

# GEORGIA UPDATE

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## TOP STORIES

- **Cabinet Reshuffle Aims to Bring Georgia Closer to Europe, Deepen Democracy, Rebuild Economy**
- **OSCE Report Condemns Russian Violations of Human Rights in War-Affected Areas**
- **Foreign Investors Return to Georgia, As Port of Poti Stake Is Sold for \$65 Million**
- **EU Says Russian Troops in S. Ossetia Not Promoting Peace**
- **S. Ossetia Police Shell Georgian, OSCE Positions in Violent Week**



### **Grigol Vashadze Appointed Foreign Minister**

Grigol Vashadze has been appointed as Georgia's new foreign minister. A longtime diplomat, he recently served as deputy foreign minister and also briefly held the portfolio of culture minister. The well-respected Vashadze, who served in the Soviet foreign ministry during the Gorbachev administration, emphasized the need to continue to strengthen Georgia's democracy, stabilize peace in the region, and speed up integration with Europe. He officially assumed office—together with the other new cabinet ministers—on Wednesday.

## INTERNATIONAL MEDIA ON GEORGIA

**WALL STREET JOURNAL:** Postwar Aid Buffers Georgian Economy

**ASSOCIATED PRESS:** Georgian Province in Uneasy Embrace of Moscow

**EU OBSERVER:** EU Formally Launches Georgia War Enquiry

**AL JAZEERA:** Interview of President Mikhail Saakashvili

**AGENCE FRANCE PRESSE:** EU Monitors Press for Access to Georgia's Rebel Zones

**TRANSITIONS ONLINE:** Enlargement Lite

## QUOTES OF THE WEEK

**"We also have to send a clear message that they have to act in ways that are not bullying their neighbors."**

—US President-elect Barack Obama speaking about Russia (Dec. 7)

**"Georgia is a vibrant democracy, it is an open society. We are responding to Russian aggression, not by shutting down society but by a new wave of democratic reform."**

—President Saakashvili in an interview with Al Jazeera (Dec. 4)

## UPCOMING MILESTONES

Dec. 11: OSCE chief Brichambaut visits Georgia

Dec. 12: EU special envoy Morel visits Georgia

Dec. 17-18: US Senator John Kerry visits Tbilisi

Dec. 18: Heidi Tagliavani expected to disclose details of the EU war enquiry

Dec. 18-19: Third round of Geneva peace talks

Dec. 31: OSCE monitoring mandate expires

Feb. 15: UN monitoring mandate expires

Mar. 31: EU monitoring mission mandate expires

## TOP STORIES

**Cabinet Reshuffle Aims to Bring Georgia Closer to Europe, Deepen Democracy, Rebuild Economy**

PM Mgalobishvili announced a series of major cabinet changes, replacing the ministers of defense, foreign affairs, economy, and culture. At the first meeting of the renewed cabinet, President Saakashvili said the moves had been made to bring Georgia closer to Europe, to deepen democracy, to help revive the economy, and to speed reform the postwar military. Added Mgalobishvili: "In the aftermath of Russia's invasion, Georgia faces enormous challenges, especially in foreign policy, and we need more experience to overcome them. Among the key changes: Grigol Vashadze becomes foreign minister (see next story), and David Sikharulidze, who was serving as Georgia's Ambassador to the US, becomes defense minister. Alexander Lomaia, until now head of the National Security Council, will shift to a key diplomatic post.

**CIVIL GEORGIA (Dec. 9): More Changes in Cabinet**

<http://www.civil.ge>

**BLOOMSBURG (Dec. 5): Georgia Reshuffles Government after War with Russia**

<http://www.bloomberg.com>

**OSCE Report Condemns Russian Violations of Human Rights in War-Affected Areas**

In a new report, the OSCE condemns Russian treatment of IDPs and refugees in and around Georgia's breakaway regions. "There are serious concerns in regard to human rights and minority issues in the war-affected areas," wrote Ambassador Janez Lenarcic, who oversaw the report for ODIHR. Russian troops are preventing the return of refugees and restricting freedom of movement, among other violations. By contrast, Lenarcic wrote that he is "heartened by the efforts of the Government of Georgia...to provide essential humanitarian assistance to a large number of displaced persons and others in need." The report also underscores the "urgent need to establish accountability for individuals responsible for human rights violations."

**Foreign Investors Return to Georgia, As Port of Poti Stake Is Sold for \$65 Million**

In a sign that foreign investors are returning to Georgia following Russia's invasion, the RAK Investment Authority of the United Arab Emirates has paid \$65 million for a 49% stake in Poti Sea Port. RAK had acquired the other 51% last April for \$80 million, together with an adjacent plot of land for US\$10 million, on which it intends to build and operate a free industrial zone. The move comes with assurances of a further \$200 million to be invested in the port in coming years, and helps secure thousands of new jobs in the port and free industrial zone. "I am delighted that RAK Investment Authority's interest in Georgia is unabated," said PM Mgalobishvili in announcing the deal.

<http://www.bi-me.com>

**EU Says Russian Troops in S. Ossetia Not Promoting Peace**

French FM Kouchner, whose country holds the EU presidency, raised doubts at last week's OSCE ministerial over whether the ongoing presence of Russian troops in Georgia's breakaway regions of Abkhazia and S. Ossetia was in the interests of stability in the Caucasus. "The EU is not convinced that the presence of thousands of Russian soldiers and military bases is contributing to this objective" of stabilizing the situation in Georgia, he said. The OSCE is seeking to extend its monitoring mandate in Abkhazia and S. Ossetia and is pushing for access into the rebel regions.

<http://www.adetocqueville.com>

**S. Ossetia Police Shell Georgian, OSCE Positions in Violent Series of Attacks**

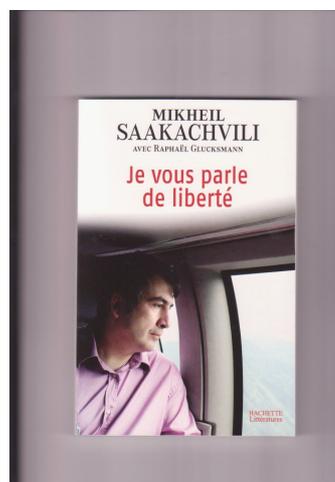
A series of attacks by Russian-backed South Ossetian militia rocked Georgian and OSCE positions over the past week. On December 10, rebel forces opened fire near Gori on an OSCE patrol car, seriously damaging the vehicle; earlier in the day, a remote-control device caused major damage to a Georgian patrol car. Meanwhile, last Friday, rebel forces opened fire with heavy-caliber grenade launchers from an Ossetian checkpoint in the village of Kvemo Khviti on a police post located in the Georgian village of Mereti.

**AGENCE FRANCE PRESS (Dec. 5): South Ossetia Police Shell Georgian Police Post**

<http://www.nasdaq.com>

**President Saakashvili Promotes New Book in Paris**

President Saakashvili launched his new French-language book entitled, "Je vous parle de liberté" in Paris in late November. Over 300 guests from the French political and cultural elite attended, together with representatives of Georgian diaspora.



## INTERNATIONAL MEDIA ON GEORGIA

### WALL STREET JOURNAL: Postwar Aid Buffers Georgian Economy

The generous Western aid pledged to support reconstruction has proved crucial in helping Georgia withstand the global financial crisis. More than half a billion dollars, primarily from the US, already has been disbursed. Most of the country's rapid economic growth before Russia invaded came from foreign direct investment, which made up close to 20% of gross domestic product in 2007; but the war undermined FDI. Georgia is working hard to ensure that foreign investors return to the country, which the World Bank recently ranked as the 15th best place in the world to do business.

<http://online.wsj.com>

### ASSOCIATED PRESS: Georgian Province in Uneasy Embrace of Moscow

Russia's ever-expanding control of Abkhazia is causing increasing anxiety among the local population. "We've already become like a province of Russia," says the editor of an Abkhaz opposition paper forced to close. Russian soldiers regularly block access to foreigners seeking to cross the Inguri River into Abkhazia from Georgia, and harass those who venture into areas under their control. "There's already a lot of tension," Abkhazia's deputy foreign minister, Maxim Gvindzhiya, says. "But what can you say to a regular soldier? They don't even listen to me when I call them." Moscow has circulated Russian passports, nearly nationalized the Russian language, and deployed nearly 4,000 armed forces in the separatist enclave.

<http://www.telegraph.co.uk>

### EU OBSERVER: EU Formally Launches Georgia War Enquiry

The EU last week officially launched a €1.6 million international fact-finding mission to investigate the origins of Russia's invasion of Georgia. Led by Swiss diplomat Heidi Tagliavini, the commission will examine the "origins and the course of the conflict...with regard to international law, humanitarian law and human rights, and the accusations made in that context." Tagliavini and her handpicked group of experts are scheduled to report their findings in July.

<http://www.eubusiness.com>

### AL JAZEERA: Interview of President Mikhail Saakashvili

NATO's move last week to enhance relations with Georgia was a "great decision," President Saakashvili told Al Jazeera. "What NATO has essentially done is put away the membership action plan—which is the traditional way to get into NATO—and said, without prejudice to that decision, that Georgia and Ukraine should proceed towards NATO membership." The Alliance has established a NATO-Georgia Commission and opened a liaison office as part of its proposed "Annual National Program."

<http://www.english.aljazeera.net>

### AGENCE FRANCE PRESSE: EU Monitors Press for Access to Georgia's Rebel Zones

EU observers are insisting on access into Georgia's breakaway territories amid especially fierce opposition from Abkhaz separatists. The EU says its monitoring mandate "covers the entire territory of Georgia," including both Abkhazia and South Ossetia. "EU monitors will never be allowed to fulfill their mission on Abkhaz territory," counters Russian-backed Abkhaz leader Sergei Bagapsh. Abkhaz resistance flies in the face of requirements of the August 12 ceasefire agreement negotiated by Nicolas Sarkozy on behalf of the European Union.

[www.eubusiness.com](http://www.eubusiness.com)

### TRANSITIONS ONLINE: Enlargement Lite

The EU's new "Eastern Partnership" program—an upgraded ENP—allows prospective members greater liberty to selectively reform, unlike their eastern enlargement predecessors. According to the Czech think tank: "The EU's eastern neighbors have two other alternatives to the EU: joining the gradually re-consolidating Russian 'sphere of influence' or playing a Tito-style game of perpetual maneuvering between East and West to strengthen their position, rather than fully committing to one or the other." The EU must pursue short-term policies of "radical differentiation" to be effective in the Caucasus and beyond.

<http://www.tol.cz>

## NGO'S/THINK TANKS

### GEORGETOWN UNIVERSITY: Burden of Strategy — Transatlantic Relations and the Future of NATO Enlargement

President-elect Barack Obama should pursue a gradual expansion strategy and offer Georgia and Ukraine MAP status. "Ukraine's and Georgia's participation in MAP eventually could soften Russian attitudes toward their accession," says the Georgetown report. "Only the combined efforts of NATO and the EU can transform effectively the new Eastern Europe and wider black Sea region." The Obama Administration has the unique opportunity to form a transatlantic consensus on NATO enlargement through a pragmatic expansion policy.

<http://www.georgetown.edu>

## WEBSITES @ GEORGIA

**Civil Georgia:** Leading independent English-language news website on Georgia: <http://www.civil.ge>

**Georgia Update:** Official government information service: <http://www.georgiaupdate.gov.ge>

**Georgian Foundation for Strategic and International Studies:** Leading non-governmental organization that focuses on Georgian domestic and foreign policy: <http://www.gfsis.org>

**Georgian Parliament:** <http://www.parliament.ge/>

**Government of Georgia:** <http://www.government.gov.ge/eng/>

**Ministry of Foreign Affairs:** <http://www.mfa.gov.ge>

**National Investment Agency:** <http://www.investgeorgia.org>

**Georgian Mission to NATO:** <http://embassy.mfa.gov.ge>

**Discover Georgia:** Official tourism site. <http://www.tourism.gov.ge/>