GEORGIA UPDATE

WEEKLY EDITION • 26 March 2009

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

TOP STORIES

- Police Detain 10 on Charges of Purchasing Illegal Arms; 2 Sought to Overthrow the Government
- IRI Poll Shows Overwhelming Desire for Political Stability, Jobs; 84 Percent of Georgians Say Russia Still at War
- Intelligence Chief Says Russia Trying to Sow Domestic Disorder
- Georgia Plans New Power Line for Export to Turkey
- Growing Signs of Discontent in Occupied Territories as Economies Falter, Aid Disappears



In a visit Monday to Tbilisi, OSCE Chair and Greek FM Dora Bakoyannis called for all parties to demonstrate "flexibility" in negotiating the OSCE's presence in Georgia's separatist regions. "The only way to do this is to depoliticize the debate and focus on the practical necessity of a robust OSCE presence," she said. Last December, Russia vetoed extending the OSCE's 16-year presence in the country, an observatory mission that Bakoyannis believes is essential to maintaining peace in the region. <u>CIVIL GEORGIA</u>: <u>OSCE Chair</u>: <u>Depoliticize debates on OSCE presence</u>

INTERNATIONAL MEDIA ON GEORGIA

THE GUARDIAN: Fears for a Russian winter Olympics of discontent

EURASIANET: Saakashvili administration turns global economic crisis to its advantage

AGENCE FRANCE PRESSE: EU rebuffs Russia on security structure

NEWSWEEK: How the West turned from Kiev

AGENCE FRANCE PRESSE: EU leaders endorse new partnership with ex-Soviet states

RFE/RL: The EU's neighborhood nightmare

REUTERS: Russia to help defend Abkhazia, S. Ossetia borders

QUOTE OF THE WEEK

"My administration is seeking a reset of the relationship with Russia, but in a way that's consistent with NATO membership and consistent with the need to send a clear signal throughout Europe that we are going to continue to abide by the central belief that countries who seek and aspire to join NATO are able to join NATO."

— US President Barack Obama (March 25)

UPCOMING MILESTONES

Mar. 30–Apr. 1: Parliament Speaker Bakradze visits Denmark & Norway

Mar. 3-Apr. 4: FM Vashadze visits US, Denmark, Norway, Finland & Sweden

Mar. 31–Apr.1 Swedish business delegation visits Georgia

Mar. 31: First Deputy FM of Germany visits Georgia

Mar. 31: EU monitoring mandate expires

Apr.1-5 Estonian business delegation visits Georgia

Apr. 2-4: Speaker Bakradze visits Finland

Apr. 27: 10th anniversary of Georgia's CoE membership

May 4: Speaker Bakradze visits Sweden

www.georgiaupdate.gov.ge

TOP STORIES

Police Detain 10 on Charges of Purchasing Illegal Arms; 2 Sought to Overthrow the Government

Georgia police have arrested 10 individuals after video and telephone intercepts (www.police.ge/en) provided evidence that they sought to purchase illegal arms in an attempt to destabilize the country. In one case, two co-conspirators acquired arms and discussed the assassination of President Saakashvili and the takeover of key institutions using small groups of militia. In a separate case, eight individuals, possibly connected to an opposition party, purchased weapons with a view to potentially disrupting the political demonstrations set for April 9 in Tbilisi. All 10 are now in pre-trial custody.

NEW YORK TIMES: Tensions Grow in Georgia Over Accusations of a Plot

IRI Poll Shows Overwhelming Desire for Political Stability, Jobs

A poll conducted by the International Republican Institute (IRI) has found that Georgians overwhelmingly desire political stability and economic security. The IRI polled 1,500 Georgians and found that 86 percent think the country's politicians should focus on maintaining political stability above any other issue. Meanwhile over half of those polled felt that unemployment was the primary problem in Georgia. When asked if they thought Russian aggression was still underway in Georgia, 84 percent said yes.

RUSTAVI: IRI conducts public polls in Georgia

Intelligence Chief Says Russia Trying to Sow Disorder

Georgia's intelligence chief, Gela Bezhuashvili, told Parliament that Russia was seeking to sow "internal disorder" in the country. Although a large-scale military action was unlikely, "Russia is seeking to increase pressure on Georgia through other means to remove governmental authorities," he said. Intelligence showed that Russia had already allocated funds and personnel to undermine domestic support for President Saakashvili before next month's planned opposition protests.

AGENCE FRANCE PRESSE: Georgia Intelligence Chief: Russia truing to sow "disorder"

<u>CIVIL GEORGIA</u>: <u>Intelligence chief</u>: <u>Russia wants to undermine Georgia from within</u>

Georgia Plans New Power Line for Export to Turkey

Georgia is planning to construct a new high-voltage power line to export electricity to Turkey. According to state power director Sukhan Zumburidze, the project—set to begin in September 2009—will cost €220 million to complete, and will be financed by the European Bank of Reconstruction and Development (EBRD), the European Investment Bank, and a German state bank. Georgia is seeking to finance new hydropower plant projects to generate additional exportable electricity.

REUTERS: Georgia plans new power line for export to Turkey

Growing Signs of Discontent in Occupied Territories as Economies Falter, Aid Disappears

Discontent is intensifying in Georgia's Russian-occupied territory of South Ossetia, as Russian reconstruction aid fails to reach the regions' struggling families. "The financial crisis is having a serious effect on a lot of financing of projects in South Ossetia," said one local official. The occupied territory's de facto leader, Eduard Kokoity, blamed Moscow for failing to fulfill its obligations in efficiently allocating the promised 1.5 billion rubles in reconstruction aid.

RUSTAVI: Separatist leader discontented with Russia
REUTERS: Georgia separatists say Russian aid has dried up



Security was high in Mariupol, Ukraine, for a crucial European Nations Cup match between Georgia and Russia on March 22. In the stands, Georgians seemed to clearly outnumber Russian fans. "The Russian coach told me it looked like they were playing in Georgia," said one journalist. On the field, the sides were more evenly matched. Russia took an early lead with two three-point kicks, but Georgia stormed back to take a commanding 19-6 lead at halftime. During the second half, Russia managed to close the gap before Georgia again pulled away, winning 29-21. The victory gave Georgia a big boost in its effort to secure an automatic berth in the 2011 Rugby World Cup, to be held in New Zealand. Commented a jubilant Gia Nizaradze, president of the Georgian Rugby Union: "This is the best the Russian team has been in 15 years, which makes it a better win."

www.eurasianet.org

PAGE 3 www.georgiaupdate.gov.ge

INTERNATIONAL MEDIA ON GEORGIA

discontent

Amidst the global economic crisis, Russia's preparations to host the 2014 winter Olympics in Sochi are in trouble. Cashstrapped private investors, mass environmental degradation, and political turmoil in the adjacent occupied territory of Abkhazia has sparked widespread discontent. Many are beginning to wonder whether the Games are worth it and if the IOC was wise to hand the Olympics to a city with no infrastructure or political stability.

www.guardian.co.uk

EURASIANET: Saakashvili administration turns global economic crisis to its advantage

President Saakashvili's administration has been striving to turn the economic troubles to the country's advantage. Despite earlier concerns that the Georgian economy would crumble under the double-whammy of war and worldwide recession, local economists are cautiously optimistic that the country can make it through the downturn relatively unscathed. That prospect is helping to bolster the Saakashvili administration, particularly on the economic front.

http://www.eurasianet.org

AFO: EU rebuffs Russia on new security structure

EU foreign policy chief Solana rebuffed Russian calls for a new security architecture in Europe, insisting that existing bodies like the NATO-Russia Council could do the job. "The security of Europe has schemes, has organizations, has structures and they are working properly," he said. Russia's security proposal was widely perceived as hypocritical in European circles in the wake of Moscow's invasion of Georgia. news.yahoo.com

NEWSWEEK: How the West turned from Kiev

Just 5 years ago Ukraine was the toast of pro-democracy politicians the world over; but now they are turning their back on Kiev. The West got frightened last August, after Russia invaded Georgia, and bought into the Russian line that plans to admit Ukraine to NATO meant trouble. The US and the EU need to bring Ukraine into Europe—in the full sense of a path toward EU and NATO membership. This would be a policy change that might even help encourage Russia to see itself as a future partner with the Euro-Atlantic community. www.newsweek.com

AGENCE FRANCE PRESSE: EU leaders endorse new partnership with ex-Soviet states

EU leaders endorsed a new "Eastern Partnership" that will allow the Union to boost its aid to six former Soviet states by 600 million euros. "There were different views but we managed to strike an agreement that's a great victory, not just for the cuntries concerned, but in particular for the EU itself," said Czech FM Schwarzenberg. The partnership is aimed at boosting democratic reform in the six republics and is scheduled to launch at the May 7 Prague summit.

www.eubusiness.com

RFE/RL: The EU's neighborhood nightmare

The EU'S neighborhood plan is in trouble as Russia cunningly tries THE GUARDIAN: Fears for a Russian winter Olympics of to stymie the project targeting six ex-Soviet republics. The nightmare scenario in Brussels is that come May 7, when the Prague Summit commences, it will be faced by less than a full set of Eastern leaders, with most of those present acting as Russia's proxies. The weeks preceding the summit are crucial in deciding the long-term outcome of many of these tensions.

www.rferl.org

REUTERS: Russia to defend Abkhazia, S. Ossetia borders

Russia is pledging to build military bases in South Ossetia and Abkhazia to help defend their borders. "President Medvedev ordered the signing of agreements with Abkhazia and South Ossetia on joint efforts to protect the borders of these republics," a Kremlin spokeswoman said last Friday. Russia has unilaterally recognized the independence of Georgia's two occupied territories and has remilitarized the region in defiance of the Sarkozy ceasefire agreement and international law.

uk.reuters.com

THINK TANKS & NGOs

COUNCIL OF EUROPE: The humanitarian consequences of the War between Georgia and Russia

Addressing the humanitarian consequences of Russia's war with Georgia is an immediate priority, says the CoE's Parliamentary Assembly (PACE). According to Resolution 1648, local authorities have inhibited villagers from receiving humanitarian aid and have denied over 20,000 Georgian refugees the right of return. PACE members traveled to S. Ossetia to meet with NGOs and others to mediate the alarming situation.

http://assembly.coe.int

HERITAGE: How Obama should engage Russia

Russia is one of the most significant foreign policy challenges facing the Obama administration. While improving US-Russian relations is certainly desirable, haste is ill advised. The administration should use its political capital to maintain and expand transatlantic unity by showing leadership within NATO, demanding that Russia adhere to the rule of law, and working with its European partners to diminish dependence on Russian energy. http://www.heritage.org

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 Mission to NATO: http://embassy.mfa.gov.ge

Georgian Parliament: http://www.parliament.ge/

Government of Georgia:http://www.government.gov.ge/eng./ Local Government: Official website of Georgia's capital, Tbilisi:

http://www.tbilisi.gov.ge/index.php?lang_id=ENG&sec_id=1

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

National Investment Agency: http://www.investgeorgia.org

President Saakashvili's official website: http://www.president.gov.ge/?I=E&m=0&sm=0