

GEORGIA UPDATE

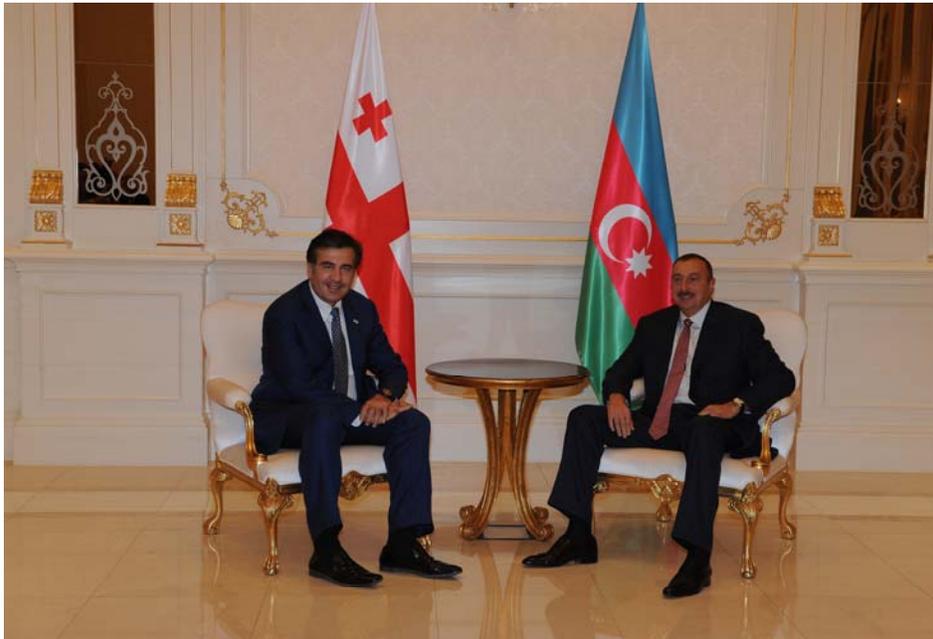
WEEKLY EDITION • 16 September 2010

A Publication of the Government of Georgia

www.georgiaupdate.gov.ge

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- Georgia Signs Regional Energy Cooperation Agreement With Azerbaijan, Romania, Hungary
- EU Mediates Release of Georgian Prisoner from Occupied Abkhazia
- Public Discussions on Constitutional Reform Conclude, Parliament Set to Begin Debate
- Foreign Direct Investment Grows 11% in 2nd Quarter as Economy Continues Rebound



President Saakashvili was in Baku this week to sign a pivotal energy agreement with his Azerbaijani counterpart, Ilham Aliyev (above), and Romanian President Traian Basescu. The Azerbaijan, Georgia, Romania Interconnection (AGRI) project will transport Caspian gas to the port of Kulevi in Georgia, where it will be liquefied, then shipped to Romania's port of Constanta, where it will be turned back into gas and sent via pipelines in Romania and Hungary into European markets.

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THE INDEPENDENT: One More Year, by Sana Krasikov

QUOTES OF THE WEEK

"We also are interested in providing Georgia with the means by which they can help us in Afghanistan, and so a good part of the training and other things that we're doing with the Georgians are because they have been so willing to make a contribution of considerable importance to our efforts in Afghanistan."

—US Defense Secretary Robert Gates

"We had to act to stop the continued ethnic violence, persecution, and displacement of thousands of ethnic Georgians. Almost 10 percent of the Georgian population is now living in exile in their own country."

—Deputy Justice Minister Tina Burjaliani presenting Georgia's case this week at the International Court of Justice in the Hague

"The good has won a small but important victory. We will continue our struggle. It was a small diplomatic victory and the eventual victory will be when the occupying force leaves our territory. But before that eventual victory, we face many small diplomatic battles."

—President Saakashvili on the UN General Assembly's adoption of a resolution on Georgia's IDPs

UPCOMING MILESTONES

Sept. 14-16: Parliament Speaker Bakradze visits DC

Sept. 16: Venice Commission head Bukiko in Georgia

Sept. 19-25: President Saakashvili visits NYC, addresses UN General Assembly

Oct. 5-6: FM of Armenia visits Georgia

Oct. 8: FM of Switzerland visits Georgia

Oct. 11-12: FM of Turkey visits Georgia

Oct. 14: Next round of Geneva talks

Nov. 3-4: FM of Iran visits Georgia

Nov. 8-13: Permanent representatives of South and Central America in UN visit Georgia

Dec. 1-2: OSCE summit in Astana

TOP STORIES

International Court of Justice Begins Hearings on Russia's Ethnic Cleansing of Georgians

The International Court of Justice opened hearings this week on the ethnic cleansing of Georgians by Russian troops and proxies in Georgia's Russian-occupied territories of S. Ossetia and Abkhazia. "We had to act to stop the continued ethnic violence, persecution, and displacement of thousands of ethnic Georgians," said Deputy Justice Minister Tina Burjaliani, as she urged the Court in The Hague to hear the ethnic cleansing case against Moscow and bring justice to Georgian victims. "Almost 10 percent of the Georgian population is now living in exile in their own country." Burjaliani described the magnitude of ethnic cleansing violations carried out by Russian forces in the occupied territories, resulting in over 400,000 Georgian IDPs now being prevented from returning home. "The documentary evidence—and there is a mountain of it—shows that Georgia regularly and repeatedly raised disputes with Russia about all of these acts of ethnic discrimination by Russia, all of which plainly constitute violations of CERD," said lawyer Paul Reichler on behalf of Georgia, referring to the International Convention on the Elimination of All Forms of Racial Discrimination. Georgia filed its initial application to the Court shortly after Russia's 2008 invasion. A total of four public hearings were heard this week, primarily focusing on the Russia's preliminary objections to the court's jurisdiction. A decision on the jurisdictional dispute is expected by the spring of next year.

[AFP: Georgia Urges UN Court to Hear 'Ethnic Cleansing' Case](#)
[REUTERS: Georgia Sees Slim Chance of Better Russia Ties Soon](#)

Georgia Signs Regional Energy Cooperation Agreement With Azerbaijan, Romania, Hungary

President Saakashvili this week signed a landmark energy deal in Baku with his Azerbaijani and Romanian counterparts, creating a streamlined corridor to transport liquefied natural gas (LNG) from the Caspian Sea to Europe. An LNG pipeline will transport nearly 245 billion cubic feet of Caspian gas to a terminal in Georgia's Black Sea coastal town of Kulevi. Tankers will then carry the LNG across the Black Sea to the Romanian port Constanta, where it will be distributed to European markets via existing pipelines. Hungarian PM Ferenc Gyurcsany also signed onto the deal, giving the group an added boost as Hungary assumes the EU's rotating presidency in January 2011. The state energy companies of Azerbaijan, Romania, and Georgia earlier this year agreed to set up a \$5 billion joint venture to proceed with the project. The group will first conduct a six-month feasibility study before negotiations with investors begin.

[VOICE OF AMERICA: Azerbaijan, Georgia, Romania Sign Gas Deal](#)

EU Mediates Release of Georgian Prisoner from Occupied Abkhazia

The EU last week mediated an agreement with authorities in Georgia's Russian-occupied region of Abkhazia for the release of a Georgian prisoner who spent 19 months in an Abkhaz jail. Georgian army veteran Makhaz Kordzala was handed over to the EU's special representative to the S. Caucasus, Peter Semneby, in Sokhumi and escorted across the line of control into Georgia proper by EU diplomats. "Any step of this kind is an important one in creating an atmosphere of confidence and showing the will of the parties to address difficult issues," Semneby said. EU foreign policy chief Catherine Ashton also welcomed the release, expressing hope that the act "will contribute to an improved atmosphere and the building of confidence between Sukhumi and Tbilisi." Meanwhile, State Reintegration Minister Yakobashvili voiced his gratitude to the EU and underscored his ministry's readiness to begin discussions to resolve humanitarian issues: "The Government of Georgia stands ready to constructively discuss and resolve all the specific issues of humanitarian concern," the ministry said.

[REUTERS: EU Claims Small Victory In Georgia Prisoner Release](#)

Public Discussions on Constitutional Reform Conclude, Parliament Set to Begin Debate

Public discussions on the reform of the constitution concluded this week, as Parliament sets to launch official debates on the proposed amendments. Launched in late July, the discussions were hosted by a 36-member parliamentary group in an intensive effort to engage the public on the proposed reforms. Parliament Speaker Bakradze said lawmakers were set to begin discussions following this week's visit from representatives of the Venice Commission—the Council of Europe's advisory body on legal issues. Among the recommendation that emerged from the public discussions was that the government should maintain the "organic law" category and strengthen property rights in the new constitutional model. If adopted, the proposed amendments would take effect in December 2013.

[CIVIL GEORGIA: Constitution Group's Closing Session](#)

Foreign Direct Investment Grows 11% in 2nd Quarter as Economy Continues Rebound

As it continues to recover strongly from the twin blows of the Russian invasion and the global financial crisis, Georgia is seeing a rebound in foreign direct investment. FDI grew 11% year-to-year in the second quarter, to \$197 million, according to preliminary figures released Tuesday by the statistics office, Geostat. FDI for the first half of 2010 totaled \$273 million. The Netherlands was the largest investor in the second quarter, with \$77 million, followed by the US with \$42 million, the British Virgin Islands, an offshore financial center, with \$32 million, and Japan with \$18 million. The transport and communications sector attracted the largest share of FDI in the second quarter, followed by industry and real estate.

[CIVIL GEORGIA: FDI Rose 11% in Q2](#)

**Georgian Monk Builds Stairway to Heaven**

One Georgian Orthodox monk has come up with a plan for a lifetime of escape atop a 40-meter-high rock column in central Georgia's Imereti region: to build a new church on its surface. Father Maxim, a 55-year-old native of Chiatura, says that he has dreamed of living atop the towering Katskhi Pillar since he was young. "When my friends and I used to come up here to drink outdoors, I always envied that monk who used to live there when I looked at the pillar," he recalled. Father Maxim's mission easily found supporters, with many faithful donating money or building materials towards the church's construction. He hopes to secure a blessing from Georgian Patriarch Ilia II that would allow him to live atop Katskhi alongside his newly built church before its completion in the summer of 2011.

www.eurasianet.org

INTERNATIONAL MEDIA ON GEORGIA

NEWSWEEK: President Saakashvili interview—Russia’s occupation won’t last

“We should internationalize the withdrawal of Russia’s troops from Abkhazia and S. Ossetia,” President Saakashvili tells *Newsweek* in an interview. “In a democratic society, you allow people to go back to their homes, rather than try to use military force by a big neighbor on a small one. There are up to 500,000 predominantly ethnic Georgians, as well as Estonians, Greeks, and Jews who are not allowed back to their houses. Abkhazia right now has a population less than 100,000, and S. Ossetia has 6,000, so it’s very abnormal.” The President added that the US has enhanced diplomacy in the region in an effort to prevent another Russian invasion: “There is no formal security assurance. I think what we are seeing now is much more diplomacy to avoid a new conflict. Before 2008, nobody believed it was possible. Now people want to avoid it; they know it’s possible.”

www.newsweek.com

WALL STREET JOURNAL: Weakened Russia seeks European ties

Some European countries would like to test Russia’s good faith before moving ahead with enhancing relations. Germany has suggested Russia could help resolve the frozen conflict in Moldova, where the Russian-speaking population of Transdniestria has broken away. Putin this week also spoke of future “cooperation” between Georgia’s Russian-occupied regions of S. Ossetia and Abkhazia and the Georgian government—a vague statement that led some of his audience to suggest he may be hinting at a solution in which Georgia could remain whole.

online.wsj.com

FOREIGN AFFAIRS: Reimagining Eurasia

By treating each country based on its merits, as opposed to approaching the region as a set of contested territories, Washington can serve long-term US interests and avoid re-creating a 19th-century-style Great Game. The Obama administration may have “reset” relations with Russia, but it must now develop a clear parallel strategy to re-imagine its policies toward Eurasia—ones tailored to the specific US interests at stake in each country and transparent to all other states.

www.foreignaffairs.com

GLOBAL POST: Georgia aspires to end Russian occupation

In the two years since the Russian invasion, the government of Georgia has made great progress in the necessary work of rebuilding the country and the economy and developing the democratic institutions that will sustain both. State Reintegration Minister Yakobashvili also notes that the government has embarked on a bold plan for reintegrating S. Ossetia and Abkhazia back into Georgia’s democracy, even as Russia has moved to make permanent its illegal occupation of Georgian territory.

www.globalpost.com

EURASIANET: Saakashvili pledges to create a nation of English speakers

President Saakashvili—who speaks English, Russian, French, and Ukrainian, in addition to Georgian—recently pledged that all 597,800 Georgian public schoolchildren would speak English as their second language by 2014. The “Teach and Learn with Georgia” program, implemented by the education ministry, seeks to place 10,000 native English-speaking volunteers in schools throughout the country by 2014, with 1,000 native speakers in public schools by 2011. The program reflects a generational change: Georgians of Saakashvili’s age (42) and younger generally see English, rather than Russian, as the ticket to success.

www.eurasianet.org

LIBÉRATION: Georgia is meant to be part of the EU

“Achieving the free movement of individuals, services, and capital would be a success,” Deputy FM Gordadze said in an interview with France’s *Libération*, discussing his country’s ambitions to draw closer to the European Union. “Georgia has a cultural and historical inclination to be part of the EU. It is a goal in the long term, but that will depend on the Union’s evolution.”

www.liberation.fr

NEW REPUBLIC: Statue of limitation—A Russian-Georgian war...over Stalin

Although the war ended more than two years ago, resentments between Russia and Georgia still run high. And, while Georgia lacks the military strength to regain its lost territories, it has other means of pushing back against its powerful northern neighbor, many of them related to Stalin. Meanwhile, the Kremlin’s re-adoption of Stalin has only given Georgia’s Westward-looking leaders even greater incentive to reject him. “In the new Georgia, Stalin is no longer Georgian,” Stalin biographer Simon Montefiore says. “He’s a Russian emperor.”

www.tnr.com

RADIO FREE EUROPE: Abkhaz leader says IDP return “currently impossible”

The de facto leader of Georgia’s occupied region of Abkhazia says the return of IDPs and refugees is impossible. “Those who wanted to return to Abkhazia have returned,” Sergei Shamba said. “Those who want to return to Abkhazia but consider it a part of Georgia cannot return, and we cannot give them the same false promises given by the Georgian authorities.” He added: “Without recognition of Abkhazia’s independence” no further resolution of the return of ethnic Georgians to Abkhazia was possible.

www.rferl.org

WASHINGTON TIMES: Georgia deals with occupation

While the Russian position may be hardening, the Obama administration may be strengthening its support for Georgia after more than a year of trying to reset relations with Russia. Earlier this summer, Secretary of State Clinton visited Georgia and said Russia’s troop presence in the two provinces was an “occupation.” Meanwhile, Georgian authorities continue integration efforts with their Russian-occupied territories: “I don’t have a crystal ball to tell you about the timeline,” said State Reintegration Minister Yakobashvili, in regards to a future de-occupation date. “These are necessary ingredients and policies to deal with a population living under occupation. We have to deal with the population. It will take five years, 15 years, or three years. It’s not going to happen overnight.”

www.washingtontimes.com

DEUTSCHE PRESSE AGENTUR: Hot-Air balloonists plan historic voyage across Black Sea

Ukrainian Sergei Skalko and Georgian Revaz Uturgaur want to be the first people ever to fly a hot-air balloon across the Black Sea. Liftoff is set for January and their goal is to fly some 900 kilometers to Georgia’s Batumi region. “We will be over freezing seas. Prevailing winds for most of the year are against us,” Skalko said. “And if we go off track, we strike either mountains or a conflict zone. This flight is something no one has ever attempted.” The pilots will have to do their best to navigate a fairly precise path. If they stray too far north, their balloon might pass into the airspace of Abkhazia, a Russian-occupied Georgian region.

www.dpa.org

THE INDEPENDENT: One More Year, by Sana Krasikov

Prize-winning author Sana Krasikov, who moved from Georgia to the US at the age of eight, is in a good position to understand the mindset of the pragmatic émigrés featured in her short stories. While most stories of modern immigration concentrate on the pangs of exile or the thrills of re-invention, Krasikov succeeds in capturing an experience that is neither one thing nor another. Her shrewd and highly readable narratives—master classes in elegant composition—evoke a series of relationships whose real currency has nobody fooled.

www.independent.co.uk