

GEORGIA UPDATE

WEEKLY EDITION • 3 September 2009

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

TOP STORIES

- Landmark Visa Agreement Strengthens Ties Between Georgia & European Union
- New Evidence Emerges of Premeditated Russian Cyber Attacks Before August 2008 Invasion
- In Reshuffle, New Defense, Economy Ministers Bring Young Blood to Cabinet
- Georgia Slams Russia for Railway Robbery in Occupied Abkhazia
- PM Says Georgia's Economy May Expand 2% Next Year
- In Postscript to USSR, Georgia Formally Leaves Commonwealth of Independent States



Zurab Pololikashvili (left), Georgia's ambassador to Spain, was appointed last week as the new economy minister. Prior to assuming his ambassadorial post, Pololikashvili served as Georgia's deputy foreign minister in 2005 and has held several managerial positions at Georgia's TBC Bank. Prime Minister Gilauri (right) expressed confidence in his latest appointment. "I think and we think—in agreement with the President—that he is the best person to tackle the problems facing our economy."

INTERNATIONAL MEDIA ON GEORGIA

NRC HANDELSBLAD: "Russia's behaviour in Georgia united NATO," says Obama's man in Brussels

FOREIGN POLICY: The great pipeline opera

TIME MAGAZINE: Russia's moves raise doubts about Obama's "reset"

AFP: US to train Georgian troops for Afghan mission

REUTERS: Turk tanker operator says Abkhazia risks too high

ANGUS REID MONITOR: Saakashvili better on economy, say Georgians

PROJECT SYNDICATE: Carl Bildt, "Reset' button for Europe's backyard"

FINANCIAL TIMES: Russia's botched policy in its own backyard

QUOTES OF THE WEEK

"The organizers of the cyber attacks had advance notice of Russian military intentions, and they were tipped off about the timing of the Russian military operations while these operations were being carried out. Additionally, the civilian cyber attackers were aided and supported in their efforts by Russian organized crime."

—From the report by the US Cyber Consequences Unit, an NGO, on the cyber attacks against Georgia before and during Russia's August 2008 invasion.

UPCOMING MILESTONES

Sep. 1: US training starts for Afghanistan-bound Georgian forces

Sep. 3: Fourth meeting of the incident prevention and response mechanism

Sep. 9 -11: Vice Premier Baramidze visits Poland

Sep. 10-11: Latvian FM Riekstins visits Georgia

Sep. 12-17: Vice Premier Baramidze visits US

Sep. 17: 7th round of Geneva talks

Sep. 17-19: Turkish FM visits Georgia

Sep. 24: President Saakashvili addresses UN General Assembly

Oct. 27: FM Vashadze visits Brussels

Oct.: Danish FM Møller visits Georgia

Oct.: Vice Premier Baramidze visits UK

Oct.: Next meeting of US-Georgia Commission

TOP STORIES

Landmark Visa Agreement Strengthens Ties Between Georgia & European Union

The European Union and Georgia reached a landmark visa agreement last week, tying Georgia more closely to the Union. The visa facilitation deal will, among other things, make it easier for groups of students or journalists to obtain visas to enter EU nations. The talks on the deal, which needs to be ratified by EU member states, were launched at the start of this year. "The way towards the EU and NATO is more open than ever," President Saakashvili said shortly before the deal was announced.

[AFP: EU Commission and Georgia reach visa deal](#)

[CIVIL GEORGIA: Georgia says visa, readmission treaties with EU agreed](#)

New Evidence Emerges of Premeditated Russian Cyber Attacks Before August 2008 Invasion

New research from a widely respected US non-profit reveals that Russian cyber attacks on Georgian websites were highly planned and apparently coordinated with the Russian military in advance of the invasion of Georgia last year. The US Cyber Consequences Unit concluded that "the organizers of the cyber attacks had advance notice of Russian military intentions, and they were tipped off about the timing of the Russian military operations while these operations were being carried out." Although the group did not go so far as to definitively link the Kremlin to the cyber-attacks, evidence strongly suggests close cooperation between Russian military personnel and Russian criminal organizations with the civilian cyber attackers.

[US CYBER CONSEQUENCES UNIT REPORT: Overview by the US-CCU of the Cyber Campaign Against Georgia in August 2008](#)

In Reshuffle, New Defense, Economy Ministers Bring Young Blood to Cabinet

New defense and economy ministers have been named in Georgia, bringing young blood to President Saakashvili's Cabinet. President Saakashvili, in commenting on the appointment of Bacho Akhalaia as defense minister, praised his earlier work in reforming Georgia's prison system. Akhalaia said his priority would be to increase the army's "combat capabilities in order to help preserve peace" and deepen reforms for NATO integration. Prime Minister Gilauri also nominated Georgia's ambassador to Spain, Zurab Pololikashvili, as the new economy minister. "He knows very well how to work with the private sector and understands the problems concerning the private sector," the PM said. "Pololikashvili is the best person to tackle the problems facing our economy." David Sikharulidze, the defense minister until now, will become foreign policy advisor to the President.

[CIVIL GEORGIA: Defense Minister Replaced](#)

[CIVIL GEORGIA: New Economy Minister Appointed](#)

Georgia Slams Russia for Railway Robbery in Occupied Territory of Abkhazia

Georgia protested plans by occupied Abkhazia to transfer control of the railway in the Black Sea territory to Russia—a move Tbilisi said amounted to robbery. "Acting behind the shield of the occupying forces deployed in the occupied territories of Georgia, the Kremlin continues to rob Georgia of its own assets," said the Georgian foreign ministry. "This is another step toward reinforcing the military infrastructure in Georgia's occupied region, preparation for a new wave of military aggression against Georgia and robbery of its natural resources."

[REUTERS: Georgia slams Russia for railway "robbery in occupied Abkhazia](#)

PM Says Georgia's Economy May Expand 2% Next Year

The Prime Minister says the economy could expand 2 percent next year, a healthy rebound after a 2009 decline. The government is sticking by its forecast of a 1.5 percent decline in gross domestic product this year, he said, but is prepared for a larger contraction. "Four percent is our worst-case scenario, while zero growth is the best case," he said, noting that for precautionary reasons budget planning assumes the economy will shrink 4 percent. The IMF in August boosted a loan to Georgia by more than 50 percent to \$1.17 billion.

[BLOOMBERG: Georgia's economy may expand 2% next year –PM Gilauri](#)

In Postscript to USSR, Georgia Formally Leaves Commonwealth of Independent States

Georgia definitively withdrew late last month from the Commonwealth of Independent States, the grouping of former Soviet republics, underscoring a permanent shift away from Moscow's sphere of influence. "What we are seeing now is a run from Moscow," said Alexei Malashenko, an analyst with Carnegie Moscow Center. "Russia's allies are looking for alliances elsewhere to ease the heavy hand of Moscow," he said.

[REUTERS: Georgia quits ex-Soviet group as Moscow allies rebel](#)

[CIVIL GEORGIA: Georgia finalizes quitting CIS](#)



The International Committee of the Red Cross (ICRC) has teamed up with five of the world's top war photographers to put on the "Our World—At War" photo exhibition. After being held in Gori, Zugdidi, and Kutaisi, it opened on August 26 in Tbilisi. The exhibition offers a unique first-hand look at what war does to people's lives—from the loneliness of an elderly woman made homeless by last year's invasion of Georgia by Russia, to the unbridled joy of two brothers reunited after being separated by fighting in the Democratic Republic of the Congo. "In August 2008 we witnessed wide-scale human suffering and destruction brought on by armed conflict between Georgia and Russia," says Dominique Liengme, head of the ICRC delegation in Georgia. "The exhibition shows that each of us has an individual responsibility to lessen human suffering. Individual action can be as powerful as the work of entire organizations." The five photojournalists from the New York-based VII Agency—James Nachtwey, Ron Haviv, Chris Morris, Franco Pagetti and Antonin Kratochvil—travelled to eight countries, where they met displaced families, prisoners, orphaned children, war surgeons, widowed mothers, and others affected by conflict.

INTERNATIONAL MEDIA ON GEORGIA

NRC HANDELSBLAD: "Russia's behaviour in Georgia united NATO," says Obama's man in Brussels

US President Obama wants to improve relations with Russia, but Moscow needs to understand that it crossed the line last year in Georgia. "All 28 NATO-allies agree, what happened in Georgia was unacceptable, the current situation in Georgia is untenable," said Ivo Daalder, the new US ambassador to NATO, in an interview. "If there was one way to unite the alliance, it was this kind of behavior."

www.nrc.nl

FOREIGN POLICY: The great pipeline opera

Moscow, not surprisingly, is pulling out all the stops to scuttle the Nabucco pipeline project. It is seducing pliant politicians and resorting to old-fashioned bullying, especially in the states that Nabucco transits. But the real question that will determine Nabucco's future is whether Europe has the stomach to fight as hard for its interests as Russia does for its own. After the signing of an agreement in July between the EU and other states that advanced prospects for Nabucco, European Commission President Barroso said: "Now that we have an agreement, I believe that this pipeline is inevitable rather than just probable."

www.foreignpolicy.com

TIME MAGAZINE: Russia's moves raise doubts about Obama's "reset"

The much-trumpeted "reset" of relations between Russia and the US was dealt a slap in the face as Moscow went on the offensive against Ukraine and Georgia. While Washington insists that it will not recognize a Russian "sphere of influence," the moves by Medvedev and Putin place a question mark over the Obama administration's ability to check Russia. "The reset was done on the US side; the Russians didn't feel they had anything to correct," says Dmitry Trenin, director of Carnegie Moscow Center.

www.time.com

AGENCE FRANCE PRESSE: US to train Georgian troops for Afghan mission

A team of US marines began training a 750-strong infantry battalion that heads to Afghanistan in 2010, Pentagon spokesman Bryan Whitman told reporters. The first influx of Marines arrived in Georgia on August 15th, and the formal training began this Tuesday. A Pentagon spokesman said the training mission was solely focused on the Afghan mission, but Moscow has accused Washington of meddling in the region and rearming Georgia. Moscow and Western governments are in intensifying competition for influence in Georgia due to its vital location astride a geographical corridor that could be used to transport energy supplies from Central Asia directly to Western markets.

news.yahoo.com

REUTERS: Turk tanker operator says Abkhazia risks too high

The Turkish operator of a tanker that was seized by Georgian authorities for delivering fuel to the Russian-occupied territory of Abkhazia said last week that he had given up the idea of sending any further supplies to the Black Sea territory. "The risks are too high now," said the general manager of the tanker's operator. Under Georgian law, foreigners risk prosecution if they enter Abkhazia or the other Georgian territory now occupied by Russia, South Ossetia, without permission from Tbilisi.

uk.reuters.com

ANGUS REID GLOBAL MONITOR: Saakashvili better on economy, say Georgians

More adults in Georgia believe their government is doing a good job in handling the economy, according to a poll by the International Republican Institute. Forty-seven percent of respondents positively evaluate the performance of the current administration during the financial crisis, up five points since February. Last month, the International Monetary Fund (IMF) increased its assistance package to Georgia from \$780 million U.S. to \$1.2 billion U.S., and expressed confidence in the Georgian government.

www.angus-reid.com

PROJECT SYNDICATE: Carl Bildt on "A 'reset' button for Europe's backyard"

The Eastern Partnership is about EU integration, about six countries moving closer to the EU's values, legislation, and ways of working—and about the EU being there to support and help this convergence, writes Swedish Foreign Minister Carl Bildt. The Eastern Partnership does not offer any quick remedies to the crisis. But it can provide a political framework and institution-building support. The Eastern Partnership's offer of deep integration with the EU in the areas such as trade and energy carries with it considerable transformational power.

www.project-syndicate.org

FINANCIAL TIMES: Russia's botched policy in its own backyard

The broader problem for Russian foreign policy is that the country's rulers do not know how to deal with their post-Soviet neighbors. The result is that post-Soviet nations are trying to develop relations with anybody but Russia. Most starkly, Georgia and Ukraine are turning to the west, but even Belarus, the ultimate Russian loyalist, is fed up with the Kremlin and seeking other options.

www.ft.com

THINK TANKS/NGOs

IOCC: One year after the war, displaced Georgians face hardships

The Georgian government is being praised by IDPs for taking quick action to provide shelter before the onset of winter. But one year after the war, and with no hope of returning to their homes in the near future, many IDPs still face hardships. The International Orthodox Christian Charities, in partnership with the UN's World Food Programme, is distributing essential food items to more than 35,000 individuals who were affected by the 2008 war. The IOCC, together with the Georgian Orthodox Church, also has established support groups where members of the community can discuss their problems.

www.iocc.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/?l=E&m=0&sm=0>