

To EBRD President Odile Renaud Basso

30.04.2024

Dear Ms. Renaud Basso

We would like to inform you that on 17 April 2024, the Georgian Dream (GD) party voted on Georgia's on draft law on Transparency of Foreign Influence in a first hearing. It is identical to the draft law of [Georgia on the Transparency of Foreign Influence](#) that was withdrawn from parliament following [mass protests against it by a broad cross-section of Georgians in March 2023](#). The only notable difference is the replacement of the term "agents of foreign influence" with the term "organization implementer of foreign power's interest." It is expected that the law will be passed in the coming weeks. This bill will lead to further repression and restriction of civic space in Georgia by labeling, stigmatizing and denigrating independent media, human rights defenders and civil society groups in order to influence decision-making in public affairs and the formation of public opinion.

In response to the draft law, up to 500 Georgian Civil Society Organisations and media have [condemned](#) this initiative: youth, students, and opposition political parties started to unite against the law through mass protest actions. The Georgian draft law is similar to other laws targeting non-governmental organizations (NGOs) for the purpose of their stigmatization. It is aligned with other laws seeking to limit space for civil society such as the [Russian foreign agents law](#) (2012), the [Kyrgyz Law on Foreign Representatives](#) (2024), [Israel's NGO law](#) (2016), the draft [El Salvador foreign agents law](#) (2012), [Hungary's NGO transparency law](#) (repealed) (2017).

The [UN](#), [European Union](#) and [US State Department](#), as well as other international organisations and diplomatic missions have called on the Georgian Government to apply the principles of multiparty democracy, pluralism and market economics. According to the [EU Ambassador in Georgia](#), the law will make the opening of EU accession talks difficult. Furthermore, in [his letter](#), Council of Europe Commissioner for Human Rights Michael O'Flaherty, expressed concerns over "the compatibility of this legislative initiative with the human rights standards in the field of freedom of association and expression, including the chilling effect its adoption may have on the work of media outlets and civil society organisations, in particular those working on human rights, democracy and the rule of law in Georgia".

We appreciate the EBRD's strong commitment to Article 1 and the EBRD President's dedication to dialogue with CSOs, including the engagement of Georgian CSOs on the most acute investment projects, as well as the Bank's efforts to address reprisals carried out by government agencies against our colleagues and affected communities. If the law is passed, the situation in Georgia will become even more problematic.

If adopted the law will undermine different freedoms and rights including the right to freedom of association and expression, basic and fundamental rights for a democratic and pluralist society,

and a threat to the EBRD's development aims insomuch as these rights allow citizens to act collectively in fields of mutual interest and guarantee sustainability.

It is important that the Bank, as one of Georgia's major financiers, having provided up to 6 billion Euro, takes decisive action in this situation, including by:

- Calling on the Georgian government not to undermine the aspirations of the Georgian people and the decades of work already done to join the European family and halt adoption of the of proposed law;
- Warning the government about the impacts of the law on sustainability of investments and the business environment;
- Coordinating joint efforts with all development partners and donors to signal that the current legislative initiative on the NGO law contradicts the principles of development assistance;
- Developing and communicating a position on this repressive legislation in bilateral discussions with the government; sharing this position with national civil society and media;
- Reconsidering its country strategy for Georgia to reflect the new risks this legislation poses;
- Suspending all new funding for state agencies in Georgia until the process of passing the proposed law is halted, as it increases the risk of projects failing to meet performance standards by limiting opportunities for meaningful stakeholder participation.

To Kristalina Georgieva, Managing Director of IMF

30.04.2024

Dear Ms. Kristalina Georgieva

We would like to inform you that on 17 April 2024, the Georgian Dream (GD) party voted on Georgia's draft law on Transparency of Foreign Influence in a first hearing. It is identical to the draft law of [Georgia on the Transparency of Foreign Influence](#) that was withdrawn from parliament following [mass protests against it by a broad cross-section of Georgians in March 2023](#). The only notable difference is the replacement of the term “agents of foreign influence” with the term “organization implementer of foreign power’s interest.” It is expected that the law will be passed in the coming weeks. This bill will lead to further repression and restriction of civic space in Georgia by labeling, stigmatizing and denigrating independent media, human rights defenders and civil society groups in order to influence decision-making in public affairs and the formation of public opinion.

In response to the draft law, up to 500 Georgian Civil Society Organisations and media have [condemned](#) this initiative: youth, students, and opposition political parties started to unite against the law through mass protest actions. The Georgian draft law is similar to other laws

targeting non-governmental organizations (NGOs) for the purpose of their stigmatization. It is aligned with other laws seeking to limit space for civil society such as the [Russian foreign agents law](#) (2012), the [Kyrgyz Law on Foreign Representatives](#) (2024), [Israel's NGO law](#) (2016), the draft [El Salvador foreign agents law](#) (2012), [Hungary's NGO transparency law](#) (repealed) (2017).

The [UN](#), [European Union](#) and [US State Department](#), as well as other international organisations and diplomatic missions have called on the Georgian Government to apply the principles of multiparty democracy, pluralism and market economics. According to the [EU Ambassador in Georgia](#), the law will make the opening of EU accession talks difficult. Furthermore, in [his letter](#), Council of Europe Commissioner for Human Rights Michael O'Flaherty, expressed concerns over "the compatibility of this legislative initiative with the human rights standards in the field of freedom of association and expression, including the chilling effect its adoption may have on the work of media outlets and civil society organisations, in particular those working on human rights, democracy and the rule of law in Georgia".

We appreciate the IMF's strong commitment towards transparency and dialogue with civil society, The last IMF report from March 2024, underlines that "while Georgia ranks high in the region and among EU candidates regarding the rule of law and absence of corruption, recent years have seen some slippages in governance indicators. To ensure that governance standards strengthen and support improved competitiveness, Georgia needs to bolster its judicial system and strengthen the anti-corruption authority." For this to be achieved, strong independent media and civil society are essential. In the current situation numerous rights, including the rights to freedom of expression and association are being restricted, rights that constitute one of the essential bases of a democratic and pluralist society. Where these rights are respected, citizens can act collectively in areas of mutual interest and guarantee sustainability.

Also on April 17, the Georgian Parliament adopted [amendments](#) to the Tax Code that would allow the transfer of ownership rights of all assets (including shares) of a foreign company wholly owned by the same person to Georgian companies and full tax exemption for liens until January 1, 2028. This would grant Bidzina Ivanishvili, the former Prime Minister of Georgia and Honorary Chairman, who has the sole right to nominate the candidate for Prime Minister of Georgia, tax relief for the transfer of ownership of all assets (including shares) of his foreign/offshore companies.

All this shows how the GD is planning to complete the takeover of the state and the establishment of a completely undemocratic regime, while lulling Bidzina Ivanishvili into a sense of security. There is also the threat that some sanctioned oligarchs from Russia could transfer their assets to Georgia. The main argument for these amendments mentioned by MPs during the session was increased transparency in offshore countries.

It is important that the IMF, as one of Georgia's major financiers and guarantor of its macro economic and financial stability, takes decisive action in this situation, including by:

- Calling on the Georgian Leadership not to undermine the aspirations of the Georgian people and the decades of work already done to join the European family by halting adoption of the proposed law;
- Warning about the impacts of the law on sustainability of investments and the business environment;
- Coordinating joint efforts with all development partners and donors to signal that the current legislative initiative on the NGO law contradicts the principles of development assistance;
- Developing and communicating a position on this repressive legislation and new amendments of the Tax Code in bilateral discussions with the government; sharing this position with national civil society and media;
- Reconsidering its country strategy for Georgia and responding to these new risks under article IV;
- Suspending all funding for Georgia until the process of passing the proposed law is halted, as it increases the risk of projects failing to meet performance standards by limiting opportunities for meaningful stakeholder participation.

To: ADB Governors from G7 countries

ADB President

ADB Executive Directors (US, Japan, EU)

30.04.2024

Dear Sir/Madam

In the light of the upcoming ADB 57th Annual meeting in Tbilisi, we would like to inform you about the political turmoil in Georgia, provoked by the ruling Georgian Dream party that voted for an adoption of a draft law “on the transparency of foreign influence” in its first reading, targeting civil society organizations and independent media.

It is identical to the draft law of [Georgia on the Transparency of Foreign Influence](#) that was withdrawn from parliament following [mass protests against it by a broad cross-section of Georgians in March 2023](#). The only notable difference is the replacement of the term “agents of foreign influence” with the term “organization implementer of foreign power’s interest.” It is expected that the law will be passed in the coming weeks. This bill will lead to further repression and restriction of civic space in Georgia by labeling, stigmatizing and denigrating independent media, human rights defenders and civil society groups in order to influence decision-making in public affairs and the formation of public opinion.

In response to the draft law, up to 500 Georgian Civil Society Organisations and media have [condemned](#) this initiative: youth, students, and opposition political parties started to unite against the law through mass protest actions. The Georgian draft law is similar to other laws targeting non-governmental organizations (NGOs) for the purpose of their stigmatization. It is aligned with other laws seeking to limit space for civil society such as the [Russian foreign agents law](#) (2012), the [Kyrgyz Law on Foreign Representatives](#) (2024), [Israel's NGO law](#) (2016), the draft [El Salvador foreign agents law](#) (2012), [Hungary's NGO transparency law](#) (repealed) (2017).

The [UN](#), [European Union](#) and [US State Department](#), as well as other international organisations and diplomatic missions have called on the Georgian Government to apply the principles of multiparty democracy, pluralism and market economics. According to the [EU Ambassador in Georgia](#), the law will make the opening of EU accession talks difficult. Furthermore, in [his letter](#), Council of Europe Commissioner for Human Rights Michael O'Flaherty, expressed concerns over "the compatibility of this legislative initiative with the human rights standards in the field of freedom of association and expression, including the chilling effect its adoption may have on the work of media outlets and civil society organisations, in particular those working on human rights, democracy and the rule of law in Georgia".

If adopted the law will undermine different freedoms and rights including the right to freedom of association and expression, basic and fundamental rights for a democratic and pluralist society, and a threat to the ADB's development aims inasmuch as these rights allow citizens to act collectively in fields of mutual interest and guarantee sustainability.

It is important that the Asian Development bank, uses the occasion of the annual meeting and calls on Georgian leadership not to undermine the aspirations of the Georgian people, achieved progress in democracy building and the decades of work already done to join the European Union and halt adoption of the proposed law.

We ask that you remind the Georgian government and ruling party that deterioration of the governance standards significantly increases corruption risks, impacts sustainability of investments, and more generally corrodes the business environment.

We also ask that you openly share your position on the repressive legislation with Georgia's civil society and media.

Given that the public sector in Georgia is a major recipient of funds from the ADB, the Bank should suspend all new funding to the country until the decision to pass the draft law is overturned, as it increases the risk of projects failing to meet performance standards by limiting opportunities for meaningful stakeholder participation.

Sincerely Yours,

1. Manana Kochladze, CEE Bankwatch Network
2. David Chipashvili, Green Alternative, Georgia
3. Accountability Counsel, Global
4. Action Paysanne Contre la Faim APCF
5. African Law Foundation (AFRILAW), Nigeria
6. Alyansa Tigil Mina (ATM) - Philippines
7. Asia Indigenous Peoples Network on Extractive Industries and Energy (AIPNEE), Asia
8. Bank Climate Advocates, USA
9. Bank Information Center, USA
10. Centre for Community Mobilization and support NGO, Armenia
11. Cohesión Comunitaria e Innovación Social, México
12. Collectif des ONG Œuvrant dans le secteur de mines, Environnement et Electricité COMEE
13. Conseil Régional des Organisations Non Gouvernementales de Développement CRONGD
14. Crude Accountability, USA
15. Erfaan Hussein Babak, The Awakening, Pakistan
16. Global Rights, Nigeria
17. Green Development Advocates Cameroon
18. HRM Bir Duino Kyrgyzstan
19. Indian Social Action Forum, India
20. International Indigenous Fund for development and solidarity “Batani” (Batani Foundation), Russia/USA
21. International Rivers, USA
22. KRuHA - People's coalition for the right to water, Indonesia
23. Lawyers' Association for Human Rights of Nepalese Indigenous Peoples (LAHURNIP)
24. Lorena Cotza, Defenders in Development campaign
25. Mark Fodor, Defenders in Development campaign
26. Maurice Ouma Odhiambo, Jamaa Resource Initiatives, Kenya
27. Mirvari Gahramanlı Oil Workers' Rights Protection Organization
28. Nora Sausmikat, Urgewald
29. Oleg Dulgaryan, Rights Defender, Armenia
30. OTWatch, Mongolia
31. Participatory Research & Action Network - PRAAN, Bangladesh
32. Phenix Center, Jordan
33. Protection International, Belgium/Global
34. Reality of Aid - Asia Pacific, Regional, Philippines
35. Recourse, Netherlands

36. Rivers without Boundaries International Coalition
37. Ucha Nanuashvili, Former Public Defender of Georgia
38. Yayasan Keadilan Iklim Indonesia, (Climate Justice Indonesia Foundation) Indonesia.
39. Yayasan Srikandi Lestari, Indonesia (Srikandi Lestari Foundation) Indonesia.