

GEORGIA UPDATE

WEEKLY EDITION • 17 December 2009

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

TOP STORIES

- **WTO Praises Tbilisi's Economic Policies; IMF grants \$75.3 million to Georgia**
- **NATO Chief Says No Compromise With Russia Over Georgia, Rejects Moscow's Security Proposals**
- **US, EU Reject Illegitimate Vote in Russian-Occupied Abkhazia**
- **EU Calls on Russia to Withdraw Troops From Georgian Village**
- **Russia, Georgia Move To Restore Transport Links**
- **Turkish, South Korean Firms to Invest \$1 billion in Georgian Energy Plants**

HAPPY HOLIDAYS & WISHES FOR A PEACEFUL 2010 * * * Georgia Update Will Next Appear on Jan. 7



As world leaders gathered in Copenhagen Thursday to try to agree on an elusive global climate treaty, President Saakashvili underscored Georgia's commitment to preventing global warming. "My country will stand among those that take targeted, effective measures in fighting the effects of climate change," he said in a speech in Copenhagen. "The South Caucasus already suffers from climate change with shrinking glaciers, sea level rise, reduction and redistribution of river flows, decreasing snowfall, and an upward shift of the snowline." Georgia generates some 80 percent of its electricity from hydro plants and has plans to increase this output in coming years.

INTERNATIONAL MEDIA ON GEORGIA

THE DAILY TELEGRAPH: President Saakashvili on "Why Georgia sends troops to Afghanistan"

AGENCE FRANCE PRESSE: Georgia makes hefty Afghan contribution

BBC: Russia-France arms deal raises concerns

EURASIA DAILY MONITOR: Russia removes constitutional constraints on military intervention abroad

AGENCE FRANCE PRESSE: Abkhazia sinks into Russia's smothering embrace

PROJECT SYNDICATE: Defusing Russia's energy weapon

WASHINGTON POST: Russia, again evading history

EURASIANET: Russia, Georgia again to discuss border opening

EURACTIV: Russia's security proposal—The wrong blueprint

WEEKLY STANDARD: Punishing allies—The view of Obama from Central Europe

ART FORUM: Georgia on my mind

QUOTES OF THE WEEK

"The Russians are not complying with the ceasefire deal because they are holding a checkpoint in Perevi, which is clearly outside S. Ossetia. I think the time has come to solve this problem."

—Hansjoerg Haber, head of the EU Monitoring Mission in Georgia

"The EU has taken note of the 'presidential elections' held in the Georgian territory of Abkhazia on December 12. The EU does not recognize the constitutional and legal framework within which these elections have taken place. The EU continues to support Georgia's territorial integrity and sovereignty, as recognized by international law."

—Joint statement by all 27 EU Member States

"Our main message is that Georgia—which is a country under threat—is not just a consumer of security, but a frequent contributor as well. I believe our partners understand this."

—National Security Advisor Eka Tkeshelashvili on Georgia's troop contribution to NATO's Afghan mission

UPCOMING MILESTONES

Dec. 12-17: State Minister Baramidze visits France

Jan. 7: Georgians celebrate Orthodox Christmas

Jan. 18-19: FM Vashadze visits Iran

Jan. 26: FM Vashadze visits Holland

Jan. 28: Next round of Geneva peace talks

TOP STORIES

World Trade Organization Praises Tbilisi's Economic Policies; IMF Grants \$75.3 Million to Georgia

The World Trade Organization praised Georgia's outstanding reforms and progressive economic policies in a newly released report on the country. According to the report, Georgia's recent economic policies have met with considerable success—guided by reliance on the private sector for growth in a liberalized trade, investment, and business environment—in what has been one of the world's fastest reforming economies. The report says that continuing structural reforms will be key to strengthening Georgia's resilience to shocks, sustaining growth, attracting investment into export activities, and improving productivity. Meanwhile, the International Monetary Fund granted \$75.3 million to Georgia after a review of the IMF's financing program. "The Georgian authorities' economic strategy has succeeded in stabilizing financial conditions and market confidence," said an IMF Deputy Director. The IMF has projected 2 percent growth for Georgia's economy in 2010.

[EURASIANET: WTO Praises Tbilisi's Economic Policies](#)

[REUTERS: IMF grants \\$75.3 mln to Georgia, adds benchmarks](#)

[WTO TRADE POLICY REVIEW: Georgia 2009](#)

NATO Chief Says No Compromise With Russia Over Georgia, Rejects Moscow's Security Proposals

NATO is not willing to compromise with Russia on admitting Georgia to the Western military alliance, NATO Secretary-General Anders Fogh Rasmussen said Thursday. In a speech at the Moscow State Institute of International Relations, Rasmussen refuted the perception in Moscow that NATO is encircling Russia. "When Russia's neighbors joined NATO in 1999 and 2004, Russia benefited from a stable western border," he said. "That stability, of course along with EU membership, led to increased investor confidence, economic growth and prosperity." Rasmussen also said he saw no need for a new security treaty proposed by Russia, rebuffing the Kremlin's call for new defense arrangements in Europe.

[UPI: NATO tells Russia no Georgia compromise](#)

US, EU Reject Illegitimate Vote in Russian-Occupied Abkhazia

Upholding Georgia's territorial integrity and national sovereignty, the international community rejected last week's illegitimate presidential vote in Georgia's Russian-occupied territory of Abkhazia. The EU, US, and Georgian authorities have called the "re-election" of de facto president and Russian proxy, Sergei Bagapsh, invalid because, among other factors, it excluded the votes of the long-displaced Georgians. "Any election in Russian-occupied Abkhazia is illegitimate due to the fact that 80% of the pre-war population of Abkhazia has been driven out by two decades of ethnic cleansing," said a Georgian government statement. A joint EU statement confirmed Europe's support for Georgia: "The EU does not recognize the constitutional and legal framework within which these elections in Abkhazia have taken place." The US also denounced the elections: "The US regrets the decision to hold 'elections' in the Abkhazia region of Georgia last week and recognizes neither the legality nor the results. The US reiterates its support for Georgia's sovereignty and territorial integrity within its internationally recognized borders." An estimated 40,000 ethnic Georgians live in the region, but local law prevents most of them from voting because they do not have Russian-distributed Abkhaz passports. Furthermore, ethnic Georgians are cut off from Georgia proper by an administrative boundary controlled by Russian guards. Temuri Yakobashvili, Georgia's minister for reintegration, said Bagapsh has little power in any case, given Abkhazia's reliance on Russia. "At the end of the day, it's an occupied territory and the Russians are calling the shots," he said. "The Russians are comfortable with him and he will stay there. That's it."

[WALL STREET JOURNAL: Russian presence grows in Abkhazia](#)

[DPA: European Union rejects Abkhazia elections](#)

[CIVIL GEORGIA: EU, US reject Abkhaz elections](#)

EU Calls on Russia to Withdraw Troops From Georgian Village

European Union monitors in Georgia strongly urged Russian forces last week to pull back from the Georgian village of Perevi and warned that detentions on both sides of the de facto border with Russian-occupied S. Ossetia were raising tension. The head of the EU's Monitoring Mission in Georgia, Hansjoerg Haber, said that access to satellite imagery had improved surveillance over S. Ossetia. "The Russians are not complying with the ceasefire deal because they are holding a checkpoint in Perevi, which is clearly outside S. Ossetia," Haber said. "I think the time has come to solve this problem."

[REUTERS: Interview-EU calls on Russia troops to quit Georgian village](#)

Russia, Georgia Move To Restore Transport Links

President Saakashvili has said Georgia is open to Russia's interest in restoring transport links between the two countries. Moscow said last week that it sees "no obstacles" to a move that would serve the interests of "ordinary people" in both countries, proposing to open the Verkhny Lars /Zemo Larsi border crossing and restore direct air travel between Tbilisi and Moscow. "The Georgian side expresses its readiness to resume direct flights and to reopen the Zemo Larsi border crossing point," read a statement from the office of President Saakashvili. The border crossing was closed, purportedly for reconstruction, in July 2006. Direct flights between the two countries were suspended by Moscow in the fall of 2006. Only two other border crossing points exist, both located in Georgia's Russian-occupied territories of S. Ossetia and Abkhazia; but they are operating illegally and entry into Georgia's Russian-occupied territories from those points is banned by Georgian law.

[RFE/RL: Russia, Georgia move to restore transport links](#)

Turkish, South Korean Firms to Invest \$1 Billion in Georgian Energy Plants

The Georgian government signed a \$1 billion deal last week with Turkish and South Korean companies to build three hydroelectric plants. A consortium of three companies—including Turkish company Nuro Energy Production, Korea Electric Power Corporation, and SK Engineering and Construction Co. of South Korea—pledged to build three plants in Namakhvani, with a combined power of 450mw. President Saakashvili hailed the deal as historic. "This project is bigger than any other we have had since we won independence," he said. With construction slated to begin in 2011, the government hopes it will be able to export electricity to neighboring Turkey after the project is completed.

[AP: Turkish, South Korean firms to build Georgian plants](#)



INTERNATIONAL MEDIA ON GEORGIA

THE DAILY TELEGRAPH: President Saakashvili on “Why Georgia sends troops to Afghanistan”

Perhaps some might be astonished that a country not yet in NATO—and partly occupied by more than 10,000 hostile troops—would make such a deep commitment to an Allied mission abroad, writes President Saakashvili. Even though Georgia is not yet a NATO member—and while we know our path to membership may be long—we see ourselves as firmly allied in purpose and values with the U.S. and the transatlantic community. But this cannot just be rhetoric or an empty affiliation. Being part of such a community even as a small country, we feel obliged and honored to contribute to our common security.

www.telegraph.co.uk

AGENCE FRANCE PRESSE: Georgia makes hefty Afghan contribution

Georgia's troop commitment in Afghanistan, which might qualify as the largest contribution of any country per capita, has taken place as more than 40 nations prepare to boost total troop numbers to around 150,000 for a new offensive against insurgents. Tbilisi is hoping the move will not only boost its links with the Western military alliance, but also give its troops much-needed combat experience. “Georgia is aspiring to become a full-fledged NATO member so we need to demonstrate that we want not only to consume but also to be a provider of security,” says Giorgi Baramidze, minister for Euro-Atlantic Integration.

www.telegraph.co.uk

BBC: Russia-France arms deal raises concerns

“If such a decision is made, we need to understand the long-term consequences it will have,” says Françoise Thom, an expert on the former Soviet Union, on the Russia-France Mistral-class assault ship sale. “It's obvious that such weaponry would allow Russia to mount aggression against its neighbors... It looks like France is giving Russia a green light for new imperialistic wars.” Meanwhile, Andre Glucksmann, a leading French writer and philosopher, said the deal raised the risk not only of attack, but also of blackmail by Russia. “The countries of the Black Sea, Caspian and Baltic Sea regions are nervous. Poland and the Baltic States should state their objections publicly, and Brussels should intervene to stop such a deal.”

news.bbc.co.uk

EURASIA DAILY MONITOR: Russia removes constitutional constraints on military intervention abroad

A constitutional provision constraining Russian military intervention abroad was removed by presidential decree this week, as Russia continues its aggressive legal efforts to justify foreign invasions. The Federation Council passed an open-ended, all-encompassing resolution that will allow Medvedev to send troops into action abroad anywhere, anytime, without any legal restraints or limitations “to defend the interests of the Russian Federation and its citizens.”

georgiandaily.com

AGENCE FRANCE PRESSE: Tiny Abkhazia sinks into Russia's smothering embrace

Russia's smothering embrace has led some people in this small territory to question whether Abkhazia, after shaking off Georgian rule, is now threatened with domination by its giant neighbor to the north. Russia's growing influence is unmistakable in Abkhazia. On the road leading to the separatist capital Sukhumi, billboards show de facto Abkhaz leader Sergei Bagapsh with the Russian President Medvedev, and slogans like “Abkhazia and Russia: together forever!” The opposition has criticized several deals that Bagapsh signed over the past year, including one handing control over Abkhazia's main railroad to a Russian state-owned company for the next 10 years. “Economically, Abkhazia is gradually turning into a subsidized region of Russia,” said Astamur Tania, a spokesman for Zaur Ardzinba, one of three opposition candidates seeking to unseat Bagapsh.

www.telegraph.co.uk

PROJECT SYNDICATE: Defusing Russia's energy weapon

As winter approaches, many people in Europe remember the chill caused last winter by Russia's deliberate cut-off of gas supplies. That shutdown was a harsh reminder that gas is now the Kremlin's primary political instrument as it seeks to re-establish its privileged sphere of interest in what it thinks of as its “near-abroad.” If Russia is allowed to continue imposing Moscow rules on Europe's energy supplies, the result will be costly—not only for Europe, but for Russia as well. The EU urgently needs to build a common energy policy and a single market for natural gas. Until then, there is a grave risk Russia will use new blockades to continue its divide-and-rule policy that we have witnessed since Putin came to power.

www.project-syndicate.org

WASHINGTON POST: Russia, again evading history

The Russian government has intensified its attempts to perfect the nation's past. President Medvedev has established a government commission whose purported goal is to oppose attempts to falsify history that damage Russia's interests. The anti-falsification commission may not directly interfere with academic research, but its potential effects are disquieting. Its very existence will likely encourage more absurd and counterfactual theories, such as the one blaming Poland for starting World War II. What the Kremlin has been after in recent years is boosting the sense of Russia's greatness and the infallibility of its leaders—current leaders included—in the national mind-set.

www.washingtonpost.com

EURASIANET: Russia, Georgia again to discuss border opening

Russia and Georgia will renew discussions later this month on re-opening the Upper Larsi border pass, which the Kremlin closed in 2006. Russian President Medvedev said last week that he sees no problem in resuming diplomatic ties, as well as air and land communications with Georgia. The Georgian government has indicated that it is prepared to consider the idea, but some Georgian MPs worry that the border pass—previously used in Tsarist and Red Army pushes south—could provide an entrance for a fresh Russian invasion.

www.eurasianet.org

EURACTIV: Russia's security proposal—The wrong blueprint

Skeptics of the Russian proposal question negotiating a new architecture with Russia when Moscow currently is not in compliance with existing security arrangements—namely, the Adapted Conventional Armed Forces in Europe Treaty and last summer's Georgia ceasefire agreement. If Russia does not abide by these agreements, on what basis can there be sufficient trust and confidence that it will adhere to new arrangements?

www.euractiv.com

WEEKLY STANDARD: Punishing allies—The view of Obama from Central Europe

Throughout Europe these days, there are substantial worries about US disengagement. President Obama is happy to accept European adulation and accolades, including a Nobel, but seems less inclined to view Europe as much of a strategic priority or as an especially valuable partner. Yet, it seems likely that Europeans—Eastern, Central, and Western—will assume greater salience in the administration's thinking as reset bets fail to pan out: You can work most constructively with those who are most willing to work constructively with you. That means Europeans and others around the world who share our views on such matters as human rights, free expression, and democratic government

www.weeklystandard.com

ART FORUM: Georgia on my mind

This year's sixth edition of the annual Tbilisi art exhibition, “Never on Sunday,” would start while I was in the air, but catching even four of the six days seemed worth the jet lag. Although every iteration of the Tbilisi exhibition takes a different form, this year billed paintings, films, musical scores, and recordings by artists from Tbilisi—not to mention Berlin, Frankfurt, New York, Oslo, Riga, Zurich—to be performed, presented, distributed, enacted, and sold in this 1,500-year-old city in the Caucasus.,

artforum.com