	2020 actual	2020 actual / 2020 adjusted plans	
				distinction	% - alternation
Programs whose execution exceeds the adjusted plan by more than 15%					
29 10	Capacity Building of Defence Forces of Georgia (SG)	5.0	24.4	19.4	387.5%
31 14	Diagnosis of Consumption Products, Animal and Plant Diseases	4.0	7.5	3.5	87.1%
31 13	Monitoring, Projections and Prevention of Environmental Protection	2.6	4.2	1.5	58.7%
24 13	Vardnili and Enguri Hydro Power Plant Rehabilitation Project (EBRD, EIB, EU)	25.0	39.4	14.4	57.8%
26 11	Service Development and Accessibility of the State Service Development Agency	5.1	7.5	2.4	47.0%
24 16	Support to Professional Education in Navy and Marine Transportation	0.4	0.5	0.1	34.6%
31 08	Establishment and Management of the Protected Areas System	13.0	16.6	3.6	27.5%
25 03	Rehabilitation of Regional and Municipal Infrastructure	220.8	279.3	58.5	26.5%
25 05	Solid Waste Management Program	16.3	20.7	4.3	26.4%
25 04	Rehabilitation and Recovery of Water Supply Infrastructure	194.3	245.3	51.0	26.3%
31 11	Informational accessibility and Education for Sustainable Development Environmental Programs' on Protection and Agriculture	3.3	4.1	0.8	24.1%
26 05	Development of Electronic Governance	2.3	2.9	0.5	22.4%
32 12	Social Security and Assistance Events for Public Figures of Sports and Culture	13.8	16.9	3.1	22.1%
25 02	Measures for the Improvement of Road Infrastructure	1,243.5	1,493.9	250.4	20.1%
27 01	Management of Internally Displaced Persons from The Occupied Territories, Labour, Health and Social Security Programs	57.1	66.7	9.6	16.8%
Programs whose execution lags the adjusted plan by more than 15%					
32 14	Vocational Education I (KfW)	3.5	0.3	-3.2	-92.5%
26 09	Development of Land Market in Georgia (WB)	13.5	2.1	-11.4	-84.2%
32 13	Innovation, Inclusion and Quality Project - Georgia I2Q (IBRD)	5.1	1.1	-4.0	-79.0%
27 04	Rehabilitation and Equipment of Healthcare Facilities	81.2	50.7	-30.4	-37.5%
24 19	Regulation and Implementation Measurements of Supervisor Field on Market	0.7	0.5	-0.2	-30.3%
24 05	Facilitation of Developments in Tourism	11.7	8.2	-3.4	-29.3%
24 14	Development of Power Transmission Grids of Systemic Importance	41.5	30.1	-11.4	-27.6%
09 02	Training and Retraining of Judges and Court Personnel	1.9	1.4	-0.5	-26.6%
01 04	Strengthening Analytical and Research Affairs of Parliament of Georgia	1.0	0.7	-0.3	-26.4%

Table 16: Programs whose difference between the adjusted plans and the executions exceed 15% (million GEL,%).

²⁸ Budget Code. Article 56 "Annual Report on the Execution of the State Budget", 1. The annual report on the execution of the state budget includes at least the following information on the execution of the annual budget: F) Clarification on the inconsistencies between the adjusted allocations and the performance according to the programs of the spending institutions, if such inconsistencies exceeds 15%;

Capital Projects

In 2020, the execution of capital projects defined by the state budget amounted to 2,515.7 million GEL, which is 115.2% of the annual plan (2,183.9 million GEL) and 115.6% of the adjusted plan (2,175.5 million GEL). Moreover, it should be noted that from the expenses rendered from capital projects in 2020, 1,335.3 million GEL goes to donor-funded sources, from which 1,300.6 million GEL goes on credits whereas, 34.7 million GEL goes to grants.

In 2020, 78.8% of the execution of capital projects goes to the Ministry of Regional Development and Infrastructure of Georgia (1,983.6 million GEL), from which 1,369.3 million GEL was directed to “Measures for the Improvement of Road Infrastructure” (Program Code 25 02), 221.4 million GEL on - “Rehabilitation of Regional and Municipal Infrastructure (program code 25 03)” and 215.3 million GEL on - “Rehabilitation and Recovery of Water Supply Infrastructure (Program Code 25 04)”.

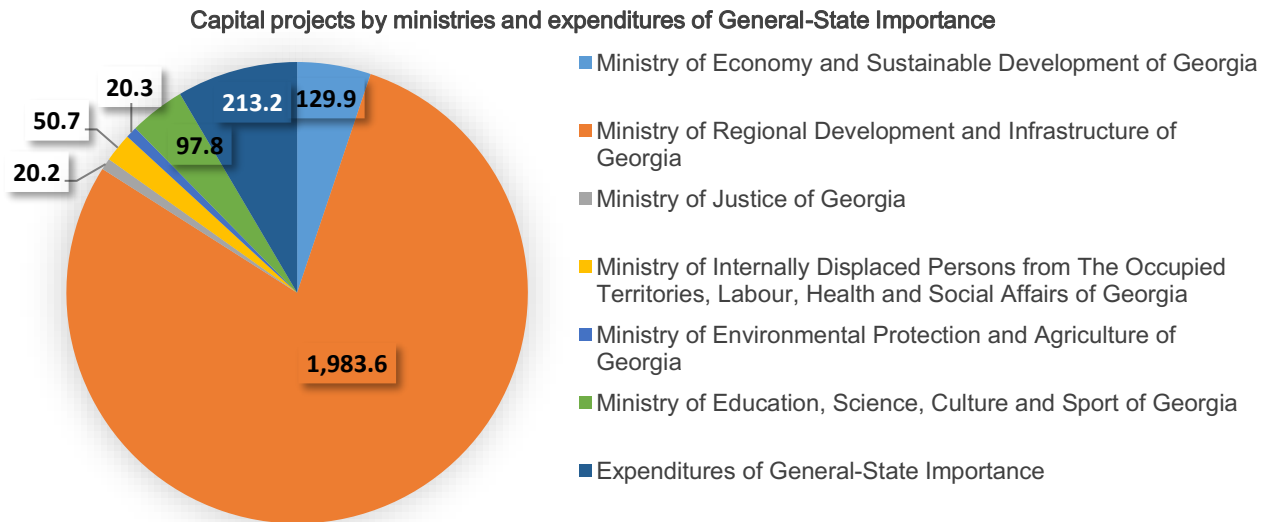
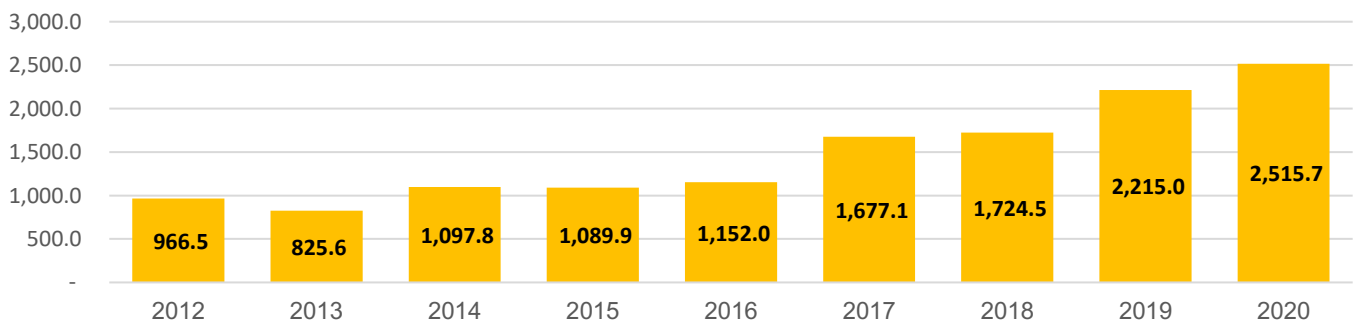


Diagram 49: 2020 Capital projects by ministries and expenditures of General-State Importance (million GEL).

The highest indicator of the execution of capital projects in 2012-2020 was attested in 2020 and exceeded the indicator of 2019 by 300.7 million GEL (13.6%), as for the average growth rate, the average growth rate of funds directed to capital projects in 2013-2020 is defined at - 14.2%.

Funds directed towards the capital projects in 2012-2020



Diagrams 50: Funds directed towards the capital projects in 2012-2020 (million GEL).

Expenditures of General State Importance

According to the State Budget Law 2020, the approved total amount of **expenditures of general state importance** was defined at 3,027.3 million GEL, from which the greatest amount are determined for: “External state debt service and repayments (program code - 56 01)” - 1,360.0 million GEL; “Domestic state debt service and repayments (Program Code - 56 02)” - 448.0 million GEL; “Regional Project Development Fund of Georgia (program code - 56 07)” - 400.0 million GEL; “General-State Expenditures Financed by Donors (program code 56 13)” – 205.9 million GEL; “Co-financing Cumulative Pension Schemes (Program Code - 56 11)” - 200.0 million GEL; “Transfers to Autonomous Republics and Local Self-Government Units (Program Code - 56 04)” – 166.0 million GEL and “StopCoV Fund (program code - 56 17)” - 133.5 million GEL.

The adjusted plan for **"External state debt service and repayments"** amounted to 1,289.2 million GEL by the end of 2020, however, the execution was defined at - 1,238.4 million GEL, amounting to 96.1% of the adjusted plan. From indicated execution - 901.9 million GEL was addressed to the repayment of external state debt, whereas 336.5 million GEL was addressed to the repayment of the service (interest).

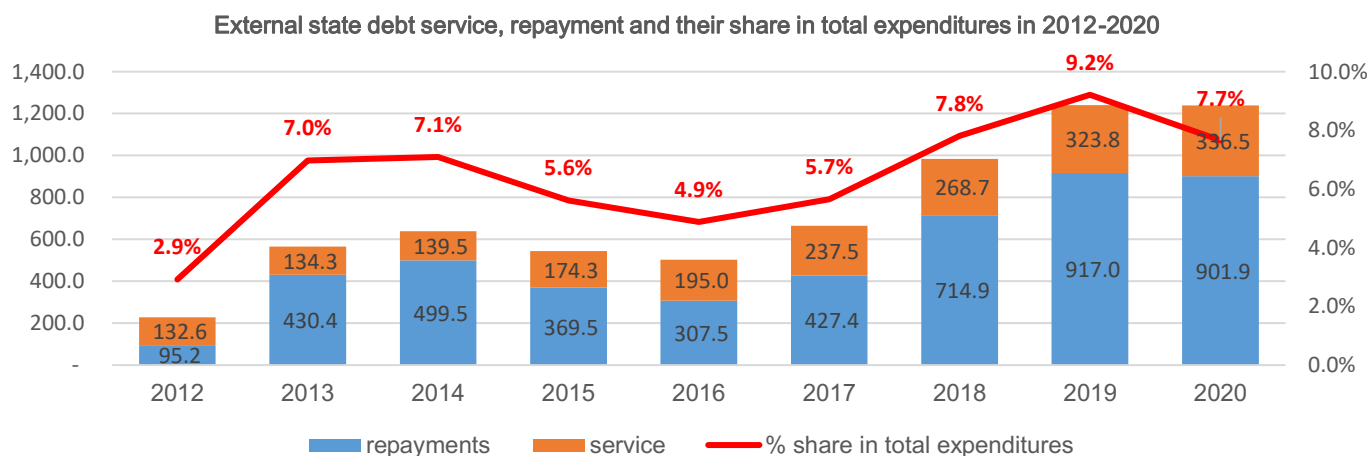


Diagram 51: External state debt service, repayment and their share in total expenditures in 2012-2020 (million GEL, %)

The adjusted plan for **"Domestic state debt service and repayments"** by the end of 2020 amounted to 474.0 million GEL, and the execution – 467.2 million GEL, which is 98.6% of the adjusted plan GEL. 40.0 million GEL was addressed to the repayment of domestic state debt, whereas 427.2 million GEL – was addressed to the repayment of service (interest).

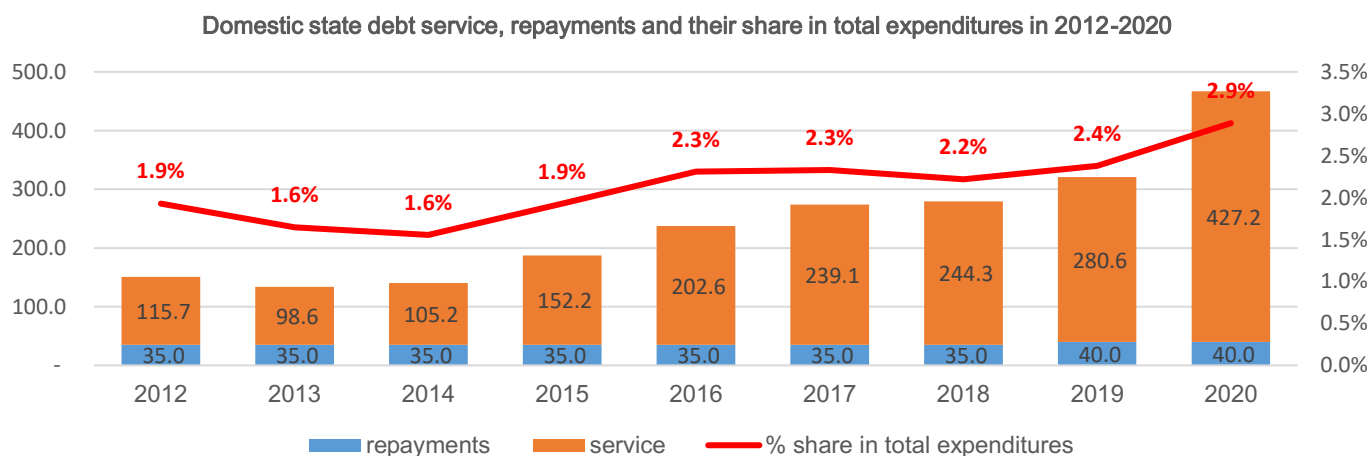


Diagram 52: Domestic state debt service, repayments and their share in total expenditures in 2012-2020 (million GEL, %)

The execution of the **"Regional Project Development Fund of Georgia"** amounted to 449.5 million GEL by the end of 2020. Based on the relevant legal acts, the assignments from the above-mentioned fund were distributed to the following sub-programs: "Transfers to local self-government units (program code - 56 04 02)" - assimilation under the sub-program amounted to 429.5 million GEL; "Road construction and maintenance (program code 25 02 02)" – 20.0 million GEL.

Target of execution of the Regional Project Development Fund of Georgia 2020

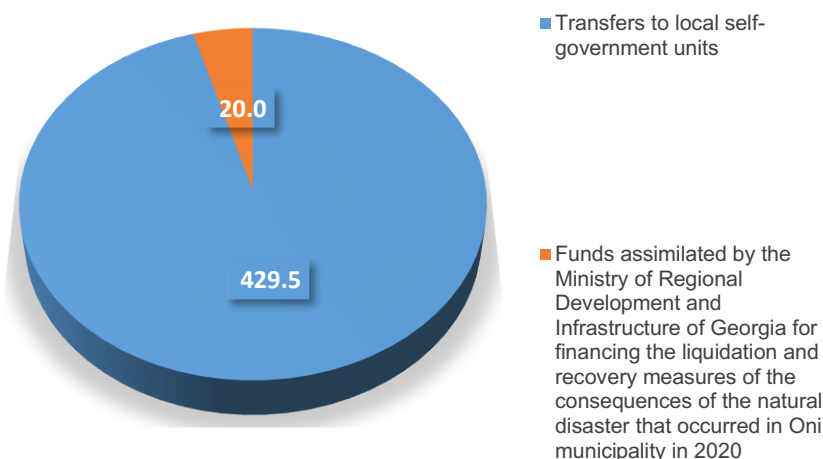


Diagram 53: Target of execution of the Regional Project Development Fund of Georgia in 2020 (million GEL)

The diagram below represents the information on 2012-2020 approved amount and assimilation of the “Regional Project Development Fund of Georgia”:

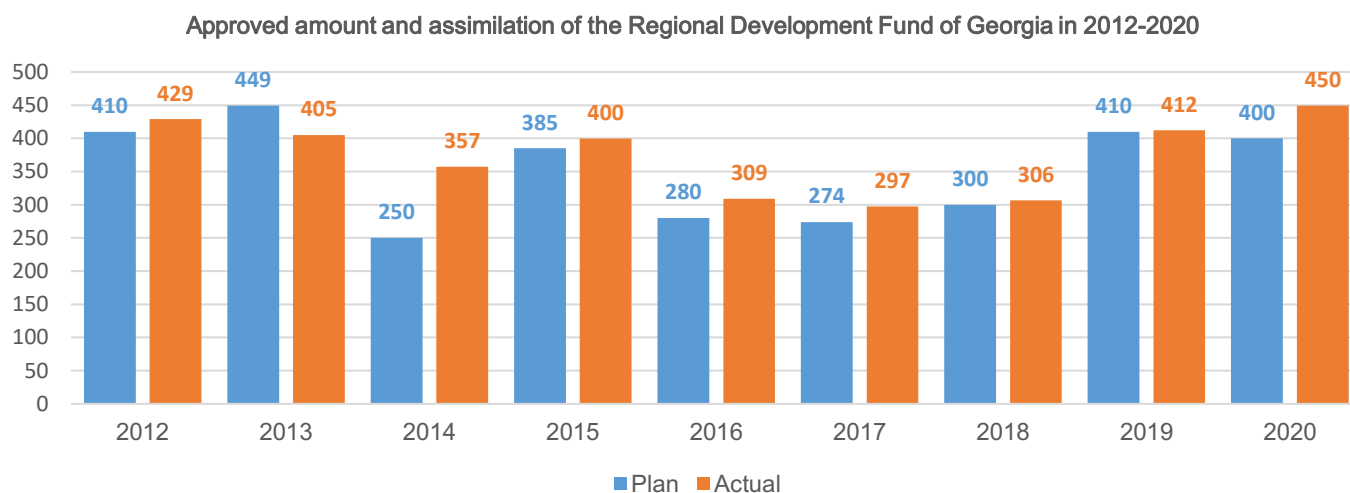


Diagram 54: Approved amount and assimilation of the Regional Project Development Fund of Georgia in 2012-2020 (million GEL).

The adjusted plan of “**General-State Expenditures Financed by Donors**” amounted to 207.4 million GEL in 2020, whereas, the execution was defined at 213.2 million GEL, 102.8% of the adjusted plan. From the indicated execution, 64.2% goes on “Tbilisi Bus Project (Phase II) (EBRD)” with the amount of 136.8 million GEL.

The adjusted plan of “**Co-financing cumulative pension schemes**” was defined at 211.0 million GEL in 2020 as well as the execution amounted to 211.0 million GEL.

The adjusted plan of “**Transfers to the Autonomous Republics and local self-government units (program code 56 04)**” amounted to 644.1 million GEL, while the execution amounted to 637.8 million GEL, which is 99.0% of the adjusted plan. Apart from the abovementioned program code, transfers with the amount of 29.0 million GEL were addressed to the budgets of local self-government units from the following program codes: “Tbilisi Bus Project (Phase II) (EBRD) (program code 56 13 05)” – with the amount of 20.0 million GEL; “Financial support for planned reforms in municipalities in cooperation with international partners (program code 56 12)” – 4.3 million GEL; “Rehabilitation of Communal Infrastructure Institutions in Batumi - Phase IV (KfW) (program code 56 13 02)” - with the amount of 4.2 million GEL and “Rehabilitation of Communal Infrastructure Institutions in Batumi - Phase III (EU, KfW) (program code 56 13 01)” – 0.5 million GEL.

Taking into account all the above mentioned, the transfers to be transferred for the autonomous republics and local self-government units in 2020 were defined at – 666.8 million GEL, from which – 440.0 million GEL was capital transfer, 214.8 special transfer and 12.0 million GEL targeted transfer.

The execution of „**StopCov Fund**” amounted to 131.9 million GEL by the end of 2020. On behalf of the appropriate legal act to alleviate the damage caused by the infection caused by the new coronavirus (SARS-COV-2) (COVID-19) – 122.8 million GEL from the abovementioned fund was assimilated by the Ministry of Internally Displaced Persons from the Occupied Territories, Health, Labour and Social Affairs of Georgia, whereas, assimilation of 3.5 million GEL by the Ministry of Internal Affairs of Georgia. Furthermore, 5.6 million GEL was assimilated from the abovementioned fund by the Ministry of Education, Science, Culture and Sport of Georgia in order to implement the consolidated tender(s) for state procurement of certain types of cleaning and disinfection equipment in 2020-2021.

Target of execution of StopCov Fund in 2020

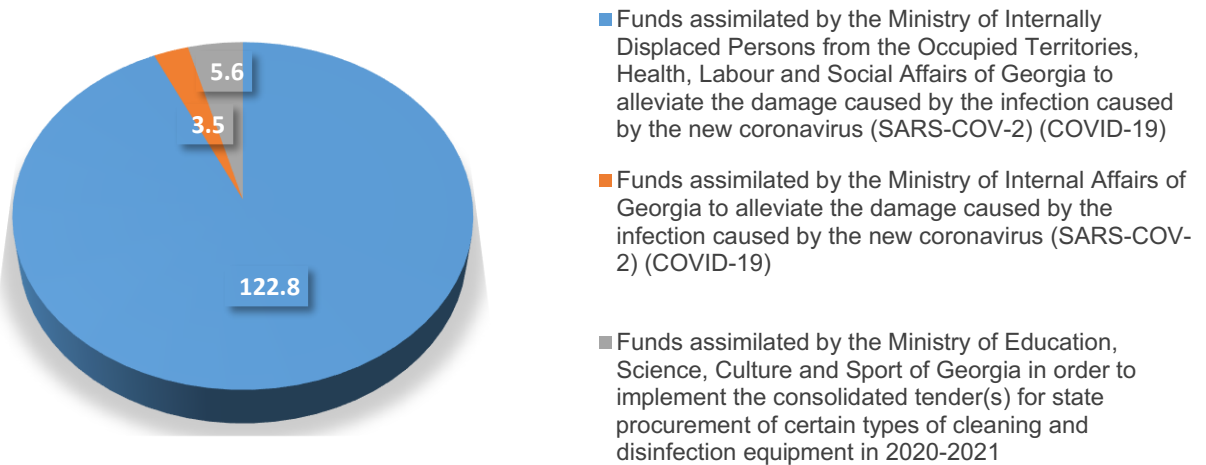


Diagram 55: Target of execution of StopCov Fund in 2020 (million GEL).

The execution indicators of the "Government Reserve Fund of Georgia" and the "Mountainous Community Development Fund" for 2020 are noteworthy during the analysis of expenditures of general state importance.

The approved amount of the "Government Reserve Fund of Georgia" was defined at 50.0 million GEL and, as in case of "Regional Project Development Fund of Georgia", was allocated to various programs in 2020 based on the relevant legal acts. By the end of 2020, the execution of the "Government Reserve Fund of Georgia" amounted to 54.7 million GEL, from which the main assimilation was made in frames of the following programs: "Development of Public Policy to Support the Law Making and Legal Protection of the Best Interests of Georgia, Including the Implementation of Criminal Law System (program code 26 01)"- 22.7 million GEL; "Management of Defence (program code 29 01)" – 9.7 million GEL; "Measures for Holding Elections (program code 06 04)" – 6.5 million GEL; "Government Administration of Georgia (program code 04 00)"- 3.9 million GEL; "International Peacekeeping Missions (program code 29 06)" – 3.3 million GEL; "Facilitation of Developments in Tourism (program code 24 05)" – 3.0 million GEL; "Healthcare Services to Population (program code 27 03)"- 3.0 million GEL; "Management of Internally Displaced Persons from The Occupied Territories, Labour, Health and Social Security Programs (program code 27 01)" – 1.0 million GEL; "Development and Implementation of Economic Policy (program code 24 01)" – 0.6 million GEL; "Foreign Policy Implementation (program code 28 01)"- 0.5 million GEL; "High Council of Justice of Georgia (program code 10 00)" – 0.2 million GEL and "Transfers of autonomous republics and local self-government units (program code 56 04)" – 0.2 million GEL.

Targets of execution of Government Reserve Fund of Georgia in 2020

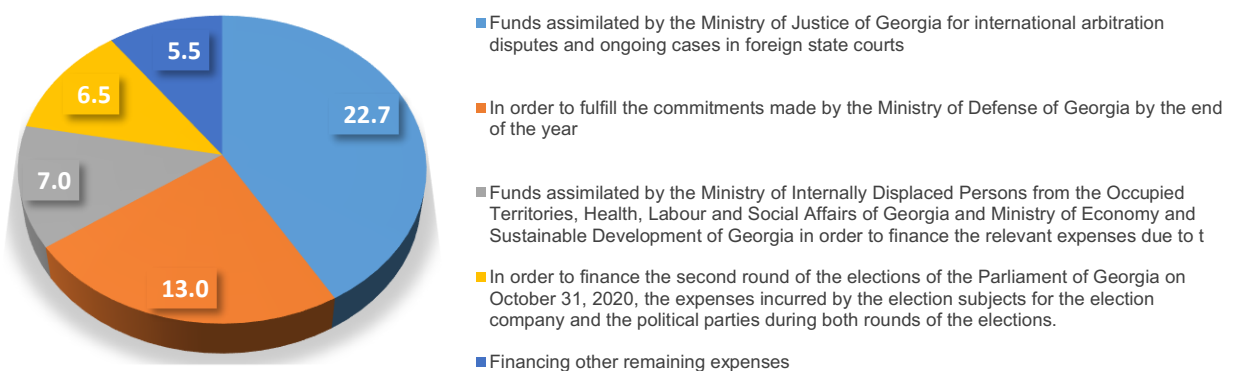


Diagram 56: Target of execution of Government Reserve Fund of Georgia in 2020(million GEL).

In 2020, the execution of the "Government Reserve Fund of Georgia" (54.7 million GEL) exceeds the same indicator of 2019 by 92.7 thousand GEL, whereas, lags behind the indicators of 2012-2018. The diagram below represents information on the approved amounts and execution of the "Government Reserve Fund of Georgia" in 2012-2020:

Approved amounts and assimilation of the Government Reserve Fund of Georgia in 2012-2020

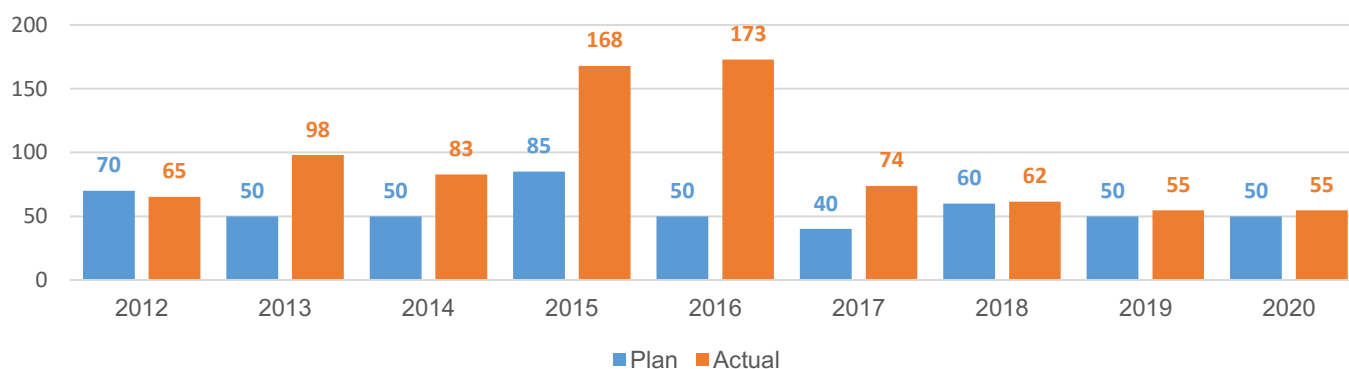


Diagram 57: Approved amounts and assimilation of the Government Reserve Fund of Georgia in 2012-2020 (million GEL).

As for the "Mountainous Community Development Fund", the approved amount of the fund was defined at 20.0 million GEL, whereas, by the end of 2020 the execution amounted to 19.8 million GEL, where the main execution were done in frames of the following programs/sub-programs: "Transfers to local self-government units (program code - 56 04 02)" - 8.4 million GEL, "Common Agro Project (program code 31 05)" – 10.0 million GEL and "Development of infrastructure of general education institutions (program code 32 07 01)" – 1.5 million GEL.

The diagram below shows the purpose of assimilation of "Mountainous Community Development Fund":

Target of execution of Mountainous Community Development Fund in 2020

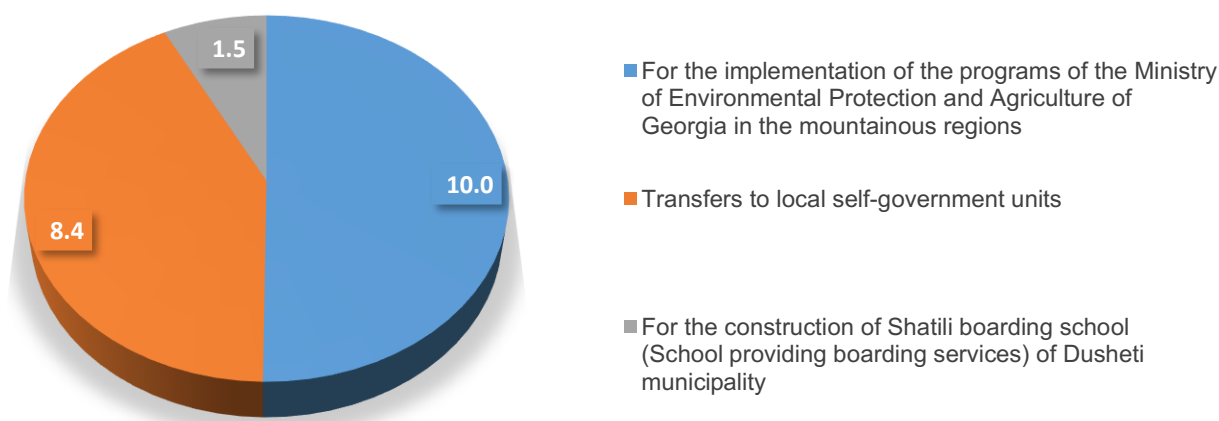


Diagram 58: Target of execution of Mountainous Community Development Fund in 2020 (million GEL).

In 2020, the execution of "Mountainous Community Development Fund" exceeds previous years' indicators, except from 2017. The diagram below represents the information on approved amount and on assimilations of the abovementioned fund:

Approved amounts and assimilations of Mountainous Community Development Fund in 2016-2020

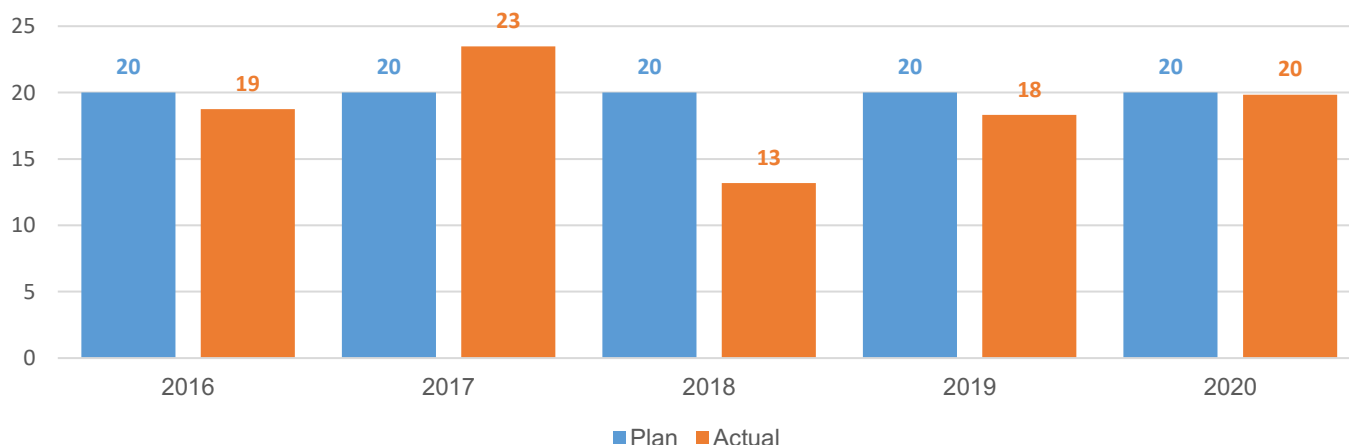


Diagram 59: Approved amounts and assimilations of Mountainous Community Development Fund in 2016-2020 (million GEL).

State Budget Net Change in the Stock of Cash, Gross Operating Balance and Net Lending/Net Borrowing Balance

Net Change in the Stock of Cash

At the beginning of 2020, the amount of the adjusted state budget balance amounted to 443.7 million GEL. However, by the end of the year, taking into account the net accumulation in the stock of cash, state budget balance amounted to 2,311.4 million GEL, including the largest share of free balance (2,310.6 million GEL). During the reporting period, **Net change in the Stock of Cash (accumulation) amounted to 1,867.7 million GEL**. Namely:

- According to the 2020 initial state budget law, total revenues were defined at 14,554.2 million GEL, while total expenditures were defined at 14,432.9 million GEL. Correspondingly, net accumulation in the stock of cash was defined with the amount of 121.3 million GEL. Amendments made in the budget law in June increased the forecasted amount of total revenues and amounted to 18,420.3 million GEL, the total expenditures plan - amounted to 15,923.8 million GEL, and the net accumulation in the stock of cash indicator to - 2,496.5 million GEL.
- Low indicator of total revenues mobilization was attested during the year, however, total expenditures were characterized with a high rate of utilization of funds throughout the year (especially from the 3rd quarter). Consequently, by the end of the year, net accumulation in the stock of cash amounted to 1,867.7 million GEL, less the planned indicator (2,496.5 million GEL) by 628.8 million GEL.

The diagram below shows State Budget net change in the stock of cash in 2012-2020.

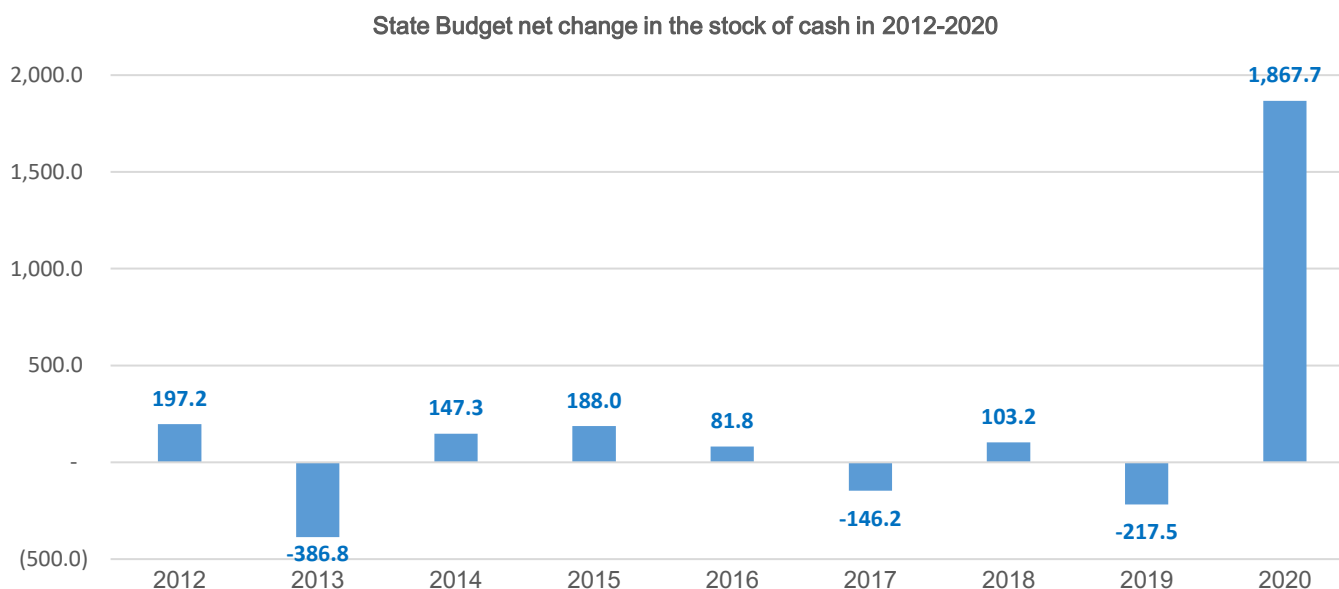


Diagram 60: State Budget net change in the stock of cash in 2012-2020 (million GEL).

Gross Operating Balance and Net Lending/Net Borrowing Balance

As for the gross operating and Net Lending/Net Borrowing Balance, the gross operating balance of 2020 state budget amounted to -2,043.5 million GEL, and the net lending/Net borrowing balance - -4,264.4 million GEL. The lowest indicator of the gross operating and Net Lending/Net Borrowing Balance was attested in 2020, what is connected with decrease of the revenues, as well as with increase of indicators of expenses and acquisitions of nonfinancial assets, compared to previous years.

The diagram below represents the State Budget Gross operating balance and net lending/Net borrowing balance in 2012-2020.

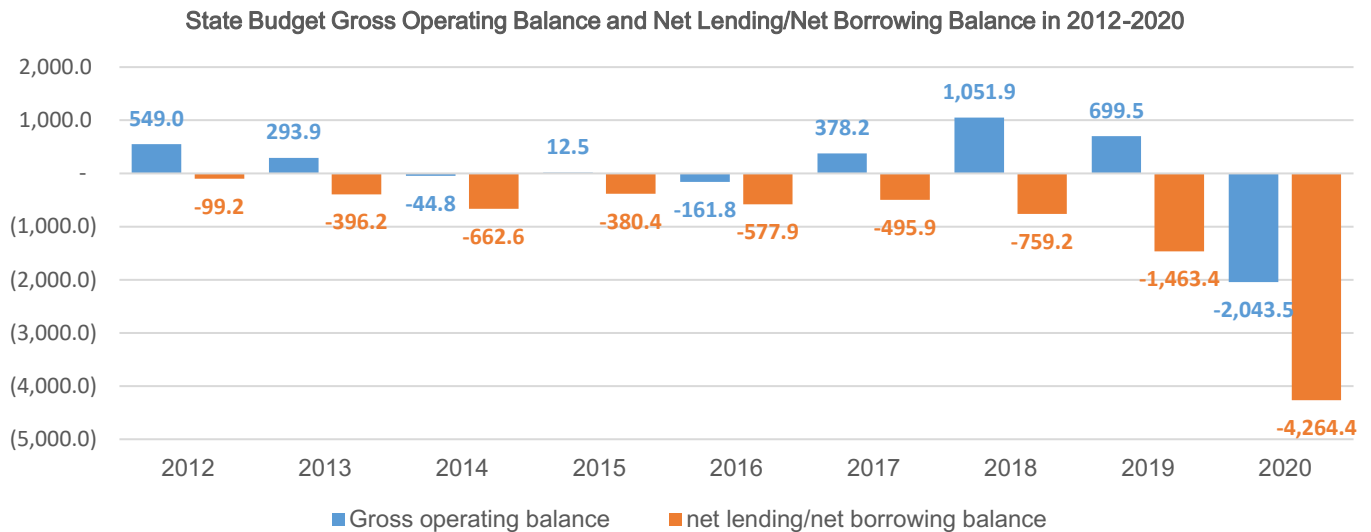


Diagram 61: State Budget Gross Operating Balance and Net Lending/Net Borrowing Balance in 2012-2020 (million GEL).

Annexes

Annex 1: Review of Central Budget²⁹ Execution

In 2020, the state budget total revenues amounted to 18,042.3 million GEL, while total expenditures were defined at - 16,174.6 million GEL. The revenues of the central budget LEPLs/NNLEs within the limits of their own permitted total revenues³⁰ amounted to 1,353.9 million GEL, and total expenditures - 1,228.7 million GEL.

Moreover, in the permitted revenues by the legislation of Central Budget LEPLs/NNLEs are reflected the current grant with the amount of 184.1 million GEL transferred from the state budget to the budgets of Central Budget LEPLs/NNLEs in 2020 and capital grant with amount of 55.3 million GEL. State budget total revenues include 50.6 million GEL transferred by LEPLs to the state budget in accordance with Article 35³¹ of the law of Georgia “on State Budget of Georgia 2020”.

Taking into account the funds transferred from the state budget to the budget of LEPLs/NNLEs and the funds transferred to the state budget by LEPLs (290.1 million GEL in total), **the total revenues** of the central budget of Georgia of 2020 year, **amounted to 19,106.5 million GEL, total expenditures - 17,113.3 million GEL and net accumulation in the stock of cash was defined at - 1,992.9 million GEL.**

	2020 Central Budget ³²	State Budget	Permitted revenues of LEPLs/ NNLEs
Total revenues	19,106.2	18,042.3	1,353.9
Revenues	11,482.0	10,490.4	1,281.7
Disposals of nonfinancial assets	109.6	98.2	11.5
Disposals of financial assets	197.3	163.4	33.9
Incurrence of liabilities	7,317.3	7,290.4	26.9
Total expenditure	17,113.3	16,174.6	1,228.7
Expenses	13,277.5	12,533.9	1,033.7
Acquisitions of nonfinancial assets	2,448.6	2,319.0	129.6
Acquisitions of financial assets	438.5	377.7	60.9
Reductions of liabilities	948.6	944.0	4.6
Net Change in the Stock of Cash	1,992.9	1,867.7	125.3

Table 17: Execution of 2020 central budget (million GEL).

As for **Gross Operating Balance and Net Lending/Net Borrowing Balance** of central budget, in 2020, the **Gross operating balance was defined at -1,795.5 million GEL and net lending/Net borrowing balance was defined at - 4,134.5 million GEL.**

The table below represents the central budget balance for 2019-2020.

²⁹ Central Budget - state budget and legal entities of public law (created/established by the relevant law, a decree of the Government of Georgia or an administrative act of a state governing body on the basis of law, or a legal entity of public law established by this legal entity of public law) and non- entrepreneurial legal entities (Created/established by a central government body of Georgia and/or a legal entity established by it in accordance with the rules established by the legislation of Georgia) Consolidated budget of budgets, which is not subject to approval by a representative body of the government.

³⁰ Funds transferred between LEPLs/NNLEs within the central budget are consolidated in the presented data.

³¹ The legal entity of public law provided in paragraph 4 of Article 12 of the Law of Georgia on Legal Entities of Public Law shall apply to at least 10% of the (own) revenues mobilized by it in 2020, permitted by the legislation of Georgia, to the state budget of Georgia.

³² In the central budget column of 2020, both the total revenues and total expenditures are consolidated from the state budget to the budget of LEPLs/NNLEs and the funds transferred by the central budget LEPLs to the state budget in the total amount of 290.1 million GEL.

Title	2019 Central budget	2020 Central budget	2020 year / 2019 year	
			distinction	% - alternation
Revenues	11,689.7	11,482.0	-207.8	-1.8%
Taxes	9,665.6	9,364.8	-300.8	-3.1%
Grants	430.0	413.7	-16.3	-3.8%
Other revenues	1,594.2	1,703.5	109.3	6.9%
Expenses	10,837.9	13,277.5	2,439.6	22.5%
Compensation of Employees	1,857.1	1,947.5	90.4	4.9%
Use of Goods and services	1,718.7	1,924.2	205.6	12.0%
interest	607.0	766.8	159.8	26.3%
Subsidies	496.1	851.4	355.3	71.6%
Grants	691.8	772.2	80.4	11.6%
Social benefits	3,960.3	5,354.3	1,394.1	35.2%
Other expenses	1,506.9	1,661.0	154.1	10.2%
Gross operating balance	851.8	-1,795.5	-2,647.4	-310.8%
Gross investment in nonfinancial assets	2,261.1	2,339.0	77.9	3.4%
Acquisitions	2,354.3	2,448.6	94.3	4.0%
Disposals	93.3	109.6	16.4	17.5%
Net Lending/Net Borrowing balance	-1,409.2	-4,134.5	-2,725.3	193.4%
Net acquisition of financial assets	-28.9	2,234.2	2,263.1	-7836.4%
Acquisitions	368.4	2,431.5	2,063.0	559.9%
Disposals	397.3	197.3	-200.1	-50.4%
Net incurrence of liabilities	1,380.4	6,368.7	4,988.4	361.4%
Incurrence	2,341.4	7,317.3	4,975.9	212.5%
Domestic	954.8	2,053.0	1,098.2	115.0%
External	1,386.6	5,264.3	3,877.7	279.7%
Reductions	961.1	948.6	-12.5	-1.3%
Domestic	44.1	46.7	2.6	5.9%
External	917.0	901.9	-15.1	-1.6%
Balance	0.0	0.0		

Table 18: Balance of central budget in 2019-2020 (million GEL, %).

Total Revenues of the Central Budget

In 2020, the consolidated total revenues of the Central Budget of Georgia amounted to **19,106.2 million GEL**, including total Revenues of the state budget, except for the grant received by the central budget LEPLs (50.6 million GEL), amounted to 17,991.7 million GEL, and total revenues received within the framework of the revenues permitted by the legislation of the central budget LEPLs/NNLEs, except for grants received from the state budget (239.5 million GEL), amounted to 1,114.5 million GEL.

Consolidated total revenues of the Central Budget of Georgia for 2020 exceed the same indicator for 2019 (14,304.3 million GEL) by **4,801.9 million GEL (33.6%)**. The increase fully goes on the state budget total revenues with the amount of 4,808.9 million GEL, which is connected with income received from the component of Incurrence of liabilities. However, the decrease in total revenues received in frames of the legislation by the central budget LEPLs/NNLEs is defined with the amount of 7.0 million GEL.

	2019 central budget	2020 central budget	2020 year / 2019 year	
			distinction	% - alternation
Total revenues	14,304.3	19,106.2	4,801.9	33.6%
revenues	11,689.7	11,482.0	-207.8	-1.8%
Disposals of nonfinancial assets	93.3	109.6	16.4	17.5%
Disposals of financial assets	179.8	197.3	17.4	9.7%
Incurrence of liabilities	2,341.4	7,317.3	4,975.9	212.5%

Table 19: Total revenues of central budget in 2019-2020 (million GEL, %).

Compared to the previous year, in 2020, the significant increase of central budget total revenues (33.6%), stipulated the change of the percentage distribution of total revenues between the state budget and LEPLs / NNLEs. Namely, in 2020, 94.2% of the central budget total revenues came from the state budget total revenues, and 5.8% - from the total revenues received under the revenues permitted by the legislation of the central budget LEPLs/NNLEs. This redistribution for 2019 was accordingly defined at - 92.2% and 7.8%.

As to the 2020 central budget total revenues according to components, the performance of the component with the largest share was revenues (60.1% of total revenues), which amounted to 11,482.0 million GEL, which lags behind the 2019 indicator by 207.8 million GEL (by 1.8%), the disposals of nonfinancial assets in 2020 exceeds the indicator of previous year by 16.4 million GEL and amounts to 109.6 million GEL, whereas, compared to previous year, the indicator of disposals of financial assets has increased by 17.4 million GEL and amounts to 197.3 million GEL. Compared to 2019, in 2020, the significant increase is attested in total revenues received from incurrence of liabilities. Namely, in 2020, the indicator of central budgets' incurrence of liabilities amounts to 7,317.3 million GEL, exceeding 2019 indicator by 4,975.9 million GEL (by 212.5%), the indicated increase goes on incurrence of domestic as well as external liabilities.

As a detailed analysis of the state budget total revenues is presented in the relevant chapters of the document, it is interesting to review the total revenues received under the central budget LEPLs/NNLEs within the revenues permitted under the legislation.

In 2020, the total revenues permitted by legislation received from LEPLs/NNLEs amounted to 1,353.9 million GEL, from which 239.5 million GEL was received from the state budget as a grant. The 2020 indicator exceeds the 2019 indicator (1,228.7 million GEL) by 125.3 million GEL (by 10.2%), however, it should be noted that in 2019, the revenue received from the state budget by way of a grant amounted to 107.2 million GEL (by 132.3 million GEL less than in 2020). Accordingly, except of the revenue received by way of grant from the state budget, the increase in 2020 is defined at 7.0 million GEL (0.6%).

	2019 total revenues of LEPLs/ NNLEs	2020 total revenues of LEPLs/ NNLEs	2019 Annual total revenues without state budget grants	2020 Annual total revenues without state budget grants	distinction (2020 year / 2019 year)	
					Including grants	Excluding grants
Total revenues	1,228.7	1,353.9	1,121.4	1,114.5	125.3	-7.0
revenues	1,191.3	1,281.7	1,084.1	1,042.2	90.4	-41.9
Taxes	-	-	-	-	-	-
Grants	116.5	243.2	9.7	4.7	126.7	-5.0
Other revenues	1,074.8	1,038.5	1,074.4	1,037.5	-36.3	-36.9
Disposals of nonfinancial assets	0.03	11.5	0.03	11.5	11.4	11.4
Disposals of financial assets (Except of net application in the stock of cash)	31.3	33.9	31.3	33.9	2.6	2.6
Incurrence of liabilities	6.1	26.9	6.1	26.9	20.9	20.9
Domestic	6.1	26.9	6.1	26.9	20.9	20.9
External	-	-	-	-	-	-

Table 20: Permitted by legislation total revenues received from LEPLs/NNLEs 2019-2020 (million GEL).

As represented on the table, the great share of the total revenues received in 2020 (94.7% of total revenues) goes on **revenues**. 1,281.7 million GEL was received by way of revenues in 2020, from which 243.2 million GEL represent revenues received by ways of grants (including grants from the state budget – 238.5 million GEL), and 1,038.5 million GEL - other revenues (including funds received from state budget, classified as other revenues, with the amount of 1.0 million GEL). Revenues received in 2020 exceed the same indicator of 2019 (1,191.3 million GEL) by 7.6%, however, if we exclude grants from the state budget from the indicators of 2019 and 2020, the increase will be replaced by decrease with the amount of 41.9 million GEL (by 3.9%).

In 2020, the total revenues received from the **disposals of nonfinancial assets** was defined at 11.5 million GEL. In 2019, insignificant amount of sums (26.6 thousand GEL) were received from this direction.

In 2020, 33.9 million GEL was mobilized from the **disposals of financial assets**, which exceeds the same indicator of 2019 by 2.6 million GEL.

As for the fourth component of total revenues, **the incurrence of liabilities**, in 2020, the incurrence of liabilities in frames of revenues permitted by the legislation of central budget LEPLs/NNLEs amounted to 26.9 million GEL, which has increased by 20.9 million GEL (by 344.5%) compared to the previous year. However, it should be noted that in 2019-2020, the incurrence of liabilities occurred only from domestic sources.

Total Expenditures of the Central Budget

Consolidated total expenditures of the Central Budget of Georgia amounted to **17,113.3 million GEL** in 2020, including state budget expenditures, except from the grant transferred for central budget LEPLs/NNLEs (239.5 million GEL), amounting to 15,935.2 million GEL, and the central budget total expenditures in frames of revenues permitted by the legislation of LEPLs/NNLEs, except from the grants transferred to the state budget on the basis of Article 35 of the Law of Georgia “on State Budget of Georgia 2020” (50.6 million GEL), defined at 1,178.1 million GEL.

Consolidated total expenditures of the Central Budget of Georgia for 2020 exceeds the same indicator of 2019 (14,472.7 million GEL) by **2,640.5 million GEL (by 18.2%)**. The main share from increase goes on state budget total expenditures with the amount of 2,572.7 million GEL, while the increase of total expenditures within the revenues permitted by the legislation of central budget LEPLs/NNLEs is defined at 67.8 million GEL.

	2019 central budget	2020 central budget	2020 year / year 2019	
			distinction	%-alteration
Total expenditures	14,472.7	17,113.3	2,640.5	18.2%
Expenses	10,837.9	13,277.5	2,439.6	22.5%
Acquisitions of nonfinancial assets	2,354.3	2,448.6	94.3	4.0%
Acquisitions of financial assets	319.4	438.5	119.1	37.3%
Reductions of liabilities	961.1	948.6	-12.5	-1.3%

Table 21: Total expenditures of central budget 2019-2020 (million GEL, %).

Although, compared to previous year, in 2020 the total expenditures of central budget have increased by 18.2%, the percentage distribution between total expenditures of state budget and LEPLs/NNLEs has slightly changed. Namely, 93.1% of total expenditures of central budget goes on state budget total expenditures and 6.9% goes on expenditures made in frames of revenues permitted by legislation of LEPLs/ NNLEs. This redistribution for 2019 was correspondingly defined at - 92.3% and 7.7%.

As for the total expenditures of 2020 central budget according to components, the greatest share of total expenditures (77.6%) goes on expenses, the execution amounted to 13,277.5 million GEL, exceeding the indicator of 2019 by 2,439.6 million GEL (by 22.5%). Compared to previous year, the indicator of acquisitions of nonfinancial assets have also increased in 2020, with the amount of 94.3 million GEL and is defined at 2,448.6 million GEL. Moreover, compared to 2019, funds directed towards the acquisitions of financial assets for 2020 have increased and were defined at 438.5 million GEL, exceeding the indicator of previous year by 119.1 million GEL (by 37.3%). In 2020, compared to 2019, execution indicator of reductions of liabilities have decreased, the execution of indicated component was defined at 961.1 million GEL in 2019, however, the same indicator was by 12.5 million GEL (by 1.3%) less in 2020 and was defined at 948.6 million GEL.

As a detailed analysis of the state budget total expenditures is presented in the relevant chapters of the document, it is interesting to review the total expenditures made under the central budget LEPLs/NNLEs within the revenues permitted by the legislation of the Central Budget LEPLs/NNLEs.

In 2020 **total expenditures of LEPLs/NNLEs in frames of revenues permitted by the legislation** amounted to **1,228.7 million GEL**, from which 50.6 million GEL was trasfered to the state budget. The 2020 indicator exceeds the 2019 indicator (1,179.6 million GEL) by 49.1 million GEL (by 4.2%). Moreover, it should be noted that in 2019, 69.4 million GEL was directed to the state budget (by 18.8 million GEL more than in 2020), therefore, except from the funds directed to the state budget, the increase for 2020 is defined at 67.8 million GEL.

	2019 total expenditures of LEPLs/ NNLEs	2020 total expenditures of LEPLs/ NNLEs	2019 Annual total expenditures without state budget grants	2020 Annual total expenditures without state budget grants	distinction (2020 year / year 2019)	
					Including grants	excluding grants
Total expenditures	1,179.6	1,228.7	1,110.3	1,178.1	49.1	67.8
Expenses	1,039.0	1,033.7	969.6	983.1	-5.3	13.5
Compensation of Employees	402.3	404.4	402.3	404.4	2.1	2.1
Use of Goods and services	416.8	395.1	416.8	395.1	-21.7	-21.7
Interest	2.5	3.1	2.5	3.1	0.6	0.6
Subsidies	6.4	14.3	6.4	14.3	7.9	7.9
Grants	70.1	51.6	0.7	1.0	-18.4	0.3
Social benefits	13.7	11.2	13.7	11.2	-2.5	-2.5
Other expenses	127.2	154.0	127.2	154.0	26.8	26.8
Acquisitions of nonfinancial assets	98.2	129.6	98.2	129.6	31.4	31.4
Acquisitions of financial assets	40.5	60.9	40.5	60.9	20.3	20.3
Reductions of liabilities	1.9	4.6	1.9	4.6	2.6	2.6
Domestic	1.9	4.6	1.9	4.6	2.6	2.6
External	-	-	-	-	-	-

Table 22: total expenditures within the framework of revenues permitted by the legislation of the Central Budget LEPLs/NNLEs 2019-2020 (million GEL).

In 2020, the great share (84.1%) of the total expenditures in frames of permitted revenues by the legislation of LEPLs/NNLEs goes on expenses, while the acquisitions of nonfinancial assets goes on 10.5% of total expenditures. As to the state budget, 77.5% of 2020 total expenditures goes on expenses and 14.3% on acquisitions of nonfinancial assets.

Structure of total expenditures of 2020 State Budget and LEPLs/NNLE's Own Funds

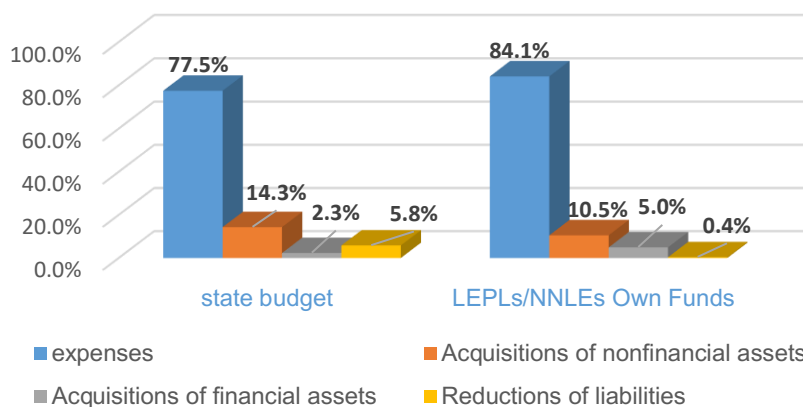


Diagram 62: Structure of total expenditures of 2020 State Budget and LEPLs/NNLE's Own Funds (%)

In 2020, the expenses of the revenues permitted by the legislation of central budget LEPLs/NNLEs amounted to 1,033.7 million GEL, by 5.3 million GEL

less than the indicator of previous year. In 2020, compared to 2019, funds have decreased directed to use of goods and services, grants (resulted from the decrease of grants to be directed to the state budget) and social benefits, correspondingly, with the amount of 21.7 million GEL, 18.4 million GEL and 2.5 million GEL. As to the increase, in 2020, compared to previous year, funding for other expenses have increased by 26.8 million GEL, subsidies – by 7.9 million GEL, compensation of the employees – by 2.1 million GEL and Interest – by 0.6 million GEL. As to the structure of expenses in 2020 in frames of the revenues permitted by the legislation of LEPLs/NNLEs, the main share is distributed to "Compensation of Employees" and "Use of Goods and Services", accordingly with the amount of – 39.1% and 38.2%. In 2019, the similar distribution of expenses were attested and correspondingly, amounted to 38.7% and 40.1%.

In 2020, total expenditures rendered from **acquisitions of nonfinancial assets** amounted to 129.6 million GEL, exceeding the indicator of 2019 by 31.4 million GEL. In 2020, the total expenditures rendered from the indicated component mainly goes on the following programs/sub-programs: "Higher Education (program code 32 04)" – 33.2 million GEL; "LEPL – Public Broadcaster (program code 42 00)" – 28.6 million GEL; "Maintenance of effective service and accessibility to all the interested parties of LEPL – Ministry of Internal Affairs of Georgia's service agency (program code 30 07)" – 9.4 million GEL; "Vocational Education (program code 32 03)" – 8.1 million GEL; "Service Development and Accessibility of the State Service Development Agency (program code 26 11)" – 7.9 million GEL; "Support to Professional Education in Navy and Marine Transportation (program code 24 16)" – 7.2 million GEL; "Service Development and Accessibility of the LEPL - National Agency of Public Registry (program code 26 08)" – 5.9 million GEL; "Improvement of Security

Levels of the Natural Persons and Legal Entities (including Property), Diplomatic Missions and National Treasure (program code 30 03)” – 5.3 million GEL and “Development of Innovations and Technologies in Georgia (program code 24 08)” – 5.0 million GEL.

The execution of the **acquisitions of financial assets** in 2020 amounted to 60.9 million GEL, exceeding the indicator of 2019 by 20.3 million GEL. 36.8 million GEL from the execution of 2020 goes to the program “Higher Education (program code 32 04)””; 20.4 million GEL on program “Rehabilitation of regional and municipal infrastructure (program code - 25 03)” and 3.6 million GEL on program “Common Agro Project (program code 31 05)”.

As for the fourth component, **reductions of liabilities**, in 2020 the indicator of the reductions of liabilities in frames of the revenues permitted by legislation for the central budget LEPLs/NNLEs amounted to 4.6 million GEL, from which 3.9 million GEL goes on the program – “Rehabilitation of regional and municipal infrastructure (program code - 25 03)””; 0.5 million GEL on – “LEPL - Levan Samkharauli National Forensics Bureau (program code 46 00)””; whereas, 0.1 million GEL on program – “LEPL – Public Broadcaster (program code 42 00)”. The indicator of reductions of liabilities of 2020 exceeds the indicator of previous year by 2.6 million GEL.

When analyzing the total expenditures made in frames of the revenues permitted by the legislation of the central budget LEPLs/ NNLEs, it is interesting to review the program classification of the central budget in frames of the abovementioned source of funding. Execution of total expenditures of 30 spending institutions in 2020 includes revenues permitted by the legislation of Central Budget LEPLs/ NNLEs, 4 of those spending institutions did not have funding from the state budget and conducted total expenditures only within the revenues permitted by the legislation. These are:

- LEPL - Insurance State Supervision Service of Georgia (program code - 59 00) – 4.1 million GEL;
- LEPL - the Deposit Insurance Agency (program code - 62 00) – 0.7 million GEL;
- LEPL - State Procurement Agency (program code - 63 00) – 5.8 million GEL;
- NNLE - Peacefund for a Better Future (program code - 80 00) – 0.1 million GEL;

Regarding the distribution of total expenditures within the revenues permitted by the legislation of LEPLs/NNLEs according to the central budget spending institutions, it should be noted that according to the note in Chapter 7 of the Annual Report on the Execution of the 2020 State Budget of Georgia submitted by the Government of Georgia Funds transferred between LEPLs/NNLEs within the central budget are consolidated in the column "Revenues permitted by LEPL/NNLEs legislation". The information in this report is consolidated at the level of aggregate indicators, while it is not consolidated at the level of spending institutions and programs. Funds transferred between LEPLs/NNLEs for 2020 amounts to 34.0 million GEL, which fully goes on the expenses incurred by ways of “Grants”. Taking into account all the abovementioned, the total amount of total expenditures incurred in frames of the revenues permitted by the legislation of LEPLs/ NNLEs according to the spending institutions is defined to be more than the total consolidated indicator by 34.0 million GEL. The diagram below shows the total expenditures made under the revenues permitted by legislation of LEPLs/NNLEs according to spending institutions.

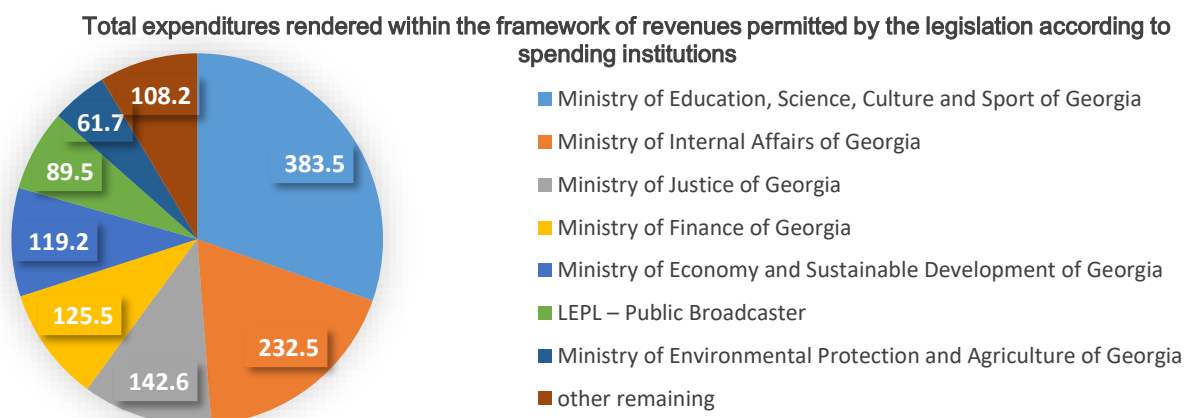


Diagram 63: Total expenditures rendered within the framework of revenues permitted by the legislation according to spending institutions in 2020 (million GEL).

According to the diagram, 70.0% (884.1 million GEL) of the total expenditures within the revenues permitted by the legislation of LEPLs/NNLEs come to 4 ministries, namely: Ministry of Education, Science, Culture and Sports of Georgia – 383.5 million GEL; Ministry of Internal Affairs of Georgia – 232.5 million GEL; Ministry of Justice of Georgia – 142.6 million GEL; Ministry of Finance of Georgia - 125.5 million GEL. In 2019, this redistribution remains the same and 76.8% of the total expenditures within the revenues permitted by the legislation of LEPLs/NNLEs goes to the above-mentioned ministries.

As to the programs to which the revenues permitted by the legislation of LEPLs/NNLEs were directed in 2020, 68 programs are determined according to the program classification of the central budget, from which - 12 programs do not have funding from the state budget. 8 programs from the abovementioned 68 programs within the framework of permitted revenues by legislation of LEPLs/NNLEs incurred total expenditures are defined at – 65.8% and amount to 831.4 million GEL.

The table below represents the information on the total expenditures made from the state budget and from the revenues permitted by the legislation of the abovementioned 8 programs in 2019-2020.

Code	Title	Directed Funds in 2019			Directed Funds in 2020			Distinction (2020 / 2019)		
		Total	State Budget	Revenues permitted by the legislation	Total	State Budget	Revenues permitted by the legislation	Total	State Budget	Revenues permitted by the legislation
32 04	Higher Education	476.9	170.1	306.8	481.3	147.0	334.3	4.4	-23.1	27.5
30 03	Improvement of Security Levels of the Natural Persons and Legal Entities (including Property), Diplomatic Missions and National Treasure	132.6	9.5	123.1	143.4	10.0	133.4	10.8	0.5	10.3
23 02	Revenue Collection and Improvement of Taxpayer Service Delivery	160.4	33.8	126.5	151.2	31.8	119.4	-9.2	-2.1	-7.1
30 07	Maintenance of effective service and accessibility to all the interested parties of LEPL – Ministry of Internal Affairs of Georgia's service agency	79.6	-	79.6	80.3	-	80.3	0.7	0.0	0.7
24 06	State Property Management	37.3	28.7	8.6	124.9	76.8	48.1	87.6	48.1	39.5
26 08	Service Development and Accessibility of the LEPL - National Agency of Public Registry	66.8	5.0	61.7	48.9	7.3	41.6	-17.8	2.3	-20.1
26 11	Service Development and Accessibility of the State Service Development Agency	75.7	7.3	68.4	45.2	7.5	37.7	-30.5	0.2	-30.8
25 03	Rehabilitation of Regional and Municipal Infrastructure	308.2	253.9	54.3	316.0	279.3	36.7	7.8	25.4	-17.6
Total		1,337.4	508.4	829.1	1,391.2	559.8	831.4	53.8	51.4	2.4

Table 23: Total expenditures made within the framework of revenues permitted by the legislation of LEPLs/NNLEs of central budget according to main programs in 2019-2020 (million GEL).

As represented on the table, the significant share of the funding for these programs comes from the revenues permitted by the legislation. In 2020, 59.8% of the directed funds goes to the revenues permitted by the legislation, and 40.2% to the state budget. The situation is similar for 2019 and the total expenditures of these 8 programs are accordingly distributed with the amount of - 62.0% and 38.0%.

Annex 2: State Budget Total Revenues, Total Expenditures and Net Change in the Stock of Cash (million GEL)

Title	2019 Actual	2020 Initial Plan	2020 Annual Plan	2020 Adjusted Plan	2020 Actual	2020 Actual / 2020 Annual Plan		2020 Actual / 2020 Initial Plan		2020 Actual / 2020 Adjusted Plan		2020 Actual / 2019 Actual	
						Distinction	%	Distinction	%	Distinction	%	Distinction	%-Alternation
Total Revenues	13,252.2	14,554.2	18,420.3	18,420.3	18,042.3	-378.0	97.9%	3,488.1	124.0%	-378.0	97.9%	4,790.1	36.1%
Revenues	10,675.0	11,226.9	10,212.7	10,212.7	10,490.4	277.7	102.7%	-736.5	93.4%	277.7	102.7%	-184.7	-1.7%
Taxes	9,665.6	10,465.0	8,979.4	8,979.4	9,364.8	385.4	104.3%	-1,100.2	89.5%	385.4	104.3%	-300.8	-3.1%
Income tax	3,200.3	3,415.0	2,990.0	2,990.0	3,079.8	89.8	103.0%	-335.2	90.2%	89.8	103.0%	-120.4	-3.8%
Profit tax	866.3	970.0	840.0	840.0	919.4	79.4	109.5%	-50.6	94.8%	79.4	109.5%	53.2	6.1%
VAT	4,243.6	4,398.3	3,754.4	3,754.4	3,918.2	163.8	104.4%	-480.1	89.1%	163.8	104.4%	-325.4	-7.7%
Excise tax	1,506.7	1,400.0	1,325.0	1,325.0	1,619.4	294.4	122.2%	219.4	115.7%	294.4	122.2%	112.7	7.5%
Import tax	79.1	80.0	70.0	70.0	74.4	4.4	106.2%	-5.6	93.0%	4.4	106.2%	-4.7	-5.9%
Other taxes	-230.3	201.7	0.0	0.0	-246.4	-246.4		-448.1	-122.2%	-246.4		-16.1	7.0%
Grants	489.6	241.9	558.3	558.3	459.6	-98.8	82.3%	217.7	190.0%	-98.8	82.3%	-30.1	-6.1%
Other Revenues	519.8	520.0	675.0	675.0	666.0	-9.0	98.7%	146.0	128.1%	-9.0	98.7%	146.2	28.1%
Disposals of nonfinancial assets	93.2	130.0	90.0	90.0	98.2	8.2	109.1%	-31.8	75.5%	8.2	109.1%	4.9	5.3%
Disposals of financial assets (Except of net application in the stock of cash)	148.5	130.0	80.0	80.0	163.4	83.4	204.2%	33.4	125.7%	83.4	204.2%	14.8	10.0%
Incurrence of liabilities	2,335.4	3,067.3	8,037.6	8,037.6	7,290.4	-747.2	90.7%	4,223.1	237.7%	-747.2	90.7%	4,955.0	212.2%
External	1,386.6	1,867.3	6,187.6	6,187.6	5,264.3	-923.2	85.1%	3,397.0	281.9%	-923.2	85.1%	3,877.7	279.7%
Domestic	948.8	1,200.0	1,850.0	1,850.0	2,026.1	176.1	109.5%	826.1	168.8%	176.1	109.5%	1,077.3	113.5%
Total Expenditure	13,469.7	14,432.9	15,923.8	15,923.8	16,174.6	250.8	101.6%	1,741.8	112.1%	250.8	101.6%	2,704.9	20.1%
Expenses	9,975.5	10,846.5	12,556.4	12,586.5	12,533.9	-22.5	99.8%	1,687.4	115.6%	-52.7	99.6%	2,558.4	25.6%
Compensation of Employees	1,454.7	1,576.0	1,554.3	1,552.4	1,543.1	-11.2	99.3%	-32.9	97.9%	-9.3	99.4%	88.4	6.1%
Use of Goods and Services	1,301.9	1,373.7	1,510.6	1,538.1	1,529.2	18.6	101.2%	155.5	111.3%	-9.0	99.4%	227.2	17.5%
Interest	604.5	751.0	783.0	773.0	763.7	-19.3	97.5%	12.7	101.7%	-9.3	98.8%	159.2	26.3%
Subsidies	489.7	516.5	980.5	822.1	837.1	-143.4	85.4%	320.6	162.1%	15.0	101.8%	347.4	70.9%
Grants	798.3	726.1	806.7	1,022.3	1,010.7	204.0	125.3%	284.6	139.2%	-11.6	98.9%	212.4	26.6%
Social Benefits	3,946.6	4,294.8	5,339.9	5,350.9	5,343.2	3.3	100.1%	1,048.4	124.4%	-7.7	99.9%	1,396.6	35.4%
Other Expenses	1,379.8	1,608.5	1,581.5	1,527.8	1,507.0	-74.5	95.3%	-101.5	93.7%	-20.7	98.6%	127.3	9.2%
Acquisitions of nonfinancial assets	2,256.1	2,221.4	2,007.8	2,034.6	2,319.0	311.2	115.5%	97.6	104.4%	284.4	114.0%	62.9	2.8%
Acquisitions of financial assets (Except of net accumulation in the stock of cash)	278.9	342.2	326.8	310.3	377.7	50.9	115.6%	35.4	110.4%	67.4	121.7%	98.8	35.4%
Reductions of liabilities	959.2	1,022.7	1,032.7	992.3	944.0	-88.7	91.4%	-78.7	92.3%	-48.3	95.1%	-15.1	-1.6%
External	917.0	978.7	988.7	950.2	901.9	-86.8	91.2%	-76.8	92.2%	-48.3	94.9%	-15.1	-1.6%
Domestic	42.2	44.0	44.0	42.1	42.1	-1.9	95.7%	-1.9	95.7%	0.0	100.0%	0.0	-0.1%
Net change in the stock of cash (+ Accumulation / - Application)	-217.5	121.3	2,496.5	2,496.5	1,867.7	-628.8		1,746.3		-628.8		2,085.2	

Annex 3: State Budget Balance (million GEL)

Title	2019 Actual	2020 Initial Plan	2020 Annual Plan	2020 Adjusted Plan	2020 Actual	2020 Actual / 2020 Annual Plan		2020 Actual / 2020 Initial Plan		2020 Actual / 2020 Adjusted Plan		2020 Actual / 2019 Actual	
						Distinction	%	Distinction	%	Distinction	%	Distinction	%-Alteration
Revenues	10,675.0	11,226.9	10,212.7	10,212.7	10,490.4	277.7	102.7%	-736.5	93.4%	277.7	102.7%	-184.7	-1.7%
Taxes	9,665.6	10,465.0	8,979.4	8,979.4	9,364.8	385.4	104.3%	-1,100.2	89.5%	385.4	104.3%	-300.8	-3.1%
Grants	489.6	241.9	558.3	558.3	459.6	-98.8	82.3%	217.7	190.0%	-98.8	82.3%	-30.1	-6.1%
Other Revenues	519.8	520.0	675.0	675.0	666.0	-9.0	98.7%	146.0	128.1%	-9.0	98.7%	146.2	28.1%
Expenses	9,975.5	10,846.5	12,556.4	12,586.5	12,533.9	-22.5	99.8%	1,687.4	115.6%	-52.7	99.6%	2,558.4	25.6%
Compensation of Employees	1,454.7	1,576.0	1,554.3	1,552.4	1,543.1	-11.2	99.3%	-32.9	97.9%	-9.3	99.4%	88.4	6.1%
Use of Goods and Services	1,301.9	1,373.7	1,510.6	1,538.1	1,529.2	18.6	101.2%	155.5	111.3%	-9.0	99.4%	227.2	17.5%
Interest	604.5	751.0	783.0	773.0	763.7	-19.3	97.5%	12.7	101.7%	-9.3	98.8%	159.2	26.3%
Subsidies	489.7	516.5	980.5	822.1	837.1	-143.4	85.4%	320.6	162.1%	15.0	101.8%	347.4	70.9%
Grants	798.3	726.1	806.7	1,022.3	1,010.7	204.0	125.3%	284.6	139.2%	-11.6	98.9%	212.4	26.6%
Social benefits	3,946.6	4,294.8	5,339.9	5,350.9	5,343.2	3.3	100.1%	1,048.4	124.4%	-7.7	99.9%	1,396.6	35.4%
Other expenses	1,379.8	1,608.5	1,581.5	1,527.8	1,507.0	-74.5	95.3%	-101.5	93.7%	-20.7	98.6%	127.3	9.2%
Gross operating balance	699.5	380.4	-2,343.7	-2,373.8	-2,043.5	300.2	87.2%	-2,423.9	-537.2%	330.3	86.1%	-2,743.0	-392.1%
Gross investment in nonfinancial assets	2,162.9	2,091.4	1,917.8	1,944.6	2,220.9	303.0	115.8%	129.5	106.2%	276.3	114.2%	58.0	2.7%
Acquisitions	2,256.1	2,221.4	2,007.8	2,034.6	2,319.0	311.2	115.5%	97.6	104.4%	284.4	114.0%	62.9	2.8%
Disposals	93.2	130.0	90.0	90.0	98.2	8.2	109.1%	-31.8	75.5%	8.2	109.1%	4.9	5.3%
Net Lending/Net Borrowing Balance	-1,463.4	-1,711.0	-4,261.5	-4,318.4	-4,264.4	-2.8	100.1%	-2,553.4	249.2%	54.1	98.7%	-2,801.0	191.4%
Net acquisition of financial assets	-87.1	333.6	2,743.3	2,726.8	2,082.0	-661.3	75.9%	1,748.4	624.1%	-644.8	76.4%	2,169.1	-2489.1%
Acquisitions	278.9	463.6	2,823.3	2,806.8	2,245.4	-577.9	79.5%	1,781.8	484.4%	-561.5	80.0%	1,966.5	705.1%
Currency and public deposits	0.0	121.3	2,496.5	2,496.5	1,867.7	-628.8	74.8%	1,746.3	1539.3%	-628.8	74.8%	1,867.7	
Loans	278.9	342.2	326.8	310.3	377.7	50.9	115.6%	35.4	110.4%	67.4	121.7%	98.8	35.4%
Stocks and other capital	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0		0.0	
Other accounts receivables	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0		0.0	
Disposals	366.0	130.0	80.0	80.0	163.4	83.4	204.2%	33.4	125.7%	83.4	204.2%	-202.7	-55.4%
Currency and public deposits	217.5	0.0	0.0	0.0	0.0	0.0		0.0		0.0		-217.5	-100.0%
Loans	148.5	130.0	80.0	80.0	163.3	83.3	204.1%	33.3	125.6%	83.3	204.1%	14.8	10.0%
Stocks and other capital	0.0	0.0	0.0	0.0	0.04	0.04		0.04		0.04		0.04	
Other accounts receivables	0.0003	0.0	0.0	0.0	0.0	0.0		0.0		0.0		-0.0003	-100.0%
Net incurrence of liabilities	1,376.2	2,044.6	7,004.8	7,045.2	6,346.4	-658.5	90.6%	4,301.8	310.4%	-698.9	90.1%	4,970.1	361.1%
Incurrence	2,335.4	3,067.3	8,037.6	8,037.6	7,290.4	-747.2	90.7%	4,223.1	237.7%	-747.2	90.7%	4,955.0	212.2%
Domestic	948.8	1,200.0	1,850.0	1,850.0	2,026.1	176.1	109.5%	826.1	168.8%	176.1	109.5%	1,077.3	113.5%
External	1,386.6	1,867.3	6,187.6	6,187.6	5,264.3	-923.2	85.1%	3,397.0	281.9%	-923.2	85.1%	3,877.7	279.7%
Reductions	959.2	1,022.7	1,032.7	992.3	944.0	-88.7	91.4%	-78.7	92.3%	-48.3	95.1%	-15.1	-1.6%
Domestic	42.2	44.0	44.0	42.1	42.1	-1.9	95.7%	-1.9	95.7%	0.0	100.0%	0.0	-0.1%
External	917.0	978.7	988.7	950.2	901.9	-86.8	91.2%	-76.8	92.2%	-48.3	94.9%	-15.1	-1.6%
Balance	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0		0.0	

Annex 4: State Budget Appropriation (million GEL)

Code	Title	2020 Initial plan	2020 Annual plan	2020 Adjusted plan	2020 Actual	Performance towards the adjusted plan	Performance towards the annual plan	Performance towards the Initial plan
00 00	Total	14,432.9	15,923.8	15,923.8	16,174.6	101.6%	101.6%	112.1%
01 00	Parliament of Georgia and Subordinated Organizations	64.7	60.7	60.7	54.0	88.9%	88.9%	83.4%
01 01	Legislative Operation	53.7	49.7	49.7	43.9	88.3%	88.3%	81.7%
01 01 01	Legislative, representative and supervisory activities	18.4	17.1	17.2	15.9	92.7%	93.1%	86.3%
01 01 02	Activities of Parliamentary Fractions and the Bureaus of Majoritarian Members of Parliament	7.2	7.1	7.2	6.3	87.7%	88.9%	87.7%
01 01 03	Administrative support for legislative activities	28.0	25.5	25.3	21.6	85.5%	84.9%	77.2%
01 01 03 01	Administration of Legislative Activities	27.9	25.4	25.2	21.6	85.7%	85.1%	77.3%
01 01 03 02	Professional Development of the Employees	0.1	0.1	0.1	0.04	45.0%	45.0%	45.0%
01 02	Library Operation	9.6	9.6	9.6	9.0	93.5%	93.5%	93.5%
01 03	State Regulation of Heraldic Operation	0.5	0.5	0.5	0.4	87.3%	87.3%	87.3%
01 04	Strengthening Analytical and Research Affairs of Parliament of Georgia	1.0	1.0	1.0	0.7	73.6%	73.6%	73.6%
02 00	Administration of the President of Georgia	7.0	6.3	6.3	4.7	75.5%	75.5%	67.4%
03 00	Office of the Business Ombudsman of Georgia	0.7	0.7	0.7	0.6	82.6%	82.6%	82.6%
04 00	Government Administration of Georgia	16.5	15.5	19.4	18.4	94.8%	118.9%	111.7%
05 00	State Audit Office	16.5	15.5	15.5	13.5	87.7%	87.7%	82.3%
06 00	Central Election Commission of Georgia	72.6	72.6	79.6	77.5	97.3%	106.8%	106.8%
06 01	Development of Election Environment	14.1	14.1	12.0	11.7	97.4%	83.0%	83.0%
06 02	Facilitation of Development of Elections Institution and Civic Education	1.4	1.4	1.0	1.0	94.1%	68.6%	68.6%
06 03	Funding of Political Parties and NGO Sector	14.3	14.3	14.4	14.3	99.5%	100.0%	100.0%
06 04	Measures for Holding Elections	42.8	42.8	52.2	50.5	96.8%	118.2%	118.2%
07 00	Constitutional Court of Georgia	4.3	4.3	4.3	3.5	81.6%	81.6%	81.6%
08 00	Supreme Court of Georgia	12.0	12.0	12.0	9.7	81.0%	81.0%	81.0%
09 00	General Courts	84.4	76.4	76.4	65.0	85.1%	85.1%	77.1%
09 01	Development and Support of General Judiciary System	82.5	74.5	74.5	63.6	85.4%	85.4%	77.1%
09 02	Training and Retraining of Judges and Court Personnel	1.9	1.9	1.9	1.4	73.4%	73.4%	73.4%
10 00	High Council of Justice of Georgia	6.6	5.6	5.8	4.5	77.9%	80.6%	68.5%
11 00	Administration of State Representative in Abasha, Zugdidi, Martivili, Mestia, Senaki, Chkhorotsku, Tsalenjikha, Khobi Municipalities, Cities of Poti	0.9	0.9	0.9	0.8	90.6%	90.6%	90.6%
12 00	Administration of State Representative in Lanchkhuti, Ozurgeti, Chokhatauri Municipalities	0.7	0.7	0.7	0.6	89.5%	89.5%	89.5%
13 00	Administration of State Representative in Baghdati, Vani, Zestaponi, Terjola, Samtredia, Sachkhere, Tkibuli, Tskaltubo, Chiatura, Kharagauli, Khoni Municipalities and City of Kutaisi	0.8	0.8	0.8	0.7	94.2%	94.2%	94.2%

14 00	Administration of State Representative in Akhmeta, Gurjaani, Dedoplistskaro, Telavi, Lagodekhi, Sagarejo, Sighnaghi, Kvareli Municipalities	0.8	0.8	0.8	0.6	84.6%	84.6%	84.6%
15 00	Administration of State Representative in Dusheti, Tianeti, Mtskheta, Kazbegi Municipalities	0.7	0.7	0.7	0.6	88.6%	88.6%	88.6%
16 00	Administration of State Representative in Ambrolauri, Lentekhi, Oni, Tsageri Municipalities	0.6	0.6	0.6	0.5	83.9%	83.9%	83.9%
17 00	Administration of State Representative in Adigeni, Aspindza, Akhaltsikhe, Akhalkalaki, Borjomi, Ninotsminda Municipalities	0.7	0.7	0.7	0.6	94.6%	94.6%	94.6%
18 00	Administration of State Representative in Bolnisi, Gardabani, Dmanisi, Tetri Tskaro, Marneuli, Tsalka Municipalities and City of Rustavi	0.9	0.9	0.9	0.8	91.3%	91.3%	91.3%
19 00	Administration of State Representative in Gori, Kaspi, Kareli, Khashuri Municipalities	0.7	0.7	0.7	0.6	92.4%	92.4%	92.4%
20 00	State Security Service of Georgia	137.5	136.5	136.5	136.3	99.9%	99.9%	99.2%
20 01	Providing State Security	119.3	118.3	112.0	111.8	99.9%	94.5%	93.7%
20 02	Maintenance of Operational and Technical Activities	18.2	18.2	24.5	24.5	99.9%	134.8%	134.8%
21 00	LEPL - Pension agency	5.0	4.5	4.5	4.2	93.1%	93.1%	83.8%
22 00	Office of the State Minister of Georgia for Reconciliation and Civil Equality	3.0	2.6	2.6	2.2	85.8%	85.8%	74.2%
23 00	Ministry of Finance of Georgia	93.0	81.0	81.0	77.2	95.3%	95.3%	83.0%
23 01	Public Finance Management	20.7	18.6	18.6	17.1	91.7%	91.7%	82.4%
23 02	Revenue Collection and Improvement of Taxpayer Service Delivery	40.8	32.8	32.8	31.8	96.9%	96.9%	77.9%
23 03	Prevention of Economic Crime	21.5	21.0	21.0	19.8	94.4%	94.4%	92.2%
23 04	Electronic and Analytic Support of Finance Management	7.9	6.8	6.8	6.7	98.7%	98.7%	84.4%
23 05	Improvement of Staff Qualifications in the Financial Sector	0.9	0.8	0.8	1.0	114.5%	114.5%	102.2%
23 06	Supervision of Accounting, Reporting and Audit	1.1	1.0	1.0	0.9	92.6%	92.6%	80.4%
24 00	Ministry of Economy and Sustainable Development of Georgia	364.0	822.4	781.0	759.4	97.2%	92.3%	208.6%
24 01	Development and Implementation of Economic Policy	15.9	13.3	12.1	11.5	94.9%	86.6%	72.6%
24 02	Regulation of Technical and Construction Sectors	1.6	1.4	1.4	1.4	94.8%	94.8%	85.6%
24 03	Development of Standardization and Metrology Sectors	1.0	1.0	1.0	1.0	97.7%	97.7%	97.7%
24 04	Management and Development of Accreditation Process	0.1	0.1	0.1	0.1	100.0%	100.0%	100.0%
24 05	Facilitation of Developments in Tourism	31.7	22.7	11.7	8.2	70.7%	36.4%	26.0%
24 06	State Property Management	91.1	91.1	89.1	76.8	86.2%	84.3%	84.3%
24 07	Development of Entrepreneurship	57.6	477.0	429.7	426.9	99.3%	89.5%	741.7%
24 07 01	Administration of Entrepreneurship Development		3.0	3.0	2.9	95.9%	95.9%	
24 07 02	Entrepreneurship Development Support		34.0	35.9	35.4	98.7%	104.1%	
24 07 03	Economy supportive activities initiated due to the spread of the new coronavirus.		440.0	390.9	388.6	99.4%	88.3%	
24 07 03 01	Development of Support Measures to Support the Small, Medium and Family Hotel Industry		70.0	51.6	51.2	99.3%	73.2%	
24 07 03 02	Credit Guarantee Scheme		330.0	47.0	47.0	100.0%	14.2%	
24 07 03 03	Promoting the construction sector		20.0	11.0	9.0	82.4%	45.2%	
24 07 03 04	Promoting Micro and Small Entrepreneurship - Small Grants		20.0	2.5	2.5	100.0%	12.7%	
24 07 03 05	Management Support activities for Infectious Diseases		0.0	33.8	33.8	100.0%		

24 07 03 06	Service costs related to the establishment of proper conditions during the quarantine period related with the new Coronavirus		0.0	35.0	35.0	100.0%		
24 07 03 07	Assistance events for subsidizing utility bills		0.0	210.0	210.0	100.0%		
24 08	Development of Innovations and Technologies in Georgia	3.7	3.7	3.7	3.8	102.0%	102.0%	102.0%
24 09	Regulation and Governance of Oil and Gas Sectors	0.6	0.6	0.6	0.5	94.7%	94.7%	94.7%
24 10	International Obligations Coverage and Transportation Costs Subsidies in Transportation Field	8.0	4.2	4.5	4.4	96.9%	104.0%	54.6%
24 11	Funding the costs of the natural gas supply for the Kazbegi and Dusheti municipalities mountainous communities	8.0	8.0	8.9	8.9	100.0%	111.9%	111.9%
24 12	Development of Innovative Eco System (IBRD)	20.0	20.0	20.0	18.9	94.6%	94.6%	94.6%
24 13	Vardnili and Enguri Hydro Power Plant Rehabilitation Project (EBRD, EIB, EU)	15.0	25.0	25.0	39.4	157.8%	157.8%	262.9%
24 14	Development of Power Transmission Grids of Systemic Importance	41.5	41.5	41.5	30.1	72.4%	72.4%	72.4%
24 14 01	Power Transmission Network Strengthening Project	10.0	5.0	5.0	5.7	113.5%	113.5%	56.7%
24 14 01 01	Construction of 220 kV line "Akhaltsikhe-Batumi" (WB)	10.0	5.0	5.0	5.7	113.5%	113.5%	56.7%
24 14 02	Georgian Electricity Transmission Network Expansion open Program	5.0	6.0	6.0	3.0	50.3%	50.3%	60.3%
24 14 02 01	Construction of 500 kV OHL "Ksani-Stepantsminda" (EBRD, EU, KfW)	0.0	0.0	0.0	1.4			
24 14 02 02	"Jvari Khorga" Power Transmission Line (EBRD, EU, KfW)	5.0	6.0	6.0	1.7	27.6%	27.6%	33.1%
24 14 03	Regional Power Transmission Improvement Project	26.5	30.5	30.5	21.4	70.1%	70.1%	80.7%
24 14 03 01	500 kV OHL "Tskaltubo-Akhaltsikhe-Tortum" (KfW)	7.0	2.6	2.6	0.1	3.8%	3.8%	1.4%
24 14 03 02	"Northern Ring" (EBRD), "Namakhvani - Tskaltubo – Lajanuri" (KfW, EBRD)	4.0	0.0	0.0	0.0			0.0%
24 14 03 03	500 kV OHL "Jvari-Tskaltubo" (WB)	4.0	18.0	18.0	20.4	113.2%	113.2%	509.3%
24 14 03 04	Strengthening of Guria Power Transmission Line Infrastructure (KfW)	4.5	4.5	4.5	0.5	11.1%	11.1%	11.1%
24 14 03 05	Strengthening Kakheti Infrastructure (KfW)	4.0	0.0	0.0	0.0			0.0%
24 14 03 06	Kheledula-Lajanuri-Oni (KfW)	3.0	5.4	5.4	0.4	7.4%	7.4%	13.3%
24 15	Improvement of the electricity and natural gas supply to the population	62.8	62.8	63.3	63.3	100.0%	100.9%	100.9%
24 16	Support to Professional Education in Navy and Marine Transportation	0.4	0.4	0.4	0.5	134.6%	134.6%	134.6%
24 17	Land Parcel Buy Out Currently Kept in Private Ownership along Marabda-Akhalkalaki-Kartsakhi for the Construction of Baku-Tbilisi-Kars Railway	0.2	0.2	0.2	0.2	94.6%	94.6%	94.6%
24 18	Measures connected with Recognized Liabilities in Terms of Bilateral Contract	3.7	3.7	0.0	0.0		0.0%	0.0%
24 19	Regulation and Implementation Measurements of Supervisor Field on Market	1.2	0.7	0.7	0.5	69.7%	69.7%	40.7%
24 25	Implementation of quarantine and other measures related to the new coronavirus	0.0	45.0	67.0	62.9	93.9%	139.8%	
25 00	Ministry of Regional Development and Infrastructure of Georgia	2,071.6	1,820.3	1,840.3	2,202.4	119.7%	121.0%	106.3%
25 01	Development and Management of Regions and Infrastructure Development Policy	9.2	7.0	6.5	6.4	97.5%	91.0%	69.4%
25 02	Measures for the Improvement of Road Infrastructure	1,315.3	1,197.8	1,243.5	1,493.9	120.1%	124.7%	113.6%
25 02 01	Highways program management	8.1	7.2	7.0	7.0	99.7%	97.4%	86.0%
25 02 02	Road construction and maintenance	602.5	571.5	546.7	566.6	103.6%	99.1%	94.0%
25 02 03	Express highways construction	704.7	619.2	689.9	920.3	133.4%	148.6%	130.6%
25 03	Rehabilitation of Regional and Municipal Infrastructure	262.1	217.8	220.8	279.3	126.5%	128.2%	106.6%
25 04	Rehabilitation and Recovery of Water Supply Infrastructure	256.8	206.4	194.3	245.3	126.3%	118.8%	95.5%

25 05	Solid Waste Management Program	24.2	19.2	16.3	20.7	126.4%	107.5%	85.3%
25 06	Support to Internally Displaced Persons	55.0	30.0	21.0	21.0	100.0%	70.0%	38.2%
25 07	Construction and Rehabilitation of General Educational Infrastructure	149.0	142.0	137.8	135.9	98.6%	95.7%	91.2%
26 00	Ministry of Justice of Georgia	224.0	224.0	247.8	238.8	96.4%	106.6%	106.6%
26 01	Development of Public Policy to Support the Law Making and Legal Protection of the Best Interests of Georgia, Including the Implementation of Criminal Law System	22.8	25.6	48.6	48.2	99.2%	188.5%	211.2%
26 02	Establishment of Penitentiary system with International Standards	157.2	152.5	148.1	147.7	99.7%	96.8%	93.9%
26 02 01	Penitentiary system management and improvement the living conditions to the accused/convicted	126.7	124.0	119.9	119.5	99.7%	96.4%	94.3%
26 02 02	Provision of equivalent medical services to accused and convicts	6.0	7.5	8.0	8.0	100.0%	106.3%	133.3%
26 02 03	Improving the infrastructure of Penitentiary system	24.5	21.0	20.2	20.2	99.8%	96.2%	82.4%
26 03	Ensured Protection of the National Archive Fund, Introduction of Modern Technologies in Service Delivery and Access to Documents	5.9	5.9	5.8	5.8	100.0%	98.7%	98.7%
26 04	Retraining of Staff Employed in the System of the Ministry of Justice of Georgia and Another interested persons	2.8	2.5	1.8	1.8	99.4%	73.7%	65.8%
26 05	Development of Electronic Governance	2.5	2.5	2.3	2.9	122.4%	113.6%	113.6%
26 06	Crime Prevention, Development of Probation System and Resocialization of Former Inmates	6.7	6.4	7.5	7.5	99.7%	116.4%	112.3%
26 07	Development of Accessibility and Services Offered by the Public Service Hall	7.6	7.6	7.6	7.9	103.4%	103.4%	103.4%
26 08	Service Development and Accessibility of the LEPL - National Agency of Public Registry	4.4	7.4	7.3	7.3	100.3%	99.1%	166.5%
26 09	Development of Land Market in Georgia (WB)	14.0	13.5	13.5	2.1	15.8%	15.8%	15.2%
26 11	Service Development and Accessibility of the State Service Development Agency	0.0	0.0	5.1	7.5	147.0%		
27 00	Ministry of Internally Displaced Persons from The Occupied Territories, Labour, Health and Social Affairs of Georgia	4,363.0	5,515.0	5,642.7	5,631.1	99.8%	102.1%	129.1%
27 01	Management of Internally Displaced Persons from The Occupied Territories, Labour, Health and Social Security Programs	60.2	58.4	57.1	66.7	116.8%	114.2%	110.7%
27 01 01	Development and management of policies in the field of IDPs from the occupied territories and in the field of labor, health and social protection	11.0	10.8	12.4	12.4	100.3%	114.7%	112.7%
27 01 02	Medical Activity Regulatory Program	4.6	4.5	4.3	4.2	97.6%	94.7%	92.6%
27 01 03	Disease Control and Epidemiological Security Program Management	11.3	11.3	11.1	21.0	189.4%	185.9%	185.9%
27 01 04	Social and health care program management	21.6	21.6	14.7	14.7	99.9%	67.9%	67.9%
27 01 05	State care, human trafficking (trafficking) Victims Protection and Assistance Management	1.1	1.1	4.6	4.9	105.3%	443.7%	443.7%
27 01 06	Emergency Coordination and Emergency Assistance Management	5.4	4.4	4.1	4.0	97.9%	91.1%	74.1%
27 01 07	Statement for Refugees, Eco-Migrants and Livelihoods	4.2	4.1	4.6	4.2	91.4%	104.1%	100.4%
27 01 08	Management of employment promotion services	1.1	0.7	0.4	0.4	95.6%	51.7%	33.0%
27 01 09	Management of State Health Care Programs	0.0	0.0	0.9	0.9	99.8%		
27 02	Social Protection of Population	3,126.0	3,911.8	3,851.8	3,848.8	99.9%	98.4%	123.1%
27 02 01	Provision of Pension for Population	2,230.0	2,230.0	2,247.1	2,247.1	100.0%	100.8%	100.8%
27 02 02	Social Assistance for Targeted Groups of Population	793.0	793.0	794.9	794.7	100.0%	100.2%	100.2%
27 02 03	Social Rehabilitation and Childcare	37.4	37.4	33.2	32.5	98.0%	86.9%	86.9%
27 02 04	Social Benefits at Highland settlements	58.3	64.1	59.3	59.3	100.0%	92.5%	101.7%

27 02 05	State care, human trafficking (trafficking) Victims Protection and Assistance Provision	7.3	7.3	7.4	7.1	96.0%	97.2%	97.2%
27 02 06	Social assistance to the population due to the deterioration of the socio-economic situation caused by the new coronavirus	0.0	780.0	710.0	708.1	99.7%	90.8%	
27 02 06 01	Social assistance to the population due to the deterioration of the socio-economic situation caused by the new coronavirus (subsidy for utility bills)	0.0	170.0	172.7	172.7	100.0%	101.6%	
27 02 06 02	Mitigation of damage caused by New Coronavirus (SARS-COV-2) Infection (COVID-19) (Financial Assistance / Compensation for Vulnerable Groups)	0.0	85.0	90.8	90.8	100.0%	106.8%	
27 02 06 03	Mitigation of damage caused by New Coronavirus (SARS-COV-2) infection (COVID-19) (financial assistance / compensation for employees and the self-employed)	0.0	525.0	242.6	242.0	99.8%	46.1%	
27 02 06 04	Mitigation of damage caused by New Coronavirus (SARS-COV-2) Infection (COVID-19) (one-time social assistance for children under 18 years)	0.0	0.0	188.7	187.8	99.5%		
27 02 06 05	Mitigation of Harm Caused by New Coronavirus (SARS-COV-2) Infection (COVID-19) (One-time social assistance – funding of the tuition for vulnerable students of higher educational institution)	0.0	0.0	15.2	14.8	97.2%		
27 03	Healthcare Services to Population	1,078.6	1,366.3	1,563.5	1,571.3	100.5%	115.0%	145.7%
27 03 01	Universal Healthcare services to population	757.1	802.1	964.3	964.3	100.0%	120.2%	127.4%
27 03 02	Public Health Care	90.4	90.4	82.9	100.7	121.4%	111.4%	111.4%
27 03 02 01	Early detection of the Disease and Screening	2.8	2.8	3.1	3.0	96.8%	106.1%	106.1%
27 03 02 02	Immunization	23.0	23.0	24.2	24.1	99.9%	104.9%	104.9%
27 03 02 03	Epidemiological Surveillance	1.7	1.7	2.7	2.6	95.2%	153.4%	153.4%
27 03 02 04	Safe Blood	3.9	3.9	4.2	4.1	98.8%	105.6%	105.6%
27 03 02 05	Promotion of obligations in the field of public health, the environment and occupational diseases	0.3	0.3	0.2	0.2	97.5%	88.1%	88.1%
27 03 02 06	Tuberculosis Management	16.9	16.9	12.3	18.9	154.2%	112.3%	112.3%
27 03 02 07	HIV / AIDS Management	13.5	13.5	11.0	22.7	205.5%	168.4%	168.4%
27 03 02 08	Maternal and Child Health	8.0	8.0	7.1	6.9	98.1%	86.6%	86.6%
27 03 02 09	Treatment of Drug-addicted patients	12.2	12.2	11.3	11.3	100.0%	93.0%	93.0%
27 03 02 10	Support of Health Care	1.2	1.2	0.5	0.5	99.0%	41.7%	41.7%
27 03 02 11	Management of Hepatitis C	7.0	7.0	6.4	6.2	98.3%	89.3%	89.3%
27 03 03	Provision Of Medical Services To The Population In Priority Areas	230.6	470.6	513.2	503.4	98.1%	107.0%	218.3%
27 03 03 01	Mental Health	27.5	27.5	25.7	25.7	100.0%	93.4%	93.4%
27 03 03 02	Management of Diabetes	15.0	15.0	15.8	15.8	100.0%	105.3%	105.3%
27 03 03 03	Oncohematology Service for children	2.0	2.0	2.0	2.0	100.0%	100.0%	100.0%
27 03 03 04	Dialysis And Kidney Transplantation	38.6	38.6	41.7	41.6	99.8%	107.8%	107.8%
27 03 03 05	Palliative care of incurable patients	2.3	2.3	3.3	3.3	99.3%	143.1%	143.1%
27 03 03 06	Treatment Of Patients With Rare Diseases And Undergoing Permanent Replacement Treatment	11.2	11.2	12.6	12.5	99.6%	111.6%	111.6%
27 03 03 07	Provision of primary and emergency medical care	113.0	114.0	118.9	118.7	99.8%	104.2%	105.1%
27 03 03 08	Referral Services	20.0	20.0	32.2	32.1	99.8%	160.7%	160.7%
27 03 03 09	Examination of Citizens to be recruited to defense forces service	1.0	1.0	0.4	0.4	99.7%	39.6%	39.6%

27 03 03 11	Management of New Coronavirus Disease – COVID-19	0.0	239.0	260.6	251.2	96.4%	105.1%	
27 03 04	Postgraduate Medical Education	0.5	0.5	0.1	0.1	100.0%	13.7%	13.7%
27 03 05	Management of state clinics	0.0	2.7	3.0	2.9	97.9%	110.8%	
27 04	Rehabilitation and Equipment of Healthcare Facilities	25.0	85.0	81.2	50.7	62.5%	59.7%	202.9%
27 05	Reform Agenda of Labor and Employment System	6.0	6.0	2.3	2.1	92.4%	34.8%	34.8%
27 06	Support of IDPS and Migrants	67.1	87.5	86.8	91.6	105.5%	104.6%	136.4%
27 06 01	Reintegration assistance for migrants returning to Georgia	0.7	0.7	0.5	0.4	95.5%	66.5%	66.5%
27 06 02	Management of Eco-Migrant Migration	5.0	5.0	5.5	5.4	97.6%	107.2%	107.2%
27 06 03	Taking care and Improving the Living Conditions of Internally Displaced Persons - IDP Families	61.0	81.0	79.3	68.8	86.8%	85.0%	112.8%
27 06 04	Integration Assistance of Persons with International Protection	0.1	0.1	0.03	0.1	396.6%	140.0%	140.0%
27 06 05	Livelihood Program	0.4	0.8	0.8	0.8	98.1%	96.6%	193.1%
27 06 06	Economic Partnership, Housing and Social Infrastructure for Internally Displaced Persons and Host Communities (KfW)	0.0	0.0	0.8	16.1	2024.7%		
28 00	Ministry of Foreign Affairs of Georgia	159.0	156.0	156.5	156.6	100.0%	100.4%	98.5%
28 01	Foreign Policy Implementation	158.2	155.2	155.8	155.9	100.0%	100.5%	98.6%
28 01 01	Foreign Policy Planning and Management	148.2	145.2	146.2	145.7	99.7%	100.4%	98.3%
28 01 02	Securing Financial Obligations In International Organizations	6.3	6.3	6.3	6.3	100.0%	100.0%	100.0%
28 01 03	Translation and certification of international agreements and other documents	0.1	0.1	0.1	0.1	99.9%	99.9%	99.9%
28 01 04	Diasporal Politics	2.7	2.7	2.5	2.5	99.3%	93.2%	93.2%
28 01 05	Informing the Society on integration In European and Euro-Atlantic structures issues	0.9	0.9	0.7	1.2	172.8%	142.1%	142.1%
28 02	Advancement of Staff Qualifications in International Relations	0.9	0.9	0.7	0.7	97.9%	82.9%	82.9%
29 00	Ministry of Defence of Georgia	880.0	805.0	818.0	842.4	103.0%	104.6%	95.7%
29 01	Management of Defence	327.3	327.3	344.9	350.0	101.5%	106.9%	106.9%
29 02	Vocational Military Education	51.6	51.6	51.1	51.1	100.0%	99.0%	99.0%
29 03	Healthcare and Social Security	58.4	58.4	55.2	55.2	99.9%	94.5%	94.5%
29 04	Management, Control, Telecommunication and Computer Systems	9.8	9.8	7.4	7.4	99.9%	75.2%	75.2%
29 05	Development of Infrastructure	100.0	80.0	69.1	69.1	100.0%	86.4%	69.1%
29 06	International Peacekeeping Missions	41.9	41.9	45.0	45.0	100.0%	107.6%	107.6%
29 07	Scientific Research and Development of Military Production and Manufacturing	33.5	33.5	32.9	32.9	100.1%	98.3%	98.3%
29 08	Preservation/Development of Defence capability	51.6	41.6	56.9	56.9	100.0%	136.7%	110.2%
29 09	Provision of Logistics	171.0	156.0	150.4	150.4	100.0%	96.4%	88.0%
29 10	Capacity Building of Defence Forces of Georgia (SG)	35.0	5.0	5.0	24.4	487.5%	487.5%	69.6%
30 00	Ministry of Internal Affairs of Georgia	770.0	760.0	763.6	765.8	100.3%	100.8%	99.5%
30 01	Public Order and Development of International Cooperation	584.8	574.8	557.6	560.5	100.5%	97.5%	95.8%
30 02	Protection of the State Border	90.9	90.9	101.5	101.5	100.0%	111.7%	111.7%
30 03	Improvement of Security Levels of the Natural Persons and Legal Entities (including Property), Diplomatic Missions and National Treasure	10.7	10.7	10.3	10.0	97.1%	94.1%	94.1%

30 04	Highly Qualified Staff Training and Retraining of Law Enforcement Bodies, Digitalization of Archive Funds, Scientific-Research Operation and Citizen Service	6.9	6.9	6.2	6.1	97.8%	88.4%	88.4%
30 05	Healthcare of the Staff Employed at the Ministry of Internal Affairs of Georgia and at the State Security Service of Georgia	4.1	4.1	5.7	5.6	98.6%	136.3%	136.3%
30 06	Improvement of Civil Security Levels, Creation and Management of Public Stock of Tangible Items	72.6	72.6	82.2	82.1	99.9%	113.1%	113.1%
31 00	Ministry of Environmental Protection and Agriculture of Georgia	353.0	476.9	486.9	496.8	102.0%	104.2%	140.7%
31 01	Environmental Protection and Agriculture Development Program	14.0	11.2	10.4	11.6	110.8%	103.7%	82.6%
31 01 01	Elaborating policy and Management for environment protection and agriculture development	11.2	9.5	9.1	9.2	101.0%	96.3%	82.2%
31 01 02	Activities on Environmental Impact Assessment	0.9	0.6	0.6	0.6	96.9%	95.3%	62.5%
31 01 03	Popularization of Georgian agro-food products	1.5	0.8	0.5	0.5	99.7%	66.5%	34.7%
31 01 04	Biodiversity Protection measures	0.4	0.2	0.2	1.3	580.0%	580.0%	319.0%
31 02	Food Safety, Plant Protection and Epizootic Trustworthiness	36.6	36.1	29.3	28.8	98.4%	80.0%	78.8%
31 03	Development of Viticulture and Wine-Making	12.7	80.0	95.2	94.9	99.8%	118.7%	747.6%
31 04	Implementation of Scientific Research Studies in Agriculture	7.1	6.6	6.9	7.1	102.7%	107.9%	100.6%
31 05	Common Agro Project	142.5	211.8	228.4	228.3	100.0%	107.8%	160.2%
31 05 01	Management of the Agriculture projects	10.0	9.3	9.5	10.7	112.5%	114.9%	106.8%
31 05 02	Preferential Agro Credits	74.0	74.0	74.8	74.8	100.0%	101.0%	101.0%
31 05 03	Agro-Insurance	9.0	9.0	8.0	8.0	100.0%	88.9%	88.9%
31 05 04	Plant the future	13.0	13.0	21.2	21.2	100.0%	162.9%	162.9%
31 05 05	Georgian Tea	0.5	0.5	0.04	0.02	57.7%	4.6%	4.6%
31 05 06	Co-financing of agricultural processing enterprises	12.0	12.0	9.2	9.2	100.0%	76.9%	76.9%
31 05 07	Registration Project for Farms/Farmers	0.3	0.3	0.2	0.2	99.4%	71.5%	71.5%
31 05 08	Harvesting Agricultural Machinery Co-financing Program	5.0	5.0	3.5	3.5	99.8%	69.8%	69.8%
31 05 09	Project Technical Support Program	1.5	1.5	0.2	0.2	100.0%	15.6%	15.6%
31 05 10	Support of Beekeeping Agricultural Cooperatives	0.1	0.1	0.1	0.1	100.0%	107.0%	107.0%
31 05 11	Infrastructural development of agricultural cooperatives	4.5	4.5	4.1	4.1	99.0%	90.0%	90.0%
31 05 12	Development Support of Agro sector	12.6	12.6	15.1	14.1	93.5%	112.0%	112.0%
31 05 12 01	Agricultural Modernization, Market Access and Sustainability Project (GEF, IFAD)	5.8	5.8	7.0	6.7	95.2%	114.8%	114.8%
31 05 12 02	Agricultural Modernization, Market Access and Sustainability Project Grant Component (GEF, IFAD)	2.8	2.8	4.2	3.8	90.1%	135.2%	135.2%
31 05 12 03	Breastfeeding Modernization and Market Access Program (DiMMA) (IFAD)	4.0	4.0	3.9	3.7	94.1%	91.8%	91.8%
31 05 13	Imereti Agrozone	0.0	0.0	0.6	0.6	100.0%		
31 05 18	Agricultural support measures resulting from New Coronavirus- COVID-19	0.0	70.0	76.8	76.6	99.8%	109.4%	
31 05 19	Support program for the realization of non-standard apple harvest	0.0	0.0	5.0	5.0	100.0%		
31 06	Modernization of Irrigation Systems	75.7	75.7	62.5	62.2	99.6%	82.1%	82.1%
31 06 01	Rehabilitation and purchasing equipment for amelioration system	36.0	36.0	20.3	20.3	100.0%	56.4%	56.4%
31 06 02	Ongoing technical operation of the amelioration infrastructure	19.0	19.0	24.7	24.7	100.0%	130.0%	130.0%

31 06 03	Improvement of Irrigation and Drainage Systems (WB)	20.7	20.7	17.5	17.2	98.4%	83.0%	83.0%
31 07	Environmental Surveillance	20.3	15.8	15.8	15.4	97.2%	97.0%	75.5%
31 08	Establishment and Management of the Protected Areas System	13.0	13.0	13.0	16.6	127.5%	127.5%	127.5%
31 09	Establishment and Management of Forestry System	13.8	13.5	11.7	12.6	107.2%	93.3%	91.3%
31 10	Formation and Governance of Agency of Wildlife	1.7	1.7	1.7	1.5	93.6%	91.0%	91.0%
31 11	Informational accessibility and Education for Sustainable Development Environmental Programs' on Protection and Agriculture	4.9	3.5	3.3	4.1	124.1%	116.9%	84.8%
31 12	Protection of Nuclear and Radioactive Security	1.1	1.0	1.0	1.0	99.0%	100.0%	93.3%
31 13	Monitoring, Projections and Prevention of Environmental Protection	2.6	1.3	2.6	4.2	158.7%	313.9%	160.5%
31 14	Diagnosis of Consumption Products, Animal and Plant Diseases	4.7	4.6	4.0	7.5	187.1%	162.5%	159.1%
31 15	National Program of Monitoring the sustainable land management and land use	2.4	1.1	1.1	1.0	91.8%	87.4%	41.8%
32 00	Ministry of Education, Science, Culture and Sport of Georgia	1,666.5	1,538.8	1,546.0	1,551.2	100.3%	100.8%	93.1%
32 01	Development of Public Policy of Education, Science, Culture and Sports; Program Management	35.4	33.3	32.9	33.1	100.8%	99.6%	93.6%
32 02	Pre-school and General Education	927.3	906.9	908.2	908.3	100.0%	100.2%	98.0%
32 02 01	General educational school funding	782.0	788.0	795.0	795.0	100.0%	100.9%	101.7%
32 02 02	Support Teachers' professional development	11.6	9.3	9.5	9.7	101.7%	104.9%	83.4%
32 02 03	Provision of safe educational environment	19.3	17.2	17.1	17.2	100.5%	99.6%	88.8%
32 02 03 01	Administration of Safe Educational Environment Program	2.3	2.2	2.2	2.2	99.5%	100.0%	94.8%
32 02 03 02	Provision of safe educational environment	17.0	15.0	14.9	15.0	100.7%	99.6%	88.0%
32 02 04	Encouraging successful pupils	0.9	0.1	0.4	0.4	100.0%	251.1%	39.8%
32 02 05	Providing educational and living conditions for especially talented pupils	0.3	0.2	0.2	0.2	100.0%	93.7%	90.0%
32 02 06	Providing pupils with textbooks	23.0	26.0	23.9	23.8	99.8%	91.7%	103.7%
32 02 07	Relax and learn together	1.6	0.1	0.02	0.02	100.0%	13.9%	1.0%
32 02 08	Financial assistance to teachers and administrative-technical staff in the occupied regions	4.2	4.2	4.2	4.2	99.9%	99.2%	99.2%
32 02 09	Access to general education for accused and convicted persons	0.2	0.2	0.2	0.2	99.9%	101.9%	99.7%
32 02 10	Development and facilitation of the implementation of the National Curriculum	0.3	0.3	0.3	0.3	99.6%	94.7%	93.3%
32 02 11	Providing transportation for public school students	23.6	15.3	12.2	12.2	99.9%	80.2%	51.9%
32 02 12	Program "My First Computer"	33.0	31.4	31.4	31.4	100.0%	100.0%	95.0%
32 02 13	Promoting General Education	1.6	0.9	1.1	1.1	98.8%	124.9%	69.8%
32 02 14	Promoting General Education Reform	25.7	13.7	12.6	12.6	99.9%	92.1%	49.1%
32 03	Vocational Education	52.9	46.5	44.7	44.6	99.7%	95.8%	84.3%
32 03 01	Promoting the Development of Vocational Education	50.0	44.6	42.6	42.4	99.5%	95.1%	84.8%
32 03 02	Access to vocational education for convicts and ex-prisoners	0.2	0.008	0.01	0.01	100.0%	93.8%	5.0%
32 03 03	Vocational training of ethnic minorities	2.7	1.9	2.1	2.1	103.8%	112.0%	78.8%
32 04	Higher Education	145.0	142.0	137.9	147.0	106.6%	103.5%	101.4%
32 04 01	Exams organization	12.8	12.8	13.1	13.1	99.9%	102.3%	102.3%

32 04 02	State education, master grants and youth promotion	111.8	111.2	106.7	106.6	100.0%	95.9%	95.4%
32 04 03	Promoting Higher Education	0.3	0.2	0.2	0.2	100.0%	99.3%	64.6%
32 04 04	Promoting Education Abroad	7.0	4.8	4.7	4.7	99.8%	97.6%	67.6%
32 04 05	Promotion of Higher Education Institutions	13.2	13.0	13.3	22.4	169.0%	171.7%	169.8%
32 05	Support to Scientific Research and Studies	65.5	57.3	56.4	56.8	100.7%	99.2%	86.7%
32 05 01	Promotion of Scientific Grants and Scientific Research	33.2	28.1	29.8	30.1	101.0%	107.3%	90.7%
32 05 02	Programs of Scientific Institutions	5.8	5.8	5.5	5.6	102.3%	96.1%	95.6%
32 05 03	Promotion of the Georgian Academy of Agricultural Sciences	1.1	1.1	1.1	1.1	100.0%	100.0%	100.0%
32 05 04	Promotion of Scientific Research	25.0	22.3	20.0	19.4	97.5%	87.4%	77.8%
32 05 05	Popularization of science	0.4	0.1	0.1	0.6	599.6%	599.6%	149.9%
32 06	Inclusive Education	20.5	20.2	21.3	21.2	99.7%	105.2%	103.4%
32 07	Development of Infrastructure	136.8	119.2	129.7	128.6	99.1%	107.9%	94.0%
32 07 01	Development of infrastructure of general education institutions	80.6	61.2	57.0	56.2	98.7%	91.9%	69.8%
32 07 02	Development of infrastructure of vocational education institutions	20.0	19.0	21.9	21.8	99.6%	114.8%	109.1%
32 07 03	Development of Infrastructure of Legal Entities of Public Law and Territorial Bodies within the System of the Ministry	3.3	1.2	2.2	2.2	99.8%	194.8%	67.9%
32 07 04	Development of infrastructure of higher education and scientific institutions	5.0	5.0	8.5	8.5	99.9%	169.8%	169.8%
32 07 05	Development of Public School Operation and Maintenance System	2.9	2.9	7.6	7.4	96.9%	255.2%	255.2%
32 07 06	Support for Investment and Infrastructural Projects in Culture	10.0	10.0	6.2	6.1	99.2%	61.2%	61.2%
32 07 07	Support for investments and infrastructure projects in sports	15.0	20.0	26.3	26.3	100.0%	131.5%	175.3%
32 08	Facilitation of Sport's and Art's Institutions	6.8	6.8	6.1	6.0	97.7%	88.0%	88.0%
32 09	Facilitation of Development of Culture	88.7	70.9	68.9	68.7	99.6%	96.8%	77.4%
32 10	Protection of Cultural Heritage and Museum System Improvement	25.4	22.5	24.6	24.9	101.3%	110.9%	98.2%
32 11	Development and Popularization of Mass and High Achievements in Sports	130.4	84.3	86.5	87.6	101.3%	104.0%	67.2%
32 12	Social Security and Assistance Events for Public Figures of Sports and Culture	21.1	13.9	13.8	16.9	122.1%	121.5%	80.0%
32 13	Innovation, Inclusion and Quality Project - Georgia I2Q (IBRD)	5.0	5.0	5.1	1.1	21.0%	21.5%	21.5%
32 14	Vocational Education I (KfW)	3.7	3.7	3.5	0.3	7.5%	7.0%	7.0%
32 15	Applied Scientific Research Grant Program (IBRD)	2.0	6.3	6.3	6.0	94.9%	94.9%	301.1%
33 00	Prosecutor's Office of Georgia	41.3	41.3	41.3	38.0	91.9%	91.9%	91.9%
34 00	Georgian Intelligence Service	13.5	13.5	13.5	13.5	100.0%	100.0%	100.0%
35 00	LEPL - Civil Service Bureau	1.6	1.3	1.3	1.6	120.4%	120.4%	100.8%
36 00	LEPL - Legal Aid Service	6.8	6.8	6.8	6.3	93.0%	93.0%	93.0%
37 00	LEPL - State Office of Veterans' Affairs	8.3	7.4	7.4	7.2	97.6%	97.6%	87.0%
38 00	LEPL – Financial Monitoring Service of Georgia	2.2	2.2	2.2	2.0	92.4%	92.4%	92.4%
39 00	NNLE - Solidarity Fund of Georgia	0.3	0.3	0.3	0.2	94.1%	94.1%	94.1%
40 00	Special State Protection Service of Georgia	58.5	57.8	57.8	56.7	98.1%	98.1%	96.9%
40 01	Provision of Security for Individuals and Facilities Subject to Protection	50.5	49.9	50.3	49.4	98.4%	99.1%	97.9%

40 02	Maintenance of Public Facilities	8.0	7.9	7.5	7.2	96.0%	91.1%	90.0%
40 03	LEPL - Governmental Special Communications Agency	0.0	0.0	0.04	0.04	98.6%		
41 00	Public Defender Office (Ombudsman) of Georgia	8.0	7.0	7.0	6.4	91.0%	91.0%	79.7%
42 00	LEPL – Public Broadcaster	68.7	68.7	68.7	68.9	100.3%	100.3%	100.3%
43 00	LEPL – Competition Agency of Georgia	2.2	1.9	1.9	1.9	97.3%	97.3%	85.3%
44 00	The Administration of the Temporary Administrative-Territorial Unit on the Territory of the Former South Ossetian Autonomous Region - Administration of South Ossetia	2.5	2.5	2.5	2.4	96.9%	97.3%	97.3%
45 00	Patriarchate of Georgia	25.0	25.0	25.0	25.0	100.0%	100.0%	100.0%
45 01	Grant Financing for Religious Education	14.7	14.7	14.7	14.7	100.0%	99.8%	99.8%
45 02	NNLE - Religious Education Centre of the Patriarchy of Georgia Named After St. Svimon Cananeli	0.6	0.6	0.6	0.6	100.0%	100.0%	100.0%
45 03	NNLE - Transfer Grant to the Education Centre of Batumi and Lazeti Eparchy	1.8	1.8	1.8	1.8	100.0%	100.0%	100.0%
45 04	NNLE - Orphanage of the Georgian Patriarchy Named After St. Nino for Children Left Without Parental Care	0.7	0.7	0.7	0.7	100.0%	100.0%	100.0%
45 05	NNLE - Grant Financing for Orphanage of Batumi Eparchy within the Georgian Patriarchy Named After St. Catherine Martyr	0.3	0.3	0.3	0.3	100.0%	100.0%	100.0%
45 06	NNLE - Religious Education Centre of Georgian Patriarchy Named After St. Andrew the First Called	0.9	0.9	0.9	0.9	100.0%	100.0%	100.0%
45 07	NNLE - Grant Financing for the Rehabilitation Centre at Monastery Named After St. George of Mtatsminda	0.2	0.2	0.2	0.2	100.0%	100.0%	100.0%
45 08	NNLE - Grant Financing for Georgian University of the Patriarchy of Georgia Named After St. Andrew the First Called	1.9	1.9	1.9	1.9	100.0%	100.0%	100.0%
45 09	NNLE - Grant Financing for the University of the Patriarchy of Georgia Named After Tbel Abuseridze	1.8	1.8	1.8	1.8	100.0%	100.0%	100.0%
45 10	NNLE - Grant Financing for Rehabilitation and Adaptation Centre of Children with Limited Hearing	0.1	0.1	0.1	0.1	100.0%	100.0%	100.0%
45 11	Subsidies to the Television Company of the Patriarchy of Georgia	0.8	0.8	0.8	0.8	100.0%	100.0%	100.0%
45 12	NNLE - Grant Financing for Training Centre of Akhalkalaki and Kumurdo Eparchy	0.5	0.5	0.5	0.5	100.0%	100.0%	100.0%
45 13	NNLE - Education, Arts and Recreation Centre of Poti	0.7	0.7	0.7	0.7	100.0%	103.1%	103.1%
46 00	LEPL - Levan Samkharauli National Forensics Bureau	7.0	7.0	7.0	7.0	99.5%	99.5%	99.5%
47 00	LEPL - National Statistics Office of Georgia, GeoStat	10.6	10.1	10.1	9.9	97.5%	97.5%	93.3%
47 01	Planning and Management of Statistics	5.7	5.6	5.9	5.4	91.7%	96.9%	94.2%
47 02	Public Program of Statistics	4.9	4.6	4.2	4.5	105.6%	98.3%	92.2%
48 00	LEPL - Georgian National Academy of Science	4.3	4.3	4.3	4.1	96.0%	96.0%	96.0%
49 00	Georgian Chamber of Commerce and Industry	1.5	1.4	1.4	1.5	103.1%	103.1%	96.4%
50 00	LEPL-State Agency for Religious Issues	5.3	5.3	5.3	5.3	98.6%	98.6%	98.6%
51 00	State Inspector Service	8.0	7.0	7.0	6.1	87.1%	87.1%	76.3%
52 00	LEPL - State Language Department	0.5	0.5	0.5	0.4	96.5%	96.5%	86.9%
53 00	LEPL - Public Private Partnership Center	0.5	0.3	0.3	0.2	93.6%	93.6%	46.8%
54 00	LEPL - Youth Center	5.0	3.5	3.5	3.6	101.7%	101.7%	71.2%
55 00	Office of the National Security Council	3.2	2.5	2.5	2.4	94.0%	94.0%	73.5%

56 00	Expenditures of General-State Importance	2,766.8	3,027.3	2,851.7	2,780.1	97.5%	91.8%	100.5%
56 01	External debt service and repayments	1,350.0	1,360.0	1,289.2	1,238.4	96.1%	91.1%	91.7%
56 02	Domestic debt service and repayments	416.0	448.0	474.0	467.2	98.6%	104.3%	112.3%
56 03	Liabilities regarding international financial organizations	10.0	10.0	8.5	4.0	47.0%	40.1%	40.1%
56 04	Transfers of autonomous republics and local self-government units	131.0	166.0	644.1	637.8	99.0%	384.2%	486.9%
56 04 01	Transfers to Autonomous Republics	8.0	9.0	9.0	9.0	100.0%	100.0%	112.5%
56 04 02	Transfers to local self-governing units	123.0	157.0	635.1	628.8	99.0%	400.5%	511.3%
56 05	Government Reserve Fund of Georgia	50.0	50.0	4.4	0.0	0.0%	0.0%	0.0%
56 06	Funds for Repayment of debt accumulated in previous years and execution of court decisions	20.0	20.0	4.2	3.4	81.8%	17.1%	17.1%
56 07	Regional Development Fund of Georgia	350.0	400.0	0.9	0.0	0.0%	0.0%	0.0%
56 08	Mountainous Community Development Fund	20.0	20.0	0.1	0.0	0.0%	0.0%	0.0%
56 09	Funding simultaneous bonus for the established state awards of Georgia	0.2	0.2	0.1	0.02	25.8%	8.7%	8.7%
56 10	Co-financing of Operating Expenses and Other Liabilities In the frame of international agreements	0.7	0.7	0.7	0.7	100.0%	101.9%	101.9%
56 11	Co-financing Cumulative Pension Schemes	200.0	200.0	211.0	211.0	100.0%	105.5%	105.5%
56 12	Financial support for planned reforms in municipalities in cooperation with international partners	13.0	13.0	6.5	4.3	66.3%	33.0%	33.0%
56 13	General-State Expenditures Financed by Donors	205.9	205.9	207.4	213.2	102.8%	103.6%	103.6%
56 13 01	Rehabilitation of Communal Infrastructure Institutions in Batumi - Phase III (EU, KfW)	2.5	2.5	2.7	9.1	332.2%	370.0%	370.0%
56 13 02	Rehabilitation of Communal Infrastructure Institutions in Batumi - Phase IV (KfW)	40.3	30.3	31.5	37.2	118.0%	122.6%	92.2%
56 13 03	Adjara Solid Waste Project (EBRD)	2.0	2.0	2.0	9.3	466.6%	466.6%	466.6%
56 13 04	Batumi Bus Project (E5P, EBRD)	4.2	4.2	4.2	11.2	268.7%	268.7%	268.7%
56 13 05	Tbilisi Bus Project (Phase II) (EBRD)	120.0	120.0	120.0	136.8	114.0%	114.0%	114.0%
56 13 06	Tbilisi Solid Waste Management Project (EBRD)	37.0	27.0	27.0	0.0	0.0%	0.0%	0.0%
56 13 08	Tbilisi Metro project (EBRD)	0.0	15.0	15.0	1.9	12.7%	12.7%	
56 13 09	Adjara Rural Water Supply and Sewerage Program, Georgia (EU, KfW)	0.0	5.0	5.0	7.8	156.4%	156.4%	
56 17	StopCoV Fund	0.0	133.5	0.6	0.0	0.0%	0.0%	
58 00	LEPL - Kutaisi International University	0.0	0.0	0.0	2.1			
60 00	NNLE - Millennium Fund	0.0	0.0	0.0	0.1			
61 00	LEPL - the National Intellectual Property Center of Georgia – “Sakpatenti”	0.0	0.0	0.0	0.01			

Applied Data Sources:

- Laws of Georgia on the State Budget for 2012-2020 with attached materials;
- Annual reports of government of Georgia on the execution of the state budget of Georgia for 2012-2020;
- Information submitted by the Government of Georgia to the Parliament of Georgia on the main macroeconomic forecasts and the main directions of the Ministries of Georgia;
- Information of the Treasury Service of the Ministry of Finance of Georgia on the State Budget total Revenues, Total Expenditure, Net change in the stock of cash and net lending/Net borrowing balance in 2012-2020;
- Information of the Treasury Service of the Ministry of Finance of Georgia on the consolidated budget total revenues of Georgia in 2019-2020.