

GEORGIA UPDATE

WEEKLY EDITION • 20 May 2010

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

TOP STORIES

State Commission Overwhelmingly Approves Draft Text of New Constitution

European Parliament Calls for EU Action in Georgia, Highlights “Constant Risk” of Status Quo

FBI Chief Mueller Hails Security Cooperation Between US & Georgia, Investigates “Black Holes”

ELECTION UPDATE: Independent French Poll Shows Incumbent Ugulava Well Ahead > Alasania, Ugulava Receive Most TV Coverage, Say Independent Media Monitors > IATF Continues Consultations With NGOs, International Actors



Two milestones were celebrated this week in the sublime Black Sea city of Batumi: The awarding of the prestigious Order of the Golden Fleece to Turkish Prime Minister Recep Tayyip Erdogan (left) by President Saakashvili, and the opening of a new luxury hotel, the Sheraton Batumi—which was built in large part with Turkish investment. Said the President: “I have not seen such a prompt resolution of issues, such effective inter-governmental cooperation as we have with Turkey—and this is thanks to Prime Minister Erdogan.”

INTERNATIONAL MEDIA ON GEORGIA

THE TELEGRAPH: And so to another election

EDM: Moscow grooming a political team in Tbilisi

FOREIGN POLICY: White House sends Russia civilian nuclear deal to Congress

BLOOMBERG: Georgian central banker—“no rush” to sell bonds

EURASIANET: Tbilisi mayor’s race boosting Saakashvili’s governing party

THE GUARDIAN: Abkhazia has been fooled by Russia

EU OBSERVER: EU eyes open borders with post-Soviet countries

WASHINGTON POST: Young Pentagon staffer played key role during Russia-Georgia war

THE TELEGRAPH: Where a Turkish backwater meets Georgia’s future

CNN: Batumi Reborn

QUOTES OF THE WEEK

“There is more of a focus on substantive issues than I’ve seen in previous campaigns; there is less tension and I think that’s very healthy for development of political culture in Georgia.... The central electoral commission has made a good start in identifying the issues that need to be addressed.”

“It’s clear that after a very problematic period—if these elections are conducted well, if they demonstrate both the development of the political and democratic culture in the country, and if there is focus on the substance, rather than the whole framework of the elections—it will mean that Georgia may also be moving towards a more stable institutional framework.”

—Peter Semneby, EU Special Representative for the South Caucasus

“All seems reasonably calm to me. The streets are not filling with protesters ahead of the elections and I do not sense any great swelling of anger or frustration, which is usually the catalyst for unrest.”

—Sarah Marcus writing in *The Daily Telegraph*

UPCOMING MILESTONES

May 20-21: FM Vashadze visits Malta

May 26: Georgian Independence Day

May 30: Municipal elections in Tbilisi & nationwide; first direct election of the capital’s mayor

Jun. 8: Next round of Geneva talks

Jun. 10-12: Speaker Bakradze attends IPU Assembly meeting in Cyprus

TOP STORIES

State Commission Overwhelmingly Approves Draft Text of New Constitution

By a vote of 31-10, Georgia's state commission on constitutional reform has reached agreement on a new draft constitution. If approved by Parliament, the text would increase the powers of the prime minister and reduce those of the president. Its authors describe it as "a mixed governance" model, wherein the president acts as "arbiter" between the legislative and executive—with the latter led by a PM elected from the ranks of the party that wins the most votes in parliamentary elections. The president would remain head of state, commander-in-chief, and supreme representative in foreign relations, but he or she would cede control of domestic and foreign policy to the PM and government. The president also would also lose the right to unilaterally dismiss the government or to appoint, supervise, and dismiss so-called "power ministers" (defense and interior). The government also would take full control over the budgetary process. While the president will retain veto authority on legislation, this can be overridden by a majority vote in Parliament (as opposed to the current two-thirds threshold). Among other provisions, the draft constitution would bar dual citizens from holding senior government positions. The draft will now be sent for comment to the Venice Commission, the Council of Europe's advisory body on constitutional and legal issues. If ultimately approved by Parliament, the new constitution would enter into force after the 2013 presidential election.

[CIVIL GEORGIA: Commission Agrees on Basic Draft of Constitution](#)

European Parliament Calls for EU Action in Georgia, Highlights "Constant Risk" of Status Quo

The European Parliament today will discuss a draft resolution on the EU's strategy in the S. Caucasus, addressing the region's conflicts, human rights, and democratization, as well as economic issues. The resolution condemns Russia's recognition of Abkhazia and South Ossetia and calls for the EU's "further engagement" in Georgia in order to secure "full implementation" of the ceasefire agreements. "Russia and the de facto authorities of the occupied territories, which are under Russian effective control, are blocking" full implementation of a mandate by EU Monitoring Mission in Georgia by not permitting access to the breakaway regions, the resolution states. The draft "calls for increased EU action to persuade Russia and the relevant de facto authorities to stop blocking the EUMM from entering South Ossetia and Abkhazia. It also underscores that maintaining the status quo creates "the constant risk of an escalation of tensions and a resumption of armed hostilities."

[CIVIL GEORGIA: European Parliament to Discuss South Caucasus Resolution](#)

FBI Chief Mueller Hails Security Cooperation Between US & Georgia, Investigates "Black Holes"

FBI Director Robert Mueller was in Georgia last week to discuss security "black holes" in two rebel regions and to strengthen security ties between the two countries. "The US knows that the situation in these regions is far from stable," said Temuri Yakobashvili, Georgia's State Minister for Reintegration. "We know of some black holes where drugs and arms smuggling have been reported." Mueller, in a statement following meetings with the justice and interior ministers, amongst others, noted that the US and Georgia enjoy a strong bilateral relationship: "We are working together productively on a broad range of issues, and while this is my first trip to Georgia, I've known for many years about our long, shared history of law enforcement cooperation," he said. "Georgians recognize the important work done by law enforcement officers throughout the country and I'd like to commend Minister Merabishvili and his ministry for the progress they have made in terms of professionalism and transparency." Added Mueller: "We continue to build on our solid foundation of partnership and, indeed, friendship...and I would like to express my sincere appreciation to the Ministry of Internal Affairs and the Ministry of Justice for their outstanding cooperation with the FBI."

[BLOOMBERG: FBI Chief Holds Talks on Security "Black Holes"](#)

ELECTION UPDATE

Independent French Poll Shows Incumbent Ugulava Well Ahead

French polling firm CSA yesterday released the results of its survey of 1,000 Tbilisi citizens, carried out May 1-4 on behalf of Rustavi 2 and Imedi TV. Asked which candidate they support for Tbilisi mayor, 57% named incumbent Gigi Ugulava of the United National Movement, while 14% chose Irakli Alasania of the Alliance for Georgia, 11% opted for Gia Chanturia, from the Christian-Democratic Movement, and 10% for Gogi Topadze, from Industry Will Save Georgia. Meanwhile, 64% said the elections would be free and fair, while 22% believed they would not.

[THE MESSENGER: CSA Announces Local Election Poll Results](#)

Alasania, Ugulava Receive Most Coverage, Say Independent Media Monitors

Tbilisi mayoral candidate Irakli Alasania, leader of Alliance for Georgia, received more coverage than other candidates on three of Georgia's main TV stations (the public broadcaster, Rustavi 2, and Kavkasia) while three other stations (Imedi, Maestro, and Real TV) allocated more time in their main news bulletins and talk shows to incumbent Mayor Gigi Ugulava. Coverage of Alasania overall was determined to be "neutral," while that of Ugulava was "neutral-negative." The media monitoring covered the week from May 6-12 and was conducted by Caucasus Research Resource Center, with funding from the EU Delegation to Georgia and the UN Development Program; CRRC will continue to monitor throughout the campaign. Full results can be found via the link below.

[CIVIL GEORGIA: Pre-election Media Monitoring](#)

IATF Continues Intense Round of Consultations With NGOs, International Actors

Georgia's Inter-Agency Task Force on Free and Fair Elections continues intensive consultations with local and international observer organizations and political parties to hear and address their concerns. In addition to initiating the appropriate investigations, the IATF is reacting promptly to all alleged cases of the misuse of administrative resources, pressure, or intimidation, and is suspending officials who are alleged to be involved. The IATF is warning relevant government structures that they are being carefully monitored. In some cases, the IATF has addressed concerns by making public statements, but in other instances the cases are addressed via private meetings. In recent days, the IATF has met with the Ambassadorial Working Group, political parties, the OSCE/ODIHR Election Observation Mission, and the National Democratic Institute.

[INTER-AGENCY TASK FORCE on FREE & FAIR ELECTIONS](#)



The city of Tbilisi last week hosted Georgia's Fashion Week, where leading Georgian fashion designers and houses showcased their fall-winter 2010/11 women's collections. During the two-day event, top models strutted down the catwalk wearing prized items from native designers such as Georae Shadhashvili

INTERNATIONAL MEDIA ON GEORGIA

THE TELEGRAPH: And so to another election

I am struck by how many people have said to me that they are worried that these elections will bring civil unrest. All seems reasonably calm to me. The streets are not filling with protesters ahead of the elections and I do not sense any great swelling of anger or frustration, which is usually the catalyst for unrest. But others are really worried by the activities of two opposition members who have cosied up to Russia and Putin. Both of these politicians shocked the nation by going to Moscow and shaking hands with Putin some months ago; since then they have made more trips there and both joined President Saakashvili's arch enemy in the Russian capital on Victory Day on 9th May. Some people think that Russia will now somehow use these two to bring about a change of power in Georgia.

www.telegraph.co.uk

EDM: Moscow grooming a political team in Tbilisi

Russian policy planners apparently contemplate the possibility of a Moscow-oriented "tandem" for Georgia, Zurab Noghaideli and Nino Burjanaze. From Moscow's standpoint, these two politicians are well suited to serve as leaders in a Georgia de-aligned from the West. Russia's message is that Noghaideli, Burjanadze, and others who would follow their example are "realistic" and "responsible" politicians, who realize the futility of Georgia's Western orientation and seek to reestablish "traditional ties" with Russia. However, Noghaideli and Burjanadze cannot offer more than illusions to Georgia. Their political rating is in the low single digits, and they have no organizational base or even political "teams" to speak of in Georgia for the time being. However, Russian resources could address these problems for them.

www.jamestown.org

FOREIGN POLICY: White House sends Russia civilian nuclear deal to Congress

The Bush administration submitted the agreement in 2008, but withdrew it after the Russia-Georgia war. But President Obama said he no longer thought that should be an issue. "After review of the situation and of the NPAS and classified annex, I have concluded: (1) that the situation in Georgia need no longer be considered an obstacle to proceeding with the proposed Agreement; and (2) that the level and scope of U.S.-Russia cooperation on Iran are sufficient to justify resubmitting the proposed Agreement to the Congress," Obama wrote. Some senators, such as Foreign Relations ranking Republican Lugar, R-IN, don't agree that the Russia-Georgia situation is stable or that Russia has lived up to its obligations following the conflict.

www.foreignpolicy.com

BLOOMBERG: Georgian central banker—"no rush" to sell bonds

"I see no rush for Georgia to sell bonds for the next year or so, since financial stability has improved recently," Giorgi Kadagidze, Georgia's central bank governor, said last week. Georgia sold \$500 million of five-year notes in 2008, the first sale of foreign-currency bonds to international investors in its post-Soviet history. The yield on Georgia's 7.5 percent benchmark dollar bonds due 2013 fell 24 basis points to 5.8 percent as of last week, versus 18.5 percent in April 2009.

www.georgiandaily.com

EURASIANET: Tbilisi mayor's race boosting governing party

Although nine candidates are entered in the race, political experts in Tbilisi now expect the incumbent mayor and Saakashvili protégé, Gigi Ugulava, to win by a wide margin. His comfortable lead is seen not only as a reassuring sign for Saakashvili's administration, but also serves in part as a testament to his hard work on the campaign trail. Ugulava's campaign formula may have found its mark. A poll conducted in April by the Caucasus Resource Research Centers for the National Democratic Institute reported that 41 percent of 2,378 respondents believe Georgia is "mainly" going in the right direction now—a marked increase from 29 percent last year.

www.eurasianet.org

THE GUARDIAN: Abkhazia has been fooled by Russia

The sad truth, as Matveeva hinted at in her article, is that the Abkhaz people were fooled by Russia. The Kremlin stirred up paranoia over Georgian intentions, armed separatist fighters and deployed troops before the invasion of 2008 under the guise of security. But the Russian objective was not to help the Abkhaz gain independence or to hand them the lands of ethnic Georgians; it was to subsume the territory into the greater Russia and to destabilise the government of Georgia, so that Georgian ambitions to join the Euro-atlantic community were snuffed out. The reality is now dawning on the Abkhaz: instead of independence they have got Russian annexation. Thousands of Russian soldiers and workers have moved in, and they are not likely to be heading back anytime soon, if ever.

www.guardian.co.uk

EU OBSERVER: EU eyes open borders with post-Soviet countries

"The political impulse for intensifying visa dialogue must be the same for all these countries—Russia and the six countries of the Eastern Partnership, and we will defend this. Visa policy cannot go against our declared foreign policy," Polish foreign minister Radek Sikorski said. Visas are a hot topic in eastern Europe. Prior to starting visa-facilitation talks, Georgia had for years complained that the EU is undermining its territorial integrity by letting people with Russian passports, including those in its breakaway Abkhazia and South Ossetia regions, travel on easier terms than people with Georgian passports.

www.euobserver.com

WASHINGTON POST: Young Pentagon staffer played key role during Russia-Georgia war

When war broke out between Russia and Georgia in August 2008, Mark Simakovsky was a largely unnoticed junior Pentagon staffer. But almost overnight, the 28-year-old became a key policy adviser when he was called upon to provide timely information and insights to Secretary of Defense Robert Gates and other top government officials. Simakovsky was the first person at the Pentagon and possibly in the government to identify and report on what turned out to be the opening moves of the war, and then volunteered to stay at his post around-the-clock for several days to monitor developments. "If you are looking for the next generation of great leaders, he is at the top," said one diplomat. "Secretary Gates has a lot of trust in him."

www.washingtonpost.com

THE TELEGRAPH: Where a Turkish backwater meets what might be Georgia's future

Just down the road from the border, the city of Batumi is being doggedly and wishfully propelled into the future by President Saakashvili and his disciples. A string of 5-star hotels are being built and the pretty 19th-century centre of the small city—it feels more like a large town, really—is being renovated. A seaside boulevard has been built and there are fountains aplenty (Saakashvili is said to be keen on fountains and Tbilisi is already crammed with them). It's no wonder Georgia was a tourist magnet in Soviet times. With its wild natural beauty, its proud, vivacious, expressive people, its lush fruit and vegetables and indigenous wine, to mention but a few highlights, it's a wonderfully attractive place today. In the greyness and rigidity of the Soviet era, I imagine it must have seemed like an Eden of liveliness and relative freedom that was not, unlike much of the rest of the world, forbidden to Soviet citizens.

www.telegraph.co.uk

CNN: Batumi Reborn

In the 19th and early 20th centuries, the Black Sea city of Batumi was a hub of European trade and culture, defined by its classic European architecture and host to over a hundred foreign consulates. Then, with the onset of the Soviet Union, Batumi became isolated and forgotten. But today the city is witnessing a renaissance, its skyline and spirit lifted, as it aims to be *the* city for trade and tourism on the Black Sea. Everywhere you turn, you hear the rattle and the hum of construction—over \$3 billion in public and private investment is already going into new hotels, casinos, ski resorts, and much more. "A miracle is happening in Batumi," says the general manager of the new Sheraton hotel here.

www.cnn.com