

GEORGIA UPDATE

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Parliament Chairman David Bakradze began an official visit to Israel on Monday at the invitation of Knesset Chairman Reuven Rivlin. High on his list of issues to discuss with Israeli authorities and the Patriarch of Jerusalem is the Monastery of the Cross, which originally was built as a Georgian monastery but was sold to the Greek church in 1685. Georgia is now in discussions with the Patriarchate in an effort to regain control. "It's very important that the Israeli government be involved in this process, too, as the monastery is located in Israeli state territory," Bakradze said after meeting Israel's minister of religious affairs. Bakradze also discussed deepening economic relations, simplifying the visa regime between Georgia and Israel, and establishing direct air flights between the two countries.

INTERNATIONAL MEDIA ON GEORGIA

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QUOTES OF THE WEEK

"The United States does not recognize their legitimacy and, in fact, we want to take this occasion to reiterate our support for Georgia's sovereignty and territorial integrity within its internationally recognized borders."

"We also urge Russia to fulfill all of its obligations under the 2008 cease-fire agreement, including withdrawal of forces to pre-conflict positions, and free access (for) humanitarian assistance to Abkhazia and South Ossetia."

♦ US State Department spokesperson Mark Toner commenting the day after Abkhazia held elections

"Moscow has been relatively ineffective in both territories. In Abkhazia, Russia has repeatedly failed to handle the independent streak of the territory's leaders, who see their relationship with Russia as important, but certainly do not want to be absorbed into Russia. More surprising, perhaps, has been Russia's slipping grip on S. Ossetia. Perhaps we should not be surprised that Moscow fails to control these entities—Russia's leaders are not as good at controlling events in the region as they would like us to think."

"Simply put, it shows with all clarity the hollowness of Moscow's ambitions to restore a sphere of influence. If Moscow is at a loss handling these small territories, how can its grand plans for a Eurasian Union and other similar projects be taken seriously?"

♦ Svante Cornell, Research Director of Central Asia-Caucasus Institute and Silk Road Studies Program

UPCOMING MILESTONES

Mar. 15: German FM Guido Westerwelle visits Tbilisi

Mar. 26-30: First round of free trade negotiations between EU and Georgia

Mar. 27-28: President Saakashvili attends Nuclear Security Summit in South Korea

Mar. 28-29: Next round of Geneva peace talks

May 15-22: NATO summit in Chicago

May 26: Parliament relocates to Kutaisi

Oct: Parliamentary elections

TOP STORIES

International Community Condemns Illegitimate Vote in Abkhazia

The international community roundly condemned Sunday's so-called "elections" in Georgia's Russian-occupied territory of Abkhazia, and reasserted its support for Georgia's territorial integrity. "The US does not recognize the legitimacy of the de facto 'parliamentary' elections held in the Abkhazia region of Georgia," said the State Department. US officials urged Russia to honor the 2008 ceasefire agreement and withdraw its troops. The EU, meanwhile, underscored that it "does not recognize the constitutional and legal framework" within which elections were held. The Council of Europe's Parliamentary Assembly (PACE) also condemned the vote, "The so-called parliamentary elections in Abkhazia, as well as the so-called presidential election that will take place on March 25, 2012, in Tskhinvali, cannot be recognized as legitimate," said PACE co-rapporteurs Michael Aastrup Jensen of Denmark and Kastriot Islami of Albania. PACE called the Georgian regions' unilateral declaration of independence illegitimate under international law: "Therefore, no legal or constitutional basis for these elections exists." Poland also said it "does not recognize their legality." Russia and its proxies ethnically cleansed hundreds of thousands of ethnic Georgians, Jews, Greeks, and others from Abkhazia in the 1990s and during the 2008 Russian invasion; as a result, the roughly 400,000 IDPs from the region—who constituted about 80% of the pre-war population—are denied their right to vote.

[AGENCE FRANCE PRESSE: US Rejects Vote in Abkhazia](#)

Georgia Getting Closer to NATO Membership, Says Alliance, as NATO-Georgia Commission Meets

Senior NATO leaders last week said Georgia's bid to join the Alliance is progressing. "We are getting closer together," said James Appathurai, NATO's Special Representative to the Caucasus. "We continue to work toward that step when Georgia will become a NATO member, and Georgia is taking steps as well." NATO and Georgia have recently agreed on a package of measures designed to "enhance Georgia's connectivity to NATO," said Appathurai. The deal was negotiated at last week's NATO-Georgia Commission meeting in Brussels. Appathurai also lauded Tbilisi for its significant troop contributions to NATO's Afghanistan mission. Georgia's Afghan commitment also garnered praise from NATO Secretary General Anders Fogh Rasmussen. "We welcome the remarkable contribution your country is making to the ISAF operation, notably the battalion in Helmand," he said. "We also appreciate your decision to almost double your contribution." Parliament last year agreed to send an additional battalion to Afghanistan to support the NATO-led mission; with nearly 1,700 soldiers, Georgia is the largest non-member contributor to the coalition's international security force.

[EURASIANET: NATO—Georgia "Getting Closer" to the Alliance](#)

US Senate Considers NATO Enlargement Bill, Advocates Georgia's Membership in the Alliance

US Senator Richard Lugar, the top Republican on the Senate Foreign Relations committee, has introduced the "NATO Enhancement Act," a bill that would require the US to outline a "clear roadmap" for Georgia's accession in to the Alliance at NATO's upcoming summit in Chicago. If approved, Lugar's bill will make mandatory reports on US efforts to advance the accession of Georgia, as well as other "aspirant" countries, into the Alliance, and on "US policies to uphold Georgia's sovereignty and territorial integrity." Said Lugar: "I am hopeful that the Senate will pass this measure before the NATO Summit in Chicago this May." Lugar has championed NATO enlargement since the early 1990s and led efforts in past rounds of enlargement to grant Protocols of Accession to Poland, Hungary, the Czech Republic, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia, Albania, and Croatia.

[OFFICE OF SENATOR LUGAR: Lugar Introduces NATO Bill](#)

**Georgia, US Start Annual Military Training Exercises**

The US and Georgia on Friday launched joint military training exercises as part of a two-week defense cooperation program dubbed "Agile Spirit 2012." Over 300 US Marines and troops from Georgia's fourth infantry brigade engaged in defense exercises at Georgia's Vaziani military base. "The focus of the exercise is to increase inter-operability between the forces and exchange and enhance each other's capacity in counter-insurgency and peacekeeping operations," said the US embassy. Soldiers will test military equipment and learn how to disarm self-made explosive devices as part of their training. Military officials plan to incorporate the drills into the Georgian Deployment Program, which prepares Georgian troops for service with NATO in Afghanistan.

[CIVIL GEORGIA: U.S. Marines, Georgian Troops' Joint Drills in Vaziani](#)

Legislation Regulating NGOs & Elections to Be Modified

Georgia's Parliament announced plans to ease rules for civil society groups involved in political campaigns. "NGOs should have a sense that the law will in no way restrict their legitimate activities," said Parliament Chairman Bakradze, heeding the concerns of local electoral advocacy groups. He said an amendment to the legislation—originally passed in December to improve transparency in campaign financing—will "remove all the question marks." Parliament will also include a provision to ensure that the law does not impose restrictions on international donors involved in institutional and democratic development programs, he said.

[CIVIL GEORGIA: Controversial Law on Parties to be Amended](#)

Foreign Investment Soars 58% in Fourth Quarter of 2011

Foreign direct investment in Georgia soared 58% in the fourth quarter of 2011 to \$337 million, according to Geostat. Inflows climbed steadily through the year, growing from \$173 million in Q1 to \$203 in Q2 and \$266 million in Q3. Dutch investors were the most prolific with \$78.7 million, followed by those from Luxembourg (\$33.4M), the US (\$32.8M), Belize (\$31M), the British Virgin Islands (\$27M), Japan (\$17.3M), and Cyprus. Energy attracted the most FDI, with \$79.1 million, followed by transportation and communications, the financial sector, real estate, mining, agriculture, and construction.

[XINHUA: Georgia receives 980-mln-USD FDI in 2011](#)

Azerbaijan, Georgia to Launch Joint Bid for Euro 2020

Georgian and Azerbaijan will make a joint bid to co-host the 2020 UEFA European Football Championship. In a speech delivered to Azerbaijan's Parliament, President Saakashvili said the move would help to further "elevate" the strategic partnership between the two countries. The Georgian Football Federation plans to pitch the joint Euro 2020 proposal to UEFA once preliminary assessments are completed. The Federation is considering five host cities: Tbilisi, Batumi, Kutaisi, and two others. The bidding process to host Euro 2020 will start later this year and the winner is due to be announced in 2014. This year's European football championship will be jointly hosted by Poland and Ukraine, with the 2016 tournament to be held in France.

[AGENCE FRANCE PRESSE: Azerbaijan, Georgia to bid for Euro 2020](#)

INTERNATIONAL MEDIA ON GEORGIA

WEEKLY STANDARD: Georgia on my mind

The reason Georgia has sent troops to Afghanistan—and Iraq, it should be added—is to show solidarity with the US and NATO as it continues to strive for membership in that alliance. If there is any light at the end of the tunnel towards NATO membership, it's the fact that January's meeting between President Saakashvili and President Obama appeared to go well, with the Georgian president getting both face time with Obama and the kind of meetings with senior officials typically reserved for allies. Then, in February, as a follow-up to the two presidents' commitment to increase defense cooperation, US deputy assistant secretary of defense Celeste Wallander visited Georgia and announced the cooperation would move into "new areas."

www.weeklystandard.com

AFP: Iran crisis stirs tensions in ex-Soviet Caucasus

Georgia has ambitions to join NATO and friendly ties with Israel, but has recently intensified links with Iran by introducing a visa-free regime to attract investment. "War in Iran could disrupt major international economic projects vital for Georgia and could negatively affect Georgia's role as a strategic energy transit route from the Caspian to Western Europe," said Soso Tsintsadze, director of Georgia's Diplomatic Academy. Concerns have also been raised in Tbilisi that enemy Russia, which invaded Georgia in 2008 and maintains a large troop presence in two Georgian breakaway regions, could use a conflict to strengthen its position.

www.afp.org

EURASIA DAILY MONITOR: Ivanishvili unveils top team

Three common features characterize most members of Bidzina Ivanishvili's group. First, they hark back for the most part to the 1990s in terms of social status acquisition and mentalities (their average age is considerably older than that of the Georgian government). Second, again contrasting with the government, most members of Ivanishvili's team lack exposure to the West or fluency in English (when asked about this, Ivanishvili was able to name only three team members with a Western education). And third, very few on his team possess government and administrative experience. The Georgian Dream movement has no program at the moment, other than removing President Saakashvili's government from power in the parliamentary elections scheduled for October 2012.

www.jamestown.org

OPEN MAGAZINE: How Georgia did it

Striking a balance between harnessing the will against corruption and ensuring that all stakeholders in politics and civil society are consulted and involved is a challenge in any democracy undergoing reforms. Georgia accomplished many of these dramatic reforms in 2004 as the result of a revolution. I asked Deputy PM Baramidze whether he thought that the dramatic reforms undertaken in 2004 would have been possible without a revolution. "What made the reforms possible was our strong political will," he said, "and what gave us our political will was the strong popular support that came from the revolution— itself a manifestation of the fight against corruption." Many (but not all) of these problems have been overcome, thanks to the nerve and will of President Saakashvili's government.

www.openthemagazine.com

DAILY NATION (KENYA): Georgian example shows that police can actually be reformed

President Saakashvili came in with a new generation of young untainted leaders, sweeping out the old Soviet-trained and linked ones. Today, the police force is the most respected institution in Georgia. Positions in it are highly sought after, with many people joining the military first to make themselves more competitive. It was political will within the ruling class, as well as new mindsets and approaches, that proved crucial. While tedious and painstaking, the technical part flowed from that political will and new mindsets.

www.nation.co.ke

**BBC: From old cellar to successful winery**

Twins Gela and Gia Gamtkitsulashvili run a complex comprising wine cellars and a hotel, called the Twins Old Cellar, located in the Kakheti region in eastern Georgia. They make their wine in clay vessels called *kvevri* in accordance with the traditional Georgian method. "The grape husks remain for four months and go down to the bottom, and during this process it cleans the wine. This is a natural filtration process," Gela says. For the brothers, the clay vessels are a source of income but also of great pride. They are everywhere: Even some of the hotel rooms are decorated with examples of the vessels, split in two to reveal the unique way they make their wine.

www.bbc.co.uk

HANDELSBLATT: Burkhard Schuchmann's vineyard in Georgia

Georgian wines produced by German businessman-turned-winemaker Burkhard Schuchmann have a unique taste. Schuchmann bought an estate in Georgia's fertile region of Kakheti for relatively little money to pursue his winemaking dream. Georgia is considered the "oldest wine-country in the world" based on its deep winemaking history. Schuchmann relies on traditional production methods to ensure the best possible quality

www.handelsblatt.com

EURASIANET: Tbilisi eager to reap diaspora dollars

The government hopes that new passport-style ID cards will help foster a greater sense of community among the Georgian diaspora. The card allows holders to enter Georgia without a visa, access scholarships for Georgian public schools and universities, and join national sports teams. Any person with ties to Georgia through birth, ancestors going as far back as five generations, or marriage can apply for the card. In addition, the government is offering a variety of cultural enrichment programs, including summer camps for children, folk dance and singing groups, plus schools in 50 diaspora communities.

www.eurasianet.org

ARGOPHILIA: Georgia set for anti-smoking laws

It may have taken three long years for plans to come to fruition, but finally Georgia is set to enforce an anti-smoking policy that will compel all public restaurants and cafés to introduce non-smoking zones. The country's hotels, restaurants, and cafes could have just weeks to prepare for the changes. The new law is a bold step for a country, which, according to the World Health Organization, can count around 2 million of its 4.5 million citizens as smokers. Georgia's hospitality sector is welcoming the move.

www.argophilia.com

BLOOMBERG TV: Interview with Bank Of Georgia CEO Irakli Gilauri

As the Bank of Georgia earned a premium listing on the London Stock Exchange, CEO Irakli Gilauri emphasized that analysts consider the bank—Georgia's dominant financial institution—to be "low risk" because of its low leverage and its high deposit growth rate. He also noted his bank's resilience amid the global financial crisis: "We went through the financial crisis, but we did not need even one penny of the help from the government or national bank," he said, attributing the bank's success to Georgia's well-regulated banking sector. "This was a very, very important step for us, and it's the reason we came through the crisis very strong."

www.bloomberg.com