

NGOs Under the Gun

The first round of the battle between the Georgian Dream (GD) and Georgian civil society unfolded in early 2023 when the government came out swinging with the “Transparency of Foreign Influence” bill. This proposed legislation aimed to label NGOs and media outlets receiving over 20% of their funding abroad as “foreign agents.” The ruling party hoped this punch would weaken civil society by branding them with a stigmatizing label reminiscent of Russian laws. However, NGOs, supported by mass protests and international condemnation, parried the blow. With the pressure mounting, Georgian Dream was forced to retreat and withdraw the bill in March 2023, signaling a win for civil society in Round 1.

In Round 2, which occurred in the spring of 2024, Georgian Dream returned to the ring with renewed determination. This time, they reintroduced the foreign agent law and successfully passed it despite strong domestic and international opposition. The law, now enforced, compels NGOs to register as agents of foreign influence if they receive significant foreign funding, a move that the government framed as necessary for transparency

but which critics saw as an attack on democracy. Despite massive protests, the government secured victory in this round by pushing the bill through parliament, even overriding a presidential veto.

Although the Georgian Dream claimed victory in Round 2, civil society wasn't knocked out. Many NGOs found ways to dodge the government's punch by registering abroad or restructuring as private companies, entities not yet covered by the law. Some NGOs complied with the registration but made it clear that they strongly opposed the new regulations. Impressively, [less than 3%](#) of the affected organizations registered under the law, showcasing the resilience of Georgia's civil society even in the face of such aggressive legal challenges.

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But in September 2024, the government initiated a third round, this time with a new, more insidious tactic, using the Anti-Corruption Bureau (ACB) and judicial reinterpretations of the [Law on Political Associations of Citizens \(LPAC\)](#) to attack NGOs. After facing setbacks in the first two rounds, the government shifted its strategy, this time showcasing that the whole state machinery could be used to attack the NGOs.

The third round also showcased how the state institutions are indeed captured and politically subordinated to the Georgian Dream. If during rounds 1 and 2, Parliament, dominated by the Georgian Dream and the state-controlled media (Imedi TV, Rustavi 2, and PosTV), were used to attack the NGOs, this time, the attack came through the Court and the Anti-Corruption Bureau (ACB).

The Law

The LPAC was adopted in 1997 and has undergone numerous changes since then. The law regulates not only the activities of political parties but also the financial transparency-related activities of entities that “have declared political goal and use relevant financial and material resources for this purpose.”

In 2013, after the Georgian Dream came to power, they introduced an amendment to the law, which specified what the “declared political goal” meant. According to the change from 29 July 2013, the declared political goal was defined as a “factual circumstance when it is clear that a concrete person has a declared goal of coming to power through the elections.” The amendment also specified that the statement should be made publicly and should be aimed at forming public opinion.

This definition made sense, especially for the Georgian Dream, which was subjected to considerable political pressure during the 2012 pre-election campaign.

In December 2011, the UNM [adopted](#) an amendment to the LPAC, which was widely criticized, as it also applied to the persons “related directly...” or indirectly to the political party, is under a party control through a different form, or has declared political goals and objectives.” This broad interpretation effectively gave the Control Chamber (State Audit Office) power to apply the LPAC to any critical NGO or those NGOs which employed persons affiliated with sympathetic to the then newly formed Georgian Dream. Moreover, the regulations on political party financing were applied retroactively. The changes banned political parties from accepting donations from legal entities, increased the annual individual donation cap to GEL 60,000, and introduced stricter reporting requirements. Political parties were required to return unspent funds received from legal entities or face forfeiting them to the state. These reforms came in response to donations from opposition parties linked to billionaire Bidzina Ivanishvili and aimed to restrict their financial activities.

At that time, the NGOs [criticized](#) these amendments and engaged in a popular and influential “This Concerns You” campaign. As a result of pressure from the Western embassies and NGOs, the UNM and the State Audit Office did not interpret the law so that the NGO activities would be either hampered or their finances scrutinized, similar to the political parties.

So, after the GD came to power in 2012, on 29 July 2013, many changes adopted in 2011 were scrapped, and the definition of “having political goals” was added to the law. According to the definition, “having political goals” meant a declared desire to come to power through the elections. For the LPAC to be applied to such entities, they were supposed to also finance activities related to their declared political goal.

The Court

On September 17, 2024 this long-standing straightforward, non-ambiguous definition of the “person with declared political goals” was changed by the Appeals Court. According to the new interpretation, the “declared political goal” is no longer aimed at “coming to power through the elections.” It is sufficient to make statements in favor or against other political entities. The test of “wanting to come to power through elections” was changed overnight to a test of verbal support in favor or against any political entity.

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The fact that the Georgian courts are politically controlled is no secret, and this journal has written about this [extensively](#). Major international watchdogs and Georgian nongovernmental organizations have consistently reported on political control of the judiciary and the existence of a “clan” loyal to the Georgian Dream. Major appointments in the Appeals and Supreme Courts, stacking of the Constitutional Court, and dubious decisions with clear political motivations led to the US [sanctioning](#) Georgian judges in 2023 and the EU [suspending](#) the EUR 75 million loan unless effective judicial reform was conducted. One of the significant requirements of the EU for progress towards the candidate status was the independence of the judiciary.

The Anti-Corruption Bureau

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A week after the decision of the appeals court, on 24 September, the ACB [issued](#) a decision effectively applying the LPAC to Transparency International Georgia and its director, Eka Gigauri. TI Georgia, a long-standing watchdog with a solid international reputation, has come under the continuous attack of the Georgian Dream for being politicized, having political goals, and being an extension of the “collective UNM.” However, until September 2024, these verbal attacks, pro-government media reports, and demonization did not affect the activities of TI Georgia; the decision of the ACB imposed restrictions on TI, which, if enforced, would have made the organization completely defunct.

The Restrictions

The ACB’s interpretation LPAC led to the application of political party restrictions to Transparency International. The Bureau reinterpreted a key clause in the law, which required both “political goals” and financial expenditures for those goals. They argued that having political goals alone was sufficient, even without financial activities. Essentially, the word “and” was understood not as cumulative but as “and others,” allowing for the broader application of restrictions without financial proof.

This interpretation by the Anti-Corruption Bureau enabled the imposition of financial and administrative requirements on NGOs, treating them as

if they were political parties. The Bureau considered it enough if NGO representatives' statements aligned with those of political parties or were directed against another party, regardless of a political goal (willingness to come to power through elections) and financial involvement. Transparency International was required to provide detailed financial disclosures, including opening special accounts. This scrutiny created a legal precedent, forcing not just TI but also other NGOs in the future to comply with regulations meant for political entities, severely restricting their operations.

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In the third round, the government wielded the law to strangle civil society's operational capacity. The interpretation of political activities under the law can potentially include a wide range of civil society work, such as hosting public discussions or offering legal aid, potentially labeling these activities as politically charged. This legal tactic allows the state to pressure NGOs into compliance or financial ruin, significantly threatening their ability to function independently.

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Moreover, according to the LPAC, the political parties and the entities with political goals have other severe restrictions, including the inability to receive any funding from abroad. The parties can only accept donations from Georgian private and legal entities. Any other funding, whether in the

form of a grant or any other form, is considered a donation. Sanctions in the of illegal donations are strict and include either the returning of the foreign donation to the donor or confiscation of the donation to the state budget and a fine of two times the donation.

Further, according to the law, once classified, NGOs are obligated to open special bank accounts, similar to political parties, where all financial transactions linked to their supposed electoral goals will be closely monitored. The Bureau may cite the Transparency International case as a legal precedent to establish a framework for such oversight. The precedent of soliciting financial data from banks suggests that the Bureau may also investigate NGO members' or affiliates' financial transactions before officially assigning them electoral status. The ACB can also retroactively demand financial records for activities conducted before the assignment of the electoral status, as happened with TI Georgia, further increasing administrative pressure on NGOs.

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The ACB's discretion, based on previous court decisions, effectively allows it to implement the sanctions without judicial review. While NGOs can appeal these decisions, the legal process is skewed in favor of the Bureau. Courts are unlikely to suspend the Bureau's decisions during the appeals process, as evidenced by the case of TI. NGOs must challenge both the classification and the resulting obligations simultaneously, creating a heavy legal burden.

Lastly, the fines and potential asset freezes linked to these cases create immediate financial pressures for civil society organizations, even before

legal appeals can be exhausted. The Bureau's ability to request information from banks and other institutions further complicates the situation, as NGOs might find themselves entangled in a web of financial investigations.

Backlash and Backtracking

The international community reacted forcefully to the Georgian Anti-Corruption Bureau's (ACB) decision to label Transparency International Georgia as an entity with "declared electoral goals," interpreting this as an attempt to hinder civil society and suppress election monitoring.

The Parliamentary Assembly of the Council of Europe (PACE) co-rapporteurs [expressed concern](#) that this decision undermined public trust in the electoral process. They called it "unacceptable" and urged the government to ensure that respected organizations, like Transparency International, can observe elections without interference.

U.S. Senators from the Senate Foreign Relations Committee, including Jim Risch (R-ID) and Ben Cardin (D-MD), also [criticized](#) the ACB's actions. They particularly noted that Eka Gigauri, the director of Transparency International Georgia, was being punished for her [testimony](#) on democratic repression in the US Senate. They highlighted how autocratic governments misuse such laws to silence independent voices.

Similarly, the European Union, through spokesperson Peter Stano, [urged](#) the Georgian authorities to restore a favorable environment for civil society, stressing the need for the full political and operational independence of the Anti-Corruption Bureau. He reiterated the EU's support for a "free and open civil society" and the necessity of keeping civil society organizations independent from political interference, especially before elections.

All statements underscored the broader concern that the ACB's decision was not just a legal move but a political strategy to weaken civil society and suppress its role in safeguarding democratic processes. Moreover, these statements made it clear that such treatment of the election monitoring NGOs would jeopardize the legitimacy of the October 2024 Parliamentary elections.

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The hint about the possibility of not recognizing the election outcome as legitimate was the straw that broke the camel's back. On 1 October, the Prime Minister of Georgia, Irakli Kobakhidze, [issued](#) a statement in which he defended the Anti-Corruption Bureau's decision to designate Transparency International-Georgia as having "declared electoral objectives," citing the organization's long-standing political agenda. However, he urged the Bureau to reverse its decision, warning that such classifications could lead to external manipulation. Kobakhidze acknowledged TI's criticism of the government but emphasized that their impact on the October elections would be minimal due to the organization's diminished credibility in the eyes of the public. He called for restraint in future classifications ahead of the polls.

As expected, the next day, on 2 October, the ACB [reversed](#) its decision to grant the entity's status with political goals to Transparency International. The absurdity of this saga is that the request of the Prime Minister was legally unjustified since, if qualified as an entity with political goals, the status can be removed only if the conditions because of which the status was granted are no longer in existence. According to the Law, the ACB can issue a new decision once the conditions are no longer

present. The PM and the ACB chief interpreted this provision as a discretion to grant/remove the status to any entity by selectively applying the law. The swift reversal of the decision showed that the ACB was not independent and its actions were politically motivated.

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The independence of the ACB has been questioned since its creation. In 2022, the European Commission, when assessing Georgia's readiness to receive an EU candidate status, [issued](#) a list of 12 priorities to be implemented by Georgia to move forward on the EU track. Of those 12, the fourth priority was to “strengthen the independence of its Anti-Corruption Agency bringing together all key anti-corruption functions, in particular, to address high-level corruption cases rigorously.” In December 2023, the Venice Commission [issued](#) a report on Georgia's anti-corruption legislation, arguing that the “current institutional design does not provide for a sufficient degree of independence of the Anti-Corruption Bureau.” In the 2023 Enlargement report, the European Commission called on Georgian authorities to implement the Venice Commission recommendations.

The coalition of Georgian NGOs, which has monitored the implementation of the 12 conditions since 2023, has repeatedly [stressed](#) that the Prime Minister's appointment of the ACB head, the lack of proper investigative functions, and the lack of real independence and neutrality were serious problems. For this reason, the NGOs qualified the anti-corruption priority as “partially fulfilled.”

Strategic Implications for NGOs

The government and the ACB's backtracking from destroying Transparency International might leave the aftertaste of victory. However, the strategic implications of the court's interpretation and the ACB's discretion are far-reaching. Effectively, if the Georgian Dream stays in power, this instrument can be used at any moment to undermine the work of civil society organizations.

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Using the above-described legal tools, the Anti-Corruption Bureau can systematically attack NGOs, labeling their advocacy work as political activity and exposing them to legal and financial liabilities designed for political parties. This approach will not only restrict their operational capacity but also deter foreign donors and partners from engaging with these organizations, given the risk of their funds being confiscated or their activities deemed illegal.

The Bureau's broad discretionary powers mean that even minor reporting errors or compliance issues could result in severe consequences, such as asset freezes or punitive fines. For NGOs, this creates an atmosphere of permanent threat, making it difficult to operate freely under the gun.

As Chekhov's famous principle suggests, “if in the first act, you have hung a gun on the wall, then in the following one, it will be fired.” The Bureau's actions suggest that this “gun” could fire at any moment, leaving NGOs constantly at risk ■