

GEORGIA UPDATE

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TOP STORIES:

- President Saakashvili names Grigol Mgaloblishvili as New Prime Minister
- Exceeding Expectations, Donors Pledge \$4.5 Billion to Rebuild Georgia
- EU Rejects Russia's Criticism of Monitoring Mission
- Parliament Commission Begins Investigation of War's Origins
- Dutch Say Russian Cluster Bomb Killed Journalist
- Suspected Terrorist Attack Kills 2 in Georgian village Near Abkhazia

SPECIAL SECTION: DONORS & RECONSTRUCTION

- The World Bank's Joint Need Assessment of Georgia
- A Field of Houses in Georgia Does Not Fulfill Dreams of Going Home
- War Has Silver Lining for Georgia's Economy



"Our priority will be the development of our democratic institutions. The only way to confront the challenges we face today is through a liberal economy, freemedia, and an independent judiciary."

Grigol Mgaloblishvili, Prime Minister-designate of Georgia

INTERNATIONAL MEDIA ON GEORGIA

AGENCE FRANCE PRESS: Russia opposes EU monitors in Georgia's breakaway provinces

MOSCOW TIMES: Covering South Ossetia Is Practically Impossible

LIBÉRATION: "I don't know where I'll be living"

WALL STREET JOURNAL: "Smart Aid" Is Key to Georgia's Democratization

EURASIA DAILY MONITOR: Russian official warns of a possible new Russia-Georgia war

BERLINER ZEITUNG: Russian secret services control new border

ASSOCIATED PRESS: Storm clouds hang over Sochi Olympics

QUOTES OF THE WEEK

"New radical democratic reforms and liberalization are the only response to our challenges—I do not have any other recipe to offer to the new government."

—President Saakashvili, in nominating new Prime Minister Grigol Mgaloblishvili

"People come during the day, look at their burnt-out homes, in ruins or ransacked, without even going inside. They don't dare spend the night nor try to repair the damage."

—Varvara Pakhomenko, from the Russian NGO Demos, denouncing on Tuesday the pillaging by Ossetians of Georgian villages on the border of South Ossetia.

UPCOMING MILESTONES

Oct. 31: President Saakashvili, on state visit to Latvia, addresses Riga Conference on "Europe Whole and Free"

Nov 3: Elections for the Supreme Council of Autonomous Republic of Adjara, and by-elections of Georgian Parliament

Nov 9: Speaker of Danish Parliament visits Georgia

Nov 10: EU foreign ministers meet to discuss resumption of partnership talks with Russia

Nov. 18: Provisional date for second round of Geneva peace talks

Nov. 23: 5th Anniversary of the Rose Revolution

TOP STORIES

President Saakashvili Names New PM

Grigol Mgaloblishvili, Georgia's ambassador to Turkey, was nominated to replace Lado Gurgenidze as PM. "An existential threat hangs over Georgia like a Damocles' sword," President Saakashvili said in announcing the selection. "New radical democratic reforms and liberalization are the only response to our challenges—I do not have any other recipe to offer to the new government." A young, though seasoned diplomat, 35-year-old Mgaloblishvili said his top priority would be to build Georgia's democratic institutions and to continue liberalizing the economy. A minor cabinet reshuffle also was made on Wednesday.

CIVIL GEORGIA (Oct. 28): PM-Designate Speaks of Priorities
<http://www.civil.ge/eng/article.php?id=19850>

IHT (Oct. 27): Saakashvili shakes up cabinet after Russian conflict
<http://www.iht.com/articles/2008/10/28/europe/28georgia.php>

Donors Pledge \$4.5 Billion to Rebuild Georgia

In an extraordinary show of solidarity, international donors pledged over \$4.5 billion for Georgia's post-war reconstruction. Donors from over 50 countries and international institutions gave \$1 billion more than expected. The aid will go primarily to revive the economy, rebuild infrastructure, and resettle over 30,000 refugees, as well as to invest in Georgia's critical energy sector. The Government has promised strict oversight in how the funds are spent, and has committed to allowing opposition parties a meaningful role in the process.

FINANCIAL TIMES (Oct. 23): Donors find \$4bn for Georgia
http://us.ft.com/ftgateway/superpage.ft?news_id=fto102220082131527883

EU Rejects Russia's Criticism of Monitors

Russia's refusal to cooperate and communicate with international observers has created tension between the EU monitoring mission to Georgia (EUMM) and Moscow. "We don't get any details from the Russians. We just get allegations," said EUMM chief Hansjoerg Haber. While Russia publicly claims that Georgia has violated the ceasefire agreement, it has failed to provide any details. According to the EUMM, Moscow has not even provided a telephone contact number.

REUTERS (Oct. 24): EU hits back at Russia over Georgia monitoring
<http://uk.reuters.com/article/gc07/IdUKTRE49N5MI20081024>

Parliament Begins Inquiry Into War's Origins

The Parliament of Georgia began an intensive inquiry into the origins and conduct of Russia's invasion of Georgia. The Commission's work is being aired live on Georgia's public broadcaster, and has heard from the foreign minister, the state reintegration minister, the intelligence director, and the NSC secretary, among others. Meanwhile, the EU and the Council of Europe continue to consider their own plans for an international investigation into the causes of the Russian invasion.

CIVIL GEORGIA (Oct. 28): NSC chief testifies before war commission
<http://civil.ge/eng/article.php?id=19845>

Dutch Say Russian Cluster Bomb Killed Journalist

A Dutch journalist was killed by controversial Russian cluster bombs, according to a Dutch governmental investigation. Dutch FM Maxime Verhagen criticized Russia's use of the deadly munitions: "There were no troops present in Gori and innocent civilians were killed." Russia has denied using cluster bombs during its August military attack.

AP (Oct. 20): Dutch: Russian cluster bomb killed journalist

Terrorist Attack Kills 2 in Georgian Village Near Abkhazia

In the early morning of October 25, the house of Otar Sabulua, a resident in the village of Mujava the Samegrelo region, was shelled several times. Gia Mebonia, the head of the local administration—together with policemen and EU and UN observers—rushed to the home to assess the situation. But tragedy struck, as a land mine exploded, killing Mebonia and Subulua; a policeman was severely wounded. The explosive apparently was detonated by remote control, and the interior ministry was looking for 5 individuals who escaped towards territory controlled by Abkhaz separatists after the explosion.

SPECIAL SECTION: DONORS & RECONSTRUCTION**The World Bank's Joint Needs Assessment of Georgia**

A joint needs assessment authored by the World Bank measured the devastating social and economic impact of Russia's invasion of Georgia. The assessment praised the Georgian government for its "immediate post-conflict recovery activities," but noted that at least \$3.25 billion in international aid was needed to restore Georgia to its pre-conflict growth rate. The assessment formed the basis for the Oct. 22 donors conference held in Brussels under the auspices of the EU and the World Bank, at which over 50 countries and institutions pledged \$4.5 billion to Georgia. The full assessment is available at the link below:

<http://siteresources.worldbank.org/INTGEORGIA/Resources/301645-1224598099977/GEJNA2008.pdf>

New Houses Do Not Fulfill Dreams of Going Home

The *New York Times* reports that the Georgian government has taken "very swift and very decisive" action to build 7,000 new homes for over 13,000 refugees, according to the UNHCR. Russia's refusal to permit ethnic Georgians from returning to South Ossetia has prompted President Saakashvili to promise temporary shelter for all refugees by Dec. 15. Of \$4.5 billion pledged at the donor's conference, \$700 million will be used to construct homes for Georgia's displaced.

<http://www.nytimes.com/2008/10/23/world/europe/23georgia.html?partner=rssnyt&emc=rss>

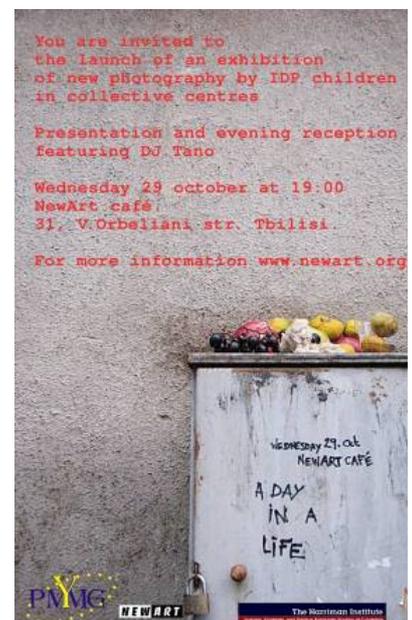
War Has Silver Lining for Georgia's Economy

Experts told the Associated Press that Russia's invasion of Georgia might have shielded the country's economy from feeling the full negative repercussions of the global financial crisis. Georgia was first in line to receive highly sought after international aid due to the severity of its post-conflict situation.

<http://www.iht.com/articles/ap/2008/10/23/europe/EU-Georgia-Donors.php>

**A Day in a Life:
PhotosBy Children in
IDP Collective Centers**

"A Day in the Life," an international photo exhibition portraying the lives of Georgian refugee children through their own eyes, will be showcased in several cities across the world. The exhibit seeks to raise awareness of the living conditions of displaced children and to raise money for Georgia's social and economic reconstruction.



INTERNATIONAL MEDIA ON GEORGIA

AGENCE FRANCE PRESS: Russia Opposes EU monitors in Georgia's Breakaway Provinces

Russia on Tuesday declared its opposition to deploying EU monitors in Georgia's rebel provinces, while Russian rights groups reported pillaging in Georgian border villages. Russian FM Sergei Lavrov told French counterpart Bernard Kouchner that security in the Georgian regions of South Ossetia and Abkhazia "is assured by Russian military contingents after the recognition of their independence by Russia." The EU has called for its monitors to be allowed into the rebel regions to monitor the ceasefire, but Moscow and rebel leaders have so far refused.

MOSCOW TIMES: Covering South Ossetia Is Practically Impossible

Most Western reporters are now only permitted to enter South Ossetia via the Russian border on Moscow-sponsored press trips, during which their freedom of movement is restricted. They travel in Russian armored vehicles—for their protection, of course—but the windows are so small that they can't really see how badly ethnic Georgian villages in the region were hit. Russian forces, meanwhile, are policing approach roads to South Ossetia, despite the ceasefire agreement that requires them to pull back to their pre-war positions.

<http://www.moscowtimes.ru/article/1016/42/371949.htm>

THE ECONOMIST: Russia and Europe—Too Soon to Kiss and Make Up

European nations have been too eager to return to "business as usual" after Russia only partially removed troops from security zones adjacent to rebel regions, the *Economist* argues in a leader. Russia must withdraw its forces from South Ossetia and Abkhazia and allow international observers access into conflict zones before partnership talks between Russia and Europe can resume. The EU also should reevaluate its neighborhood policy in the former Soviet Republics to inhibit Russia's use of energy as a political weapon. http://www.economist.com/opinion/displaystory.cfm?story_id=12429514

LIBÉRATION: "I don't know where I'll be living"

Over 20,000 Georgian refugees wait with little hope of a swift return home to the Russian-occupied territories of South Ossetia and Abkhazia. "For us to be able to return," a Georgian refugee says, "we just need the Russians to leave South Ossetia." Russia continues to violate international law by recognizing the independence of the conflict zones, and denying both EU monitors and Georgia's displaced access into separatists regions.

www.liberation.fr

WALL STREET JOURNAL: "Smart Aid" Is Key to Georgia's Democratization

Donors can help consolidate Georgia's governance and democratization by insisting on strict systems of transparency, accountability, and conditionality, argues foreign policy expert David Phillips. He also urges Georgia to focus on building an economically vibrant democracy with firm ties to the West. In doing so, the country can become an open and tolerant European state attractive not only to Georgians, but also to Abkhaz and South Ossetians.

http://online.wsj.com/article/SB12246222440355681.html?mod=googlenews_wsj

EURASIA DAILY MONITOR: Russian Official Warns of a Possible New Russia-Georgia War

Russia's military withdrawal from buffer zones adjacent to South Ossetia and Abkhazia "did not stabilize the situation." The remilitarization of Georgia's separatist provinces and the border standoff between Russian proxies and Georgian police have increased tensions. Russian Deputy FM Karasin warned *Eurasia Daily Monitor* of future armed conflict with Georgia if the EU does not resolve current provocations.

www.jamestown.org/edm/

BERLINER ZEITUNG: Russian Secret Services Control New Border

Russia's secret service, the FSB, will control the borders of Georgia's regions of South Ossetia and Abkhazia, *Berliner Zeitung* reports. Russia's infiltration into sovereign Georgian territory further defies the Sarkozy ceasefire agreement that called for Russian military withdrawal to pre-conflict positions.

<http://www.berlinonline.de/berlinerzeitung/archiv/.bin/dump.fcgi/2008/1022/politik/0049/index.html>

ASSOCIATED PRESS: Storm Clouds Hang Over Sochi Olympics

The fate of Russia's 2014 Sochi Olympic Games remains in question as the country struggles in the aftermath of its invasion of Georgia and the subsequent financial crisis. IOC head Jean-Claude Killy recently raised concerns about Sochi's progress. "We are very aware of the difficulties, of the amount of work," he said.

http://www.usatoday.com/sports/olympics/2008-10-25-1695426747_x.htm