

GEORGIA UPDATE

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Batumi last weekend welcomed over 200 delegates from 40 member states of the OSCE Parliamentary Assembly to address issues ranging from regional security and investment opportunities to anti-corruption efforts and democratic reform. The Assembly’s President, Petros Efthymiou, and President Saakashvili both expressed their concern over massive Russian military exercises scheduled for September, just ahead of Georgia’s parliamentary elections in October. President Saakashvili offered this as one reason that it is critical for the international community to send election observers to Georgia as soon as possible. “We need genuine pro-democracy parliamentarians, genuine observers, genuine transparency, starting from today, not just on the day of elections,” he said.

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QUOTES OF THE WEEK

“We believe we have denied Russia any legitimization that they have tried to have over South Ossetia and Abkhazia.”

“We completely agree with your assessment that Russia is currently in violation of the ceasefire agreement.... We’ve also been clear and Secretary Clinton has referred to Russia’s occupation of Georgia—not meant to be provocative, but to simply describe what we believe to be the case, which is Russia having military forces within the territorial boundaries of internationally recognized country.”

“It is no secret that there are issues on which the Allies and Russia differ.... We also disagree fundamentally over the situation in Georgia. Since 2008, NATO has strongly supported Georgia’s sovereignty and territorial integrity and has continued to urge Russia to meet its commitments with respect to Georgia.”

♦ US Assistant Secretary of State Phil Gordon replying to questions during testimony delivered to the US Senate Foreign Relations Committee

“The Chicago Summit will not be an enlargement summit, but we will definitely acknowledge the progress Georgia has achieved during recent years. We will acknowledge that progress in our declaration from the summit. We will also acknowledge Georgia’s contributions in a very visible way.”

♦ NATO Secretary General Anders Fogh Rasmussen on the upcoming NATO summit in Chicago

UPCOMING MILESTONES

May 20-21: NATO summit in Chicago

May 26: Parliament relocates to Kutaisi

May 26: Georgian Independence Day

May 29: Europe Week begins in Tbilisi

Jun. 7-8: 20th round of Geneva peace talks

Aug. 7: 4th anniversary of Russian invasion

Oct.: Parliamentary elections

TOP STORIES

President Arrives in US to Attend NATO Summit in Chicago

President Saakashvili arrived in the US yesterday to attend the NATO Summit in Chicago. Georgia, which in December was upgraded by the Alliance to the level of an “aspirant” country, will participate in a Alliance sessions on the ISAF mission in Afghanistan, a 13-member partnership roundtable discussion on NATO operations, and in an “aspirant countries meeting” with NATO foreign ministers. “There is every reason to believe that the forum will note the progress achieved by Georgia in recent years in approaching the alliance’s standards” on democracy, human rights and military readiness, the President said yesterday in New York City.

Ahead of the Summit, NATO Secretary General Anders Fogh Rasmussen said that the Alliance will recognize “in a visible way” what “Georgia has achieved and what it contributes to the trans-Atlantic Alliance.” US Assistant Secretary of State Philip Gordon underscored American support for Georgia’s membership bid: “Secretary Clinton will participate in a meeting of NATO Foreign Ministers with four aspirant countries to specifically acknowledge them, note that the door remains open and to talk to them about the process going forward, and we expect that the communiqué will also will also signal our strong support for enlargement,” he said.

The President also speaks today at Princeton University’s Woodrow Wilson School on “Georgian Democratic Transformation—A Test Case for the Post-Soviet World.” He also is visiting New York and Los Angeles, where he meets with business leaders, the Georgian diaspora, and delivers an address at the Ronald Reagan Presidential Library in Simi Valley, California.

[RADIO FREE EUROPE: NATO Chief Looks to Summit](#)

ODIHR Assessment Mission Planned for June; Voter List Commission Marks Milestone

The OSCE’s main democracy and rights arm, ODIHR—invited by the Georgian government last month to deploy long-term election observers in Georgia—will undertake a four-day assessment mission in mid-June to plan its observation efforts ahead of October’s parliamentary elections. Meanwhile, Georgia’s Commission to Ensure Voter List Accuracy marked a significant milestone last week when it released initial results after conducting a massive, door-to-door campaign to verify the lists’ accuracy. Over 11,000 registrars were deployed to check over 100,000 residents in Tbilisi and another 200,000 in various districts across Georgia. The commission, which was formed as a presidential directive, will publish the official list on its website tomorrow.

[CIVIL GEORGIA: ODIHR Needs Assessment Mission](#)

Transparency International, NGOs Rap Opposition “Charity” for Political Activities

Transparency International Georgia, Georgian Young Lawyers’ Association, ISFED, the coalition Free Choice, and Multinational Georgia released a statement this week expressing concern over a new charity fund might be misused to influence voters by the opposition coalition Georgian Dream. The groups was reacting to reports that the charity, Komagi, will provide GEL 1,500 to 5,000 per month to individuals who claim to be subjects of political persecution. “Georgian law bans political parties from directly or indirectly offering, promising or providing money, services or other advantages to their constituents in order to prevent the buying of votes,” the NGOs said. “We urge all political actors to refrain from any activities that could be perceived as bribing of voters by offering free services or gifts in order to increase their public support. Providing any monetary or non-monetary advantages might have a significant impact on voters’ behavior and their relationships to political parties and candidates.”

[TRANSPARENCY INTERNATIONAL: NGO Statement on “Komagi”](#)



Tbilisi suffered deadly floods last weekend, which took the lives of five of the city’s residents when the Mtkvari River overflowed. Floodwaters inundated roads, cut power, and devastated several neighborhoods. The government immediately pledged assistance to the victims and to rebuilding the stricken neighborhoods. “No one should be living in such conditions, especially in the risk zones,” said President Saakashvili. www.bbc.co.uk

Batumi Hosts Successful OSCE Parliamentary Assembly

As Batumi successfully hosted its first-ever OSCE Parliamentary Assembly meeting last weekend, PA President Petros Efthymiou underscored the importance of deploying OSCE observers to Georgia’s Russian-occupied territories of Abkhazia and S. Ossetia. “We stand for the restoration of the OSCE mission in Georgia’s conflict zones,” he said. He reiterated support for Georgia’s territorial integrity and urged Russia to “implement all international agreements on Georgia,” including the 2008 ceasefire. Efthymiou also cautioned Russia on its plans to host massive military exercise along Georgia’s borders in September. President Saakashvili said the upcoming elections have a “huge security dimension” in light of the exercises and underscored the importance of having long-term international observers on the ground in Georgia. “Their advice will enable us to improve the pre-election sphere to conduct the most transparent elections,” he said.

[RUSTAVI: Batumi Hosts OSCE Parliamentary Assembly](#)

Successful Bond Issue in London Helps Advance Georgian Electricity Independence

Georgia’s state-owned oil and gas company has successfully placed a \$250 million eurobond in London, in a move PM Gilauri described as a “big success for the Georgian economy.” The PM said the project was part of Georgia’s efforts to become the second country in the world after Norway to derive virtually all its electricity from hydropower—a goal he said in an interview with the *Financial Times* could be achieved within 5-7 years. Surplus electricity could be exported to Turkey, Russia, and eastern Europe, he said.

[FINANCIAL TIMES: Eurobond Boost for Georgia](#)

After Strong Q1 Revenues, Government Plans Revised Budget

The government proposed last week to increase its 2012 budget in light of strong Q1 revenues. According to the draft amendments, officials increased target revenues to \$4.34 billion, a 2% hike. Officials plan to allocate the additional resources toward infrastructure development projects, and have proposed increasing regional infrastructure budget by 84% to \$223 million. The amendments also call for budgetary revisions to 11 other ministries, with the regional development, agriculture, and economy ministries receiving the largest funding increases. Georgia’s Central Election Commission will also receive an additional \$3 million upon approval of the amendments. Parliament will vote on the draft law in coming weeks.

[CIVIL GEORGIA: Amendments to 2012 Budget Planned](#)

INTERNATIONAL MEDIA ON GEORGIA

RADIO FREE EUROPE: NATO summit to acknowledge Georgia's progress as aspirant country

"The Chicago Summit will not be an enlargement summit, but we will definitely acknowledge the progress Georgia has achieved during recent years," says NATO Secretary General Anders Fogh Rasmussen. "We will acknowledge that progress in our declaration from the summit. We will also acknowledge Georgia's contributions in a very visible way," he said, adding: "So it will be in a very visible way that we acknowledge what Georgia has achieved and what Georgia contributes to the trans-Atlantic alliance."

www.rferl.org

WORLD POLICY REVIEW: NATO should not leave Georgia hanging in Chicago

At the NATO summit, the US must ensure that the lack of a decision to enlarge NATO does not become a defining outcome of the gathering. Nowhere is this more relevant than in Georgia's case. Tbilisi has made significant progress in strengthening its credentials for membership, which polls show is overwhelmingly supported by Georgians. At the 2008 NATO summit in Bucharest, in ruling out a Membership Action Plan for Georgia, the Alliance assured Tbilisi that it will eventually become a NATO member, defining the issue as a question of when, not if. In addition to reaffirming this decision, the Chicago summit should recognize Georgia's progress toward meeting membership criteria, clarify Georgia's path to further integration with NATO, and take steps to advance the integration process.

www.worldpoliticsreview.com

HUFFINGTON POST (FRANCE): Strange Franco-Russian oligarch?

Ivanishvili's true force lies in his ownership of shares in Russian companies that, through their strategic dimension, are used by the Kremlin as levers to affirm Russia's power. He has shares, estimated at 3 billion dollars, in companies such as Lukoil and Gazprom. He is reportedly the largest individual shareholder in the latter. These shares do not confirm only the oligarch's wealth. They also prove his proximity to Russia's authorities, as shown by his positions on Georgia-Russia relations, in which he subtly defends Moscow's interference. Indeed in Russia nothing relating to the economic and energetic flagships can be done without the Kremlin's consent.

XINHUA: Georgia invites election observers

Georgia has sent out invitations to an array of international organizations to come to the country as soon as possible to monitor the campaign ahead of the October parliamentary elections. It is unprecedented to send out invitations to observers seven months before the elections.

news.xinhuanet.com

EURASIA DAILY MONITOR: Georgia flexes its soft power

Georgia's North Caucasus engagement strategy is bound to be welcomed enthusiastically among the various peoples across the N. Caucasus. Because of the region's isolation, permanent instability, and widespread distrust of the government, any external attention to the region's problems will produce an immediate positive reaction in the regions. The Circassians, the Chechens, and the Ingush will be especially thankful for recognition of their grievances by a neighboring country that aspires to be a part of Europe.

www.jamestown.org

IRISH TIMES: Daily life in Abkhazia far from decent

Georgians living in Gali, in Georgia's Russian-occupied region of Abkhazia, accuse the Abkhaz and their Russian allies of intimidation and discrimination. Meanwhile in Zugdidi, a town on Tbilisi's side of the de-factor border, many Georgians driven out of Abkhazia during Russia's 2008 invasion have set up home. "It was terrible—genocide against Georgians," said Alfred Dzhikia, who fled to Zugdidi from the Black Sea resort of Gagra. "But we could sort it out if it wasn't for the Russians. They want their empire back – that's the main problem."

www.irishtimes.com



The third edition of the Tbilisi Photo Festival begins on May 29th and features the work of world renowned photographer Stanley Greene. The annual festival has made a name for itself as a crossroads of photography from around the world, and will feature work from Asia, Iran, Turkey, Europe, Russia, and the Arab world. The festival will be held in conjunction with Georgia's annual "Europe Week," which aims to foster ties between Europeans and Georgians on social, cultural, and political issues. The full program can be found here: www.europeanweek.ge

THE TELEGRAPH: Kremlin can look to Georgia on corruption fight

The top of the Russian agenda is the battle against bureaucratic corruption, and the Kremlin has just taken the first steps toward institutionalizing the fight. This was always going to be an uphill battle. Eradicating endemic corruption is an incremental process—especially in a country as large as Russia. Georgia sacked the entire traffic police force for taking bribes, solving the corruption problem overnight.

www.telegraph.co.uk

BLOOMBERG: Billionaire Ivanishvili's TV station starts trial run

A Georgian satellite TV channel owned by the wife of Georgian billionaire and energy tycoon Bidzina Ivanishvili began broadcasting last week. The Tbilisi-based station, Channel 9, owned by Ekaterine Khvedelidze, went on air for a "trial run," said the channel's director, Kakha Beqauri. He said it's "hard to say" how much Ivanishvili has invested in the project as equipment is still arriving.

www.bloomberg.com

LES ECHOS: A new Eldorado for the Georgian economy

Today "Lazika" is an unoccupied coastal zone on the shores of the Black Sea. In 10 years it could welcome a new city, a testimony to Georgia's economic dynamism. For President Saakashvili, this project would symbolize the conquest of a new frontier after several years of economic and administrative reforms.

lecercle.lesechos.fr

GROUND REPORT: Lazika—"city of the future" on the Black Sea

Georgia has grand plans to build a new city called "Lazika." This new and exciting project would help Georgia turn the page of economic transition, and start down the path of aggressive development. President Saakashvili has allocated \$682 million to get the city started, and hopes the city will one day become the Dubai of the Black Sea. The 10-year goal is to build a city of the future -part resort, part business center.

www.groundreport.com

XINHUA: Georgia to form diaspora parliament

Georgia will set up a diaspora parliament to help involve overseas nationals in the country's future. Diaspora minister Papuna Davitaia proposed a 45-seat diaspora parliament, that would meet once a year for five days and serve as an advisory body to the state minister. Georgian communities in foreign countries with at least 1,000 eligible nationals will be given the right to elect one representative for the diaspora legislature.

news.xinhuanet.com