

GEORGIA UPDATE

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President Saakashvili, visiting Munich to address the annual security conference there, also held a series of bilateral meetings, including with German Chancellor Angela Merkel. In addition, the president saw Swiss President Micheline Anne-Marie Calmy-Rey and Australian FM Kevin Rudd. Calmy-Rey stressed the importance of advancing Georgian-Russian peace talks. Meanwhile, Saakashvili and Rudd discussed measures to enhance bilateral relations, agreeing to open a Georgian embassy in Australia next year.

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QUOTES OF THE WEEK

“Any contact is better than confrontation.”

“With your help, I am confident that we can transform this region marked by old-fashioned logics of domination into an area of cooperation and progress.”

—President Saakashvili, speaking in Germany about Georgia's efforts to engage Russia in dialogue

“There is fundamental contradiction between US and Russian positions on missile defense, especially in the context of the New START treaty and of course the illegal occupation of the internationally recognized sovereign territory of Georgia.”

—US Senator John McCain speaking Saturday at the Munich Security Conference

“Georgia should be a significant partner for our future defense cooperation with the US, whether as a future member of NATO or in another capacity; it is already one of our nation’s most loyal allies in the NATO mission in Afghanistan.”

—US Senators Jon Kyl, James Risch, Mark Kirk, and James Inhofe in a letter urging closer US-Georgia cooperation on security and other matters

UPCOMING MILESTONES

Feb. 4-14: Georgian Patriarch Ilia II visits UK

Feb: 10: President Saakashvili delivers State of the Union address

Feb. 10-11: FM Vashadze visits Romania

Feb. 15: PM Gilauri to visit Armenia

Feb. 16-18: FM Vashadze visits Washington

Feb. 25: FM Vashadze visits the Czech Republic

Mar. 3-4: Next round of Geneva peace talks

Mar. 15-17: Parliament Speaker Bakradze in Israel

Mar. 25-27: State Minister for Reintegration Tkeshelashvili attends Brussels Forum 2011

Apr. 15-20: Parliament Speaker Bakradze attends IPU meeting in Panama

TOP STORIES

President Saakashvili at Munich Security Conference: “Peace Is the Only Solution”

President Saakashvili joined world leaders at the Munich Security Conference to advocate for peace, dialogue, and regional stability in the Caucasus. “I came here to deliver one simple message: ignoring the ongoing military buildup fueled by well-known foreign hands can lead to future disasters,” he said, referring to Russia’s illegal occupation and militarization of S. Ossetia and Abkhazia. “Peace is the only solution, and a comprehensive political dialogue is the only way to achieve it,” he added in a speech at the annual conference.

The president also urged the EU and US to become more involved in the peace-building process between Georgia and Russia: “In the 80 percent of Georgia that we control, we have made considerable progress during the last seven years in building a multi-ethnic state where citizens have access to the government and to the economy,” he said, highlighting Georgia’s adoption last year of a comprehensive engagement strategy and a subsequent non-use-of-force pledge toward the occupied territories. “With your help, I am confident that we can transform this region marked by old-fashioned logics of domination into an area of cooperation and progress.”

The president also emphasized Georgia’s commitment to global peace and security, underscored by Georgia’s troop contribution to NATO’s mission in Afghanistan. “This is why Georgia has sent almost 1,000 troops to support some of the most dangerous missions of the ISAF deployment in Afghanistan—to help the Afghan people achieve a sustainable peace and to prevent terrorist from again using that country as a base,” he said, adding that Georgia’s deployment of troops to Afghanistan highlight the country’s determination to be a provider, and not solely a consumer, of international security efforts.

[CIVIL GEORGIA: Saakashvili Calls on West to Bring Moscow to Talks](#)

President Meets Chancellor Merkel, World Leaders

President Saakashvili and German Chancellor Angela Merkel discussed at length regional security issues and measures to strengthen bilateral relations, describing a “warm and friendly atmosphere” for dialogue. Meeting on the sidelines of the 47th annual Munich security conference, the chancellor reiterated Germany’s “unconditional support” of Georgia’s territorial integrity and urged Russia to comply with the 2008 ceasefire agreement—a treaty that Moscow continues to violate. She also expressed an interest in Georgia’s political and economic progress, including tourism development, during the 40-minute meeting. Giving an added boost to bilateral relations, Merkel suggested launching a new initiative to promote German language instruction in Georgia. President Saakashvili also met with Australian FM Kevin Rudd and Swiss President Michel Calmy-Rey while in Munich.

[TAGESSPIEGEL: Georgia hopes for Merkel’s support](#)

PM Gilauri Confirms New US Aid Program Slated for University, Hospital, Roads to Minority Regions

In Washington last week, PM Gilauri confirmed Georgia is on track to receive between \$150-200 million from the US Millennium Challenge Corporation. After meeting MCC President Daniel Johannes, the PM said the projects under discussion “will include the construction of an American university and an American hospital, and the rehabilitation of a road on the Goderdzi Pass,” which will connect Georgia’s isolated areas in Adjara and ethnic Armenian villages in the Samtskhe-Javakheti region with Tbilisi. The second MCC “Compact” should be awarded to Georgia after the expected completion in April of projects under the first Compact, which had allocated \$395.3 million in development aid. Gilauri also met with several leading senators and congressmen during. He expressed support for the New START treaty between the US and Russia. “Whatever makes Russia more civilized, we’ll be happy to see,” Gilauri said.

[CIVIL GEORGIA: PM: USD 150-250 mln Aid Expected from MCC](#)
[COMMENTARY: Georgian Prime Minister- New START Will Help Make Russia ‘More Civilized’](#)

UN Refugee Agency: No Significant Violations in IDP Cases

The UN High Commissioner for Refugees (UNHCR) last week backed the Georgian government’s efforts to relocate internally displaced persons residing in unauthorized, state-owned buildings in Tbilisi, saying no major violations were found. “There have not been noted major violations of international law or standards,” a UNHCR statement read regarding the evictions of IDP families from nearly two dozen temporary shelters to government-funded housing located outside the capital. IDPs were “in principle informed” about the evictions, the statement continued. The agency added that the government had also significantly improved its relocation plans and procedures, compared to a last summer’s effort to relocate IDPs from occupied buildings in the city. The government collaborated with UNHCR representatives to plan and ensure the protection of human rights during last month’s relocation of hundreds of IDPs ethnically cleansed from Abkhazia after civil conflicts in the 1990’s and during Russia’s 2008 invasion.

[TRANSITIONS ONLINE: Georgia: Shelter From the Storm](#)

US Senators Call for Greater Security Cooperation With Georgia

Four prominent US senators last week called for the deployment of a NATO missile-defense system in Georgia, aiming to boost Euro-Atlantic security and to strengthen strategic partnerships with Tbilisi. In a letter to US Defense Secretary Robert Gates, Sens. Jon Kyl, James Risch, Mark Kirk, and James Inhofe urged the Obama administration to install the TGY-2 radar system in Georgia, rather than in Turkey, as is currently planned. “We believe the Republic of Georgia’s geographic location would make it an ideal site for missile defense radar,” the senators wrote. “What’s more, Georgia should be a significant partner for our future defense cooperation with the US, whether as a future member of NATO or in another capacity.” Other senators who have called for greater military support for and cooperation with Georgia include John McCain, Joe Lieberman, and Richard Lugar, the ranking Republican on the Senate Foreign Relations Committee.

[FOREIGN POLICY: Senators Call for NATO Missile Defense in Georgia](#)

Hewlett-Packard to Make Georgia Regional IT Hub for E. Europe, former Soviet Space

Hewlett-Packard will export IT services to clients in Eastern Europe and former Soviet republics from its first IT services center in Georgia. The multinational powerhouse will provide services to clients such as PepsiCo and Soci t  G n rale using Georgian specialists. “The center will include a data center, help desks, and software development,” said an economy ministry official, adding that as many as 1,000 people will be employed in three locations. HP’s investment will reach tens of millions of dollars and the company will provide training for local IT staff.

[THE MOSCOW TIMES: HP to Open Georgia Center](#)



Andro Wekua: Never Sleep with a Strawberry in Your Mouth

An exhibition featuring the work of Georgian artist Andro Wekua opens next week at the Kunsthalle Wien, Vienna’s principal exhibition site. Attraction and rejection, perfection and obsession constitute the foundation for Wekua’s figures, which seem oblivious to the world. The master collagist uses almost every known medium: the interplay between space, sculpture, film, and two-dimensional works results in an artistic impact whose expressive sublime pathos is balanced out by elements of poetic self-irony. Born in 1977, Wekua studied in Georgia and Switzerland, and lives and works in Zurich and Berlin.

INTERNATIONAL MEDIA ON GEORGIA

CONSERVATIVE HOME: Interview with Georgian President Mikheil Saakashvili

Like, love, or loathe Saakashvili, he has transformed his country from a little-known statelet in the Caucasus, to one that commands the attention (and in some cases, admiration) of the world's most powerful leaders. The President's office is testament to that, with photos of multiple leaders adorning his walls—from George W. Bush to Nicolas Sarkozy, Her Majesty the Queen to Barack Obama. Indeed, there is only one world leader missing from the walls: Vladimir Putin.

conservativehome.blogs.com

FOREIGN POLICY: This week at war—lessons from cyberwar I

David Hollis, senior policy analyst with the US defense department, notes that though the Russian cyber operations in the Georgia war were obvious, they were masked through third parties and by routing the attacks through a wide variety of server connections, all standard practices of cyber operations. As a result, Georgian and other investigators cannot conclusively prove that the Russian government conducted these cyber attacks. Indeed, the Kremlin denies using cyber warfare in the conflict, a somewhat odd thing to be embarrassed about while Russia's tanks roamed around the Georgian countryside and its aircraft bombed Georgian targets.

www.foreignpolicy.com

THE ECONOMIST: Homeless in Georgia

Georgian policies towards the displaced population are more enlightened than, say, those of neighboring Azerbaijan. The government aims to allow the 250,000 or so people to integrate where they are, providing homes for them to own, the chance to earn money, and full access to social services. This episode reflects the broader state of politics in Georgia. In seeking crude political gain, opposition politicians discredit themselves and reveal their weakness. In contrast, President Saakashvili's government looks strong: having won a convincing victory in municipal elections last year, it can now push through unpopular measures with ease.

www.economist.com

TRANSITIONS ONLINE: Georgia—shelter from the storm

The affair over Georgian authorities' decision to move refugees out of Tbilisi into more permanent housing in villages should not be overblown. The people evicted last month—some of them made homeless from Russia's 2008 invasion, others much earlier, in the early 1990s during territorial conflicts—were squatters who moved into a number of buildings in Tbilisi after the 2008 conflict. The UN refugee agency broadly backed the authorities on this, saying in a statement that the relocations were conducted in a more proper manner than previous relocations.

www.reliefweb.int

EURASIA DAILY MONITOR: Priority high, expectations low—Lithuanian chairmanship tackles protracted conflicts in the OSCE

The OSCE chairmanship proposes to “restore a meaningful OSCE presence in Georgia,” to deal with both the security situation and humanitarian issues. This clearly implies an effective presence in Russian-occupied S. Ossetia, as part of a mission with a Georgia-wide mandate. Yet, the OSCE's presence in Georgia has always been hostage to Russia's veto. Moscow paralyzed and micromanaged that field mission for many years, before dictating the termination of OSCE's border monitoring operation in 2005 and removing the field presence from South Ossetia in 2008. As long as Russia's right of veto persists, the OSCE will continue failing as a security actor.

www.jamestown.org

SPIEGEL: Minorities under attack—germ of hate spreads in Russia

The terror attack on Moscow's main airport last week has fueled the flames of xenophobia in Russia. Yet, the Kremlin isn't intervening to halt the trend that could cause deep rifts in the country's multiethnic society. Right-wing extremists' demands are meeting with approval among ordinary citizens, and more than 40% of Russians favor the secession of the region. The wars the Kremlin waged in Chechnya and Georgia were in vain, and today the majority of Russians no longer want Chechens, Dagestanis, Ingush, and Balkars as fellow citizens.

www.spiegel.de

FORBES: Real cyber war

Cyber-warfare expert Jeffrey Carr writes: “The Russia-Georgia war combined a kinetic attack with simultaneous cyber attacks against numerous government websites. I identified specific links between members of the Russian Duma as well as official organizations like the Nashi and Foundation for Effective Politics with these attacks in my book *Inside Cyber Warfare*. The most important realization that one can have about the realities of cyber warfare is that it's neither theoretical nor imaginary. When cyber operations are conducted in advance of or during hostilities, they accelerate the identification and killing of targets. There's nothing more real than that.”

blogs.forbes.com

XINHUA: Georgia to export corn for first time in 2011

Georgia is expected to export corn this year for the first time in history, thanks to a special corn production program. Agriculture Minister Kvezereli said the ministry had already launched a program to triple the yield of corn and the income of corn farmers. Georgia's annual corn production is about 200,000 metric tons, ranking 70th worldwide.

www.chinadaily.com

POLSKIE RADIO: “Idealist” Georgian First Lady promotes autobiography in Warsaw

Georgia's First Lady Sandra Roelofs Saakashvili promoted the Polish-language version of her autobiography, *Story of an Idealist*, in Warsaw last week. “Writing a book about a specific period in your life is a wonderful way to change to the next train,” she writes in the forward. Married to President Saakashvili, whom she met in 1993, the First Lady is known for her charity work in Georgia and her involvement in various humanitarian and health-related causes.

www.thenews.pl

NASDAQ: Georgia—“One of world's most progressive, liberal economies”

Today, despite Russia's 2008 invasion, Georgia has one of the most progressive and liberal economies in the world, with the World Bank's Doing Business survey and Transparency International both giving it favorable marks. The World Bank placed Georgia 12th out of 183 countries for overall ease of doing business, up one point from 2009. Investors have also been active, particularly in the tourism sector, and the economy has bounced back impressively, with manufacturing output up 8.3%, financial services up 12.3%, trade rising 11%, and hospitality businesses seeing 15% growth over the first 10 months of 2010.

community.nasdaq.com

THINK TANKS/NGOs

CHATHAM HOUSE: Russia—podium pressure

In 2014, Russia will host the Winter Olympics in the Black Sea resort town of Sochi. Georgia, which has repeatedly called for the relocation of the Games, will seek to use the Games to protest Russian recognition and support of Abkhazia, Georgia's Russian-occupied territory just 30 kms. from Sochi, as well as the ongoing presence of Russian troops. Opposition also is expected from environmental groups protesting the degradation of the Black Sea coastline caused by the Olympic preparations, as well as from human rights groups objecting to the forced resettlement of local inhabitants to make way for Olympic buildings.

www.chathamhouse.org.uk