



# European Movement Georgia

The bulletin is published in cooperation with the Centre for European Integration Studies,  
Georgian Franchise Union and Student Association “Europe”

Monthly Bulletin  
June-July, 2006, N1-2

## Welcoming address of the President of EM in Georgia



I have pleasure of informing our readers and partners that according to the decision taken by the board of the Preparatory Committee of European Movement in Georgia the monthly bulletin of the organization is reestablished. The aim of the bulletin is to provide broad public with the information related to the activities of EM in Georgia, and Black Sea region (including South Caucasus) in General. We also aim at promoting European values and ideas. The bulletin will cover issues about Georgia-EU relations and publish articles of most competent experts. The bulletin will serve also as a forum for debates on international matters with particular emphasis on European integration and EU's policy toward Georgia and Black Sea region. It will be a platform for exchange of ideas and insights directed toward creating a network for policy analysis and discussion. Related news and articles from our partners and foreign experts are welcomed. I wish the Bulletin every success in its aim of promoting high-quality debate between Europe's different stakeholders, in business, in civil society, in government and academic circles.

**Vasili Tchkoïdze**

*President*

## Welcoming address of editor in chief



I am honored to be given possibility to lead a team of such a distinguished monthly journal. The Bulletin is re-established after short period of absence. It is very important to follow the most important events related to Georgia –EU cooperation and have in addition regional coverage of events. We invite with pleasure all interested authors, experts and institutions to take part in our activities. Me and my colleges are sure that the bulletin will be able to contribute the process Georgia's integration into EU structures.

**Denola Chkhartishvili**

*Editor in Chief*

## **European Movement Moldova organized Summer School For Young Leaders**

*Vadul Lui Voda, Moldova, 30 June-8 July*



European Movement of Moldova in cooperation with the Centre International de Formation Européenne, Institut Européen Des Hautes Etudes Internationales (Nice) and the Soros Foundation of Moldova organized the Summer School for young leaders. Topic of the Summer School was the "Black Sea Region in New Enlarged Europe". Participants were represented from the several countries of the Black Sea region and EU.

The Summer Session aimed at gathering the young leaders from black sea region and EU countries and foster discussion among them on the challenges and impacts in the process of European integration, also to review the possible ways, which could be used for solving the problems in this regard. The main goal of the training was to contribute to democratization of the society and rapprochement of the Black Sea Regions Countries to the European Union through professional information, training and consulting.

Summer School included different activities, such as lectures, sessions, feed-back's, games and country presentations. Lectures were given by the invited experts from France-Mr. Andre Erdos (Ambassador of Hungary in France), Belgium-Mrs. Madeleine Hubin (Lecture At HEC management School, High University of Leage) and experts from Moldova: Dr. Oleg Serebrian, Mr. Cernel Ciurea, Dr. Arina Kraijdan, Mr. Andrei Popov, Mrs. Doina Rosca, Dr. Radu Gorincioi.

In the scope of project young leaders have met with the experts from the Institute for Public Policy. The Public Policy Institute is an independent, non-profit organisation, committed to the values of individual liberty, democratic society, rule of law. Trough

research, publications, policy recommendations and public forums the Institute provides political, business and academic community leadership with a deep analysis of public policy issues confronting to Moldavian society in order to improve the policymaking process. The Summer School participants had a discussion with Public Policy Institute's representatives concerning the current context of the European Neighbourhood Policy, contributing towards implementation of the EU-Moldova Action Plan, building awareness of the importance of EU-related processes in Moldova and mobilising efforts of the Society for aligning to European values, norms and standards.

The young leaders had meetings also with the Moldavian MFA staff members, representatives of Foreign Embassies, political leaders, journalists and held open discussions.



As the representative of partner organization, Head of the Youth Organization of the European Movement of Georgia, Mrs. Denola Chkhartishvili took part at the Summer School's activities. She evaluate this program positively, as she had possibility to meet with the young leaders, share experience and ideas with them and to establish close links with the members of a civil society of Black Sea and EU countries. "Such events help us to meet partners and design new plans with active participation of young leaders from different organizations. We consider it as good opportunity for better co-ordination between representatives of European Movements from Georgia, Ukraine, Moldova and Armenia" – she said. "We hope to deepen future partnership with our friends" - Ms. Denola Chkhartishvili said.

The main achievements of the Summer School was follow:

- develop and implement training programs,
- organize conferences, seminars, debates to cover current issues in EU-Black Sea Region's countries relations and perspectives,
- establish and build strategic alliances by means of implementing joint programs and initiatives.

At the end of the sessions participants were granted by certificates.

## Seminar on EU-Georgian Trade Issues

18 July 2006,

Marriot Tbilisi Hotel



Delegation of the European Commission to Georgia in the cooperation with EU-Georgia Business Council organized seminar on EU-Georgian Trade Issues. Opening speech were given by Mr. Torben Holtze, Head of Delegation of the European Commission to Georgia, Mr. Giorgi Baramidze, State Minister for Integration into European and Euro-Atlantic Structures, Mr. Jemal Inaishvili, President of the Georgian Chamber of Commerce and Industry, Vice Speaker of Parliament, Ms. Tamar Kovziridze, Deputy Minister for Economic Development, Mr. Konstantine Zaldastanishvili, Deputy Minister for Economic Development and Ms. Sofia Munoz, Deputy Head of Unit for Russia, Directorate General for Trade of the European Commission. Georgian business and government representatives and European and Georgia experts were participated in the seminar.

Seminar was divided in two sessions. Seminar began with opening remark by Mr. Torben holtz as an initiator of this seminar, and then Mr. Giorgi Baramidze explained the main reasons to help the Georgian businessmen in their activity to enter European markets. Mr. Jemal Inaishvili spoke about the problems which has Georgian Industry because Russia banned Georgian goods import. He considers the diversification of our markets as one of the best ways for facilitation of Georgian export.

Tamar Kovziridze mentioned that Georgian trade turn over has been increased by 50% in EU countries in 2006 then the previous year. Our purpose is to ajust our good to European standards.

Mr. Konstantine Zaldastanishvili introduced to the audience the purpose of EU-Georgia Business Council which aims at facilitation of Georgian trade, providing all necessary information to the Georgian businessmen that will help them in their activities.

Second Session was on major non-tariff barriers. Mr. Manuel Rodriguez Catalan, Directorate General for Agriculture and Rural development of the European Commission, made a presentation on EU tariffs on Agricultural products and Trade with Georgia. Sanitary and phytosanitary issues (SPS) and new EU policy for exports of quality agricultural products from third countries to the European Union. In 2003 tariffs on some products, mainly on agricultural products had been increased and the new tariffs are in line with the upper bounds agreed with WTO at the accession.

In this part of the seminar took part the representatives whose businesses is priority for Georgian export. for example, Mr. Levan Koberidze, GWS Marketing and Sales Director made a speech on Georgian Wine, as a unique offer to the world wine market. He mentioned the problems in this sector, such as financing the farmers form banks, lack of works on marketing etc.

Mr. Shota Bukhaidze, the Executive director of Ltd. "Hazelnut Factory". Statistics shows that the price of Hazelnut has increased by 300%. The 100% of selling of this factory comes from exports and the annual selling is 7 million euros. That's why we

need to enlarge the farmers, increase the price of this product in favor to compete with other enterprises. After sessions the discussion took place.

***Short information about EU-Georgia Business Council:***

*The EU-Georgia Business Council (EUGBC) has been founded by European and Georgian companies as a non-profit association. The EUGBC is located in Brussels, at the heart of European Union (EU) activities.*

*The EUGBC is a business driven organization whose main purpose is to:*

- *Encourage investment and trade between EU and Georgia;*
- *Promote Georgia in the EU as a place to invest and do business and vice versa;*
- *Promote and protect the common business interests of its Members;*
- *Foster ties in the EU and Georgia between businesses, governments and civil societies.*

*The EUGBC is managed by a Board of Directors with daily activities carried out by the Secretary General.*

*Any corporate or non-profit legal entity or individual, who has an interest in Georgia or is planning to have a link with Georgia or the EU, may be admitted as a Member of the EUGBC by the Board.*

*The main activities of the EUGBC will include:*

- *Provision of key business information on Georgia and the EU to members such as relevant legal reforms, different EU assistance programs, projects and opportunities, calls for tender on the Privatization of Georgian State Property, State Purchase Inquiries and various Investment projects, data on Customs and Tax laws, EU trade policy and preferences;*
- *Establishing relations with key policy makers, appropriate governmental bodies and civil societies in Georgia and the EU;*
- *Facilitation of discussions between Georgian and EU companies, governments and civil societies and increase business contacts;*
- *Advising interested companies on how to develop their network and build their image in Georgia and EU;*
- *Organization of conferences, workshops, trade missions and product promotions.*

**By Natia Mamatsashvili**

*Parliamentary expert*

## **Georgian Foreign Trade In EU Increases**

Volume of foreign trade of Georgia in the countries of the European Union is increasing. As Prime-News was told by representatives of the Statistics Department of the Ministry of Economic Development of Georgia, foreign trade of Georgia stood at USD 837.7 m in 2005, which is 14.8% more against the figures of the same period in 2004. Besides, the EU member states account for 24.9% of overall volume of foreign trade of Georgia. Georgia used to have the negative trade balance to 101 foreign trade partners, and positive – to 31. (Prime-News)

## "Je m'appelle Giorgi" new French school to open in Tbilisi

By Diana Dundua



The Embassy of France is opening a bilingual French-Georgian school in Tbilisi. The French Ambassador, HE Philippe Lefort, held a celebratory lunch for journalists on July 18 in the French embassy. "I express huge interest towards developing this project because I used to be a teacher myself. I think that education is very important for the country. I want to say that this will be an institution where the French and Georgian languages will be equally taught,"

Lefort said. In incrementally, from 2006 until 2012, all school children, from nursery school age up to secondary school and lyceum, will be taught. The curriculum will be conducted in both French and Georgian by professional instructors. According to the ambassador, this will be very important for local and foreign pupils alike. "This project will give us an opportunity to give French education to Georgian children and vice versa. This will be good for Georgia as well because it will share more information about France and at the same time the international community will better acquaint itself with Georgia. Overall, this project has been created with a mind towards globalization and European values," explained Lefort.

Although Georgian and French are the primary focus, additional languages such as English, Russian or German will be taught as well depending on parents' wishes. These languages will be taught from the beginning of secondary school. "As for the children's acceptance, we think that approximately five hundred pupils will be accepted. We aim for this to be a high quality school, and in each class will be twelve or thirteen pupils. The teachers will be Georgian and French tutors. I want to say as well that this school will be of European standards, and with its diplomas the graduates will be able to advance their studies in any foreign university," the ambassador explained.

The complete facilities for the school and nursery have yet to be built. For the 2006-2007 school year, the kindergarten mixed class "Moyenne Section/Grande Section" will be temporarily located in the Alexander Dumas French Cultural Center on Gudiashvili Street. Children of any nationality aged four or five are invited to apply.

"The building of the school will begin soon near Vake Park. We hope that by 2007 it will be finished. In the same year we will open the beginning classes and in future years we will try to have all the classes up to the Baccalaureate. French and Georgian architects are working on the project, and it will be a high quality and comfortable institution," Lefort announced to the assembled journalists.

Pupils will be selected by testing, very talented children from low-income families will not have to pay the fee, but the number of such pupils will be limited. The annual fee for the nursery school will be Euro 4000. The secondary school and lyceum fees are not specified yet. The deadline for applications is September 8. Classes will begin on September 18. "This project is financed by French and Georgian private and state organizations. We negotiated with the Ministry of Education as well. I want to clarify that this school will not be a competitor for other French schools existing in Georgia -- this will just be an additional one," stated the ambassador.

## EU Envoy Visits Georgia

/ Civil Georgia, Tbilisi / 2006-07-22 21:07:08



Georgian Foreign Minister Gela Bezhushvili met with visiting EU special representative to the South Caucasus **Peter Semneby** on July 22 to discuss Georgia's Action Plan in frames of the EU Neighborhood Policy and secessionist conflicts, the Foreign Ministry reported. Talks were attended by the head of European Commission delegation Torben Holtze and German Ambassador in Georgia Patricia Hildegard Flor (Germany will hold EU Presidency after Finland).

"The Georgian side welcomed the willingness of the European Union to promote restoration of Georgia's territorial integrity and with that end in view to cooperate actively in the ongoing peace processes," the Georgian Foreign Ministry's press release reads. EU expressed its deep concern regarding the current Russo-Georgian tensions in a statement issued by the Finnish Presidency on behalf of the European Union on July 20.

In the statement EU on the one hand noted "the need to increase the effectiveness of the negotiating and peacekeeping in South Ossetia and Abkhazia," but on the other hand urged the parties involved "to make full use of the existing negotiating mechanisms."

### EU gives glimmer of enlargement hope for South Caucasus states

28.07.2006 - 14:34 CET | By Andrew Rettman

EUOBSERVER / BRUSSELS - EU member states have agreed to insert subtle pro-enlargement wording into so-called action plans governing future relations with South Caucasus countries Georgia and Armenia, as regional tensions simmer over Georgian police action in the breakaway region of Abkhazia. The EU action plans - set to be adopted in October - are now likely to carry the phrase that "The EU takes note that [these countries] have expressed their European aspirations" with member states' ambassadors finally coming to agreement after "some discussion" on Thursday (27 July).

The meaning of the wording is open to debate, with a Finnish EU presidency official saying "It's not that sensitive. I mean we are not talking about enlargement. It's semantics. You can ponder whether the aspirations refer to EU membership or European values in the metaphysical sense."

But diplomats from the South Caucasus states are reading the text as a step toward ever-closer EU integration with a potential target of membership 10 to 15 years from now. "This simply means that Armenia respects European values in the political and economic sphere," an Armenian diplomat said. "But membership is our ultimate goal."

Western European public opinion has turned against enlargement, especially in the Netherlands and France, following the no-votes on the EU constitution last year. Ukraine is currently battling to get the phrase "the EU recognises the European aspirations" of Kiev into its draft partnership agreement with the EU for 2007 and beyond. Commenting on the South Caucasus wording, an EU diplomat said "That's not any commitment, but it's the minimum the EU could do."

The draft action plans also allow Georgia and Armenia the option to formally "align themselves" with "some" future EU statements on common foreign and security policy topics, despite objections from the French ambassador that this could lead to cherry-picking and loss of coherence on EU foreign policy issues.

Azerbaijan - the third South Caucasus country currently negotiating an action plan with the EU - was not included in the "aspirations" and foreign policy alignment discussion because it did not request to have either clause in its action plan text.

The South Caucasus is an important energy route for future gas and oil pipelines from the Caspian Sea basin to the EU, with a so-called "trojka" of high-level European Commission and EU presidency officials planning to go to the region to conclude the action plan deal in October.

Meanwhile, the Georgian ambassador in Brussels - Salome Samadashvili - said shooting has stopped in the Kodori Gorge in the breakaway Georgian region of Abkhazia, but added Georgian police officers on Friday captured five more rebel fighters and will stay in the area "for some time." Georgian police entered the gorge on Tuesday to unseat local militant leader Emzar Kvitsiani and reinstall Abkhazian local government officials after their 12-year long exile in Tbilisi. "Kvitsiani was running the gorge as a personal fiefdom, extorting money and goods from local people," the Georgian ambassador said.

Tbilisi has pledged it remains committed to a peaceful resolution of the Abkhazia conflict, but separatist leaders in the Abkhazian capital of Sukhumi broke off talks with Georgia on Friday while Russian general Valery Yevnevich - who has "peacekeeping" troops in the zone - has warned his soldiers will fire back if attacked.

Armenia and Azerbaijan are monitoring the situation, with Baku giving full support to Tbilisi's "anti-terrorist operations" on its own "sovereign territory." The EU has not so far officially reacted to the Kodori operation - which left one woman dead - but Brussels is "concerned" about potentially worsening instability in its Black Sea neighbourhood.

## **Georgia leads anti-corruption drive in transition countries - World Bank**

*By Christina Tashkevich*

A new World Bank report praises Georgia as the country showing the largest reduction in corruption among all transition countries from 2002-2005. "Since 2002, firms in most countries are paying bribes less frequently and in relatively smaller amounts, and they report corruption to be less of a problem than in the past," James Anderson, co-author and senior World Bank (WB) economist for Europe and Central Asia, says.

The report credits the leadership of Georgia with pushing the reforms through.

"Strong leadership in Georgia was the driving force behind the swift and thorough reforms that significantly reduced corruption after 2002. The leadership has taken bold actions to lessen the burden of the state in the economy, improve fiscal transparency, and strengthen oversight institutions, all of which have contributed to the decline in corruption," the WB says.

Moreover, the political transition in Georgia in 2003, which brought into power new leadership, was caused by public dissatisfaction over corruption and bad government. Mikheil Saakashvili, on becoming the new president, declared the fight against



corruption his highest priority. Georgia has shown better results, the WB says, than other countries-Kyrgyzstan and Ukraine-which had revolutions in recent years.

Warning that leaders cannot expect to totally eliminate corruption, the report says that leaders with strong commitment, courage, and support can "make important strides in a relatively short period of time."

"Strong leadership is a key weapon in the fight against corruption. Every country that has made measurable progress in reducing corruption has had a strong champion who made transparency and accountability top priorities," Cheryl Gray, co-author of the study said.

Countries in transition were leading in the world in adoption of simplified low- or flat-rate income taxes, starting with Estonia in the mid-1990s. They have also made large efforts to improve tax administration and customs legislation.

The report notes, though, that corruption in the courts in transition countries has not fallen overall. Although, it adds that the countries are beginning to address the problem, for example by raising judges' salaries in Georgia.

The percent of firms reporting that bribery of tax officials was frequent fell from 44 percent to 11 percent in these three years in Georgia, the report says.

Noting a significant list of implemented reforms, the WB still advises Georgia to build a more efficient public administration and support the development of mechanisms for getting feedback from civil society.

"In the long term an informed public and civil society, an independent media, and tolerance of constructive criticism of the leadership are essential to sustaining the gains from reform. Committed leadership is important, but transparent, accountable, and well-functioning institutions are the key to good governance over the long term," the WB says, adding that the gains from reforms in Georgia should be put into "lasting institutional change."

Another WB report published in 2006 put Georgia as the number two reformer globally on the ease of doing business. The report noted the Georgian government introduced a new licensing law which cut the number of licensed activities from 909 to 159. A one-stop shop was created for license applications, so that businesses can submit all documents to one agency. The time to register property fell by 75 percent, and the cost by 70 percent.

## Third Round of the European Neighbourhood Policy Action Plan



On May 16, 2006, the third round of talks over the elaboration of the European Union-Georgia Action Plan within the frames of the European Neighbourhood Policy was held in Tbilisi, on May 16, 2006. The talks aim at reaching agreement on the EU-Georgia Action Plan. First Deputy Minister Valeri Chechelashvili

headed the Georgian Delegation. From the EU side, the talks were led by Hugus Mingarelli, Director of the Directorate for Eastern Europe, Southern Caucasus, Central Asian Republics in Directorate General for external Relations. According to both sides, serious progress has been achieved in the course of talks. The Action Plan is a quite voluminous and complicated 35-page document, which consists of five chapters.

“As a result of a very serious and intensive work we achieved tangible progress in our talks. Agreement has been reached on our priorities as well as a large part of the document structure. Both the sides view this document as an important instrument by which to get closer to the European Union. We are confident that upon the realization of this Action Plan, our relations with the European Union will grow more consistent, more thoroughly developed and more intensive” Mr. Chechelashvili said. The progress we achieved is so increasingly important that we may not need to hold the forth round, I mean a round in its full sense. Of course we have a number of issues, which call for specific consultations. But as we are determined to take advantage of the well-established and very constructive atmosphere of cooperation between the delegations, we think we may reach agreement over these issues without an additional round of talks – Deputy Minister stated.

According to **Hugus Mingarelli** During this round of consultations we've been able to make very important progress, which did not come as a surprise to us because the European Union is firmly willing to assist your country in pursuing democratic and economic reforms, as well as to assist your country to come closer to the European Union. *“As regards Georgia, we know very well that your country is very much willing to develop close and strong partnership with EU and to come closer to the EU and to the European and Euro-Atlantic structures. For us all this is a confirmation that Georgia is an important and reliable partner. We hope that we will be in a position to conclude these consultations on the Action Plan very soon now and this will allow us to speed up the implementation of our Partnership and Cooperation Agreement, and in many instances, to go beyond this Partnership and Cooperation Agreement, in order to reach a certain degree of economic integration and deepen our political dialogue”* – Mr. Mingarelli noted.

Specifying issues that need to be agreed Mr. **Valeri Chechelashvili** noted: “There is so far no final agreement over the prospects for our trade relations. other issues, we arrived at consensus over practically all issues. Trade relations are what single out as a topical

issue. In this regard **Mr. Hugus Mingarelli** added that on both sides there is a will to deepen and liberalize our bilateral trade relations “but we have still to agree on the appropriate formula in order to reach this objective. So there is an agreement on the ultimate objective but there is still discussion on the modalities. And there are a few linguistic issues to settle” – he said. Answering the Question related to the difference between the relationship under the EU-Georgia Partnership and Cooperation Agreement and that envisaged by the Action Plan **Hugus Mingarelli** noted: “*The Partnership and Cooperation Agreement is already an ambitious agreement, which, if properly implemented would allow Georgia to come closer to EU in many instances. This Action Plan is even more ambitious in that it will allow to attain a certain degree of economic integration between Georgia and EU. It means that Georgia will progressively move towards the EU internal market. So we really go beyond simple cooperation. We also have at our disposal an additional instrument as compared to the instruments available for the implementation of PCA. We'll use a number of tools, which have been successfully used in the EU enlargement process. Your country as well will be able to mobilize loans from the European Investment Bank, which will be something new. And in several areas, we will be able to go beyond the objectives set in the Partnership and Cooperation Agreement*”. As for the conflict resolution, **Mr. Chechelashvili** mentioned, the Document consists of five chapters, of which two major ones are dedicated to partnership prospects and our major goals and objectives. These two chapters give a detailed account of the European Union's further and activated steps in the settlement of conflicts: “*Naturally, we didn't have a hard time in formulating respective parts of this Document, well-known as it is the European Union's position towards the conflicts on the territory of Georgia. Let me remind you that Austria holding the presidency of the European Union made a very serious and vigorous statement on February 21 of this year, expressing unconditional support for Georgia's sovereignty and territorial integrity. In brief, the formulas upon which we reached an agreement, envisage activation by the European Union of the peaceful process of conflict settlement and enhancement of the EU role in this process*” – Deputy Minister said

Talking about Georgia's transit role in the given situation **Mr. Chechelashvili** was hopeful that it will increase substantially “*The Document makes recognition of this fact*” - he said. As **Mr. Hugus Mingarelli** added “*EU is very committed to assist the region, the countries of the Caspian basin and the Black Sea Basin to establish an integrated energy market between themselves and to progressively integrate these regional energy markets into the EU energy markets. And in this regard this Action Plan that we negotiated today will speed up the necessary measures to integrate the regional energy market into the EU one, through a number of measures aimed at aligning the Georgian legislation with the EU one*”.

According to **Mr. Zaal Chavchavdze**, Secretary General of EM in Georgia, there are more disagreement than demonstrated officially. *four questions remained to be negotiated on the next 4<sup>th</sup> round.*- **Mr. Chavchavdze** said. Those issues are: Possibilities to establish free trade relations between Georgia and EU. Here, Georgian side insists on granting Georgia autonomous trade preferences analogue those to Western Balkans. On the other side European Commission requires additional clarifications and motivations on this issue. Another topic parties could not reach agreement refers the duration of Action Plan, Georgian side insist on shorter (Three years) while European Commission seeks to fix five years. Third topic is inclusion the wording in Action Plan underlining Georgia's aspiration toward full membership in EU. (Some EU old members oppose this idea). Finally, Georgia demands to be given possibility to align itself Declarations of Presidency on Behalf of EU (like Ukraine and Moldova). In this regard, also one of the EU old members opposes this demand.

***Frozen Conflicts in Georgia – SOS, Russian “Peacekeepers”!!***  
(Official texts without comments)

**Statement by H.E. Mrs. Nino Burjanadze Speaker of the Parliament of Georgia at  
the meeting of the United Nations Security Council**

**Mr. President, Excellencies, Distinguished colleagues,**

At the outset, allow me to express my sincere gratitude to the Security Council for giving me the opportunity to address the Council's meeting on the situation in Georgia. I would also like to thank the Secretary-General for the recent report on the matter and to underline my appreciation to the Special Representative of the Secretary-General, Mrs. Heidi Tagliavini for her continued and tireless efforts for solving this extremely complicated conflict.

Here, I would like to emphasize that the Mission until now headed by Mrs. Tagliavini despite its critical role lacks essential mandate to contribute fully to achieving a final, comprehensive, long-lasting political settlement.

Mr. President,

As you may know, Georgia has made noticeable progress since the `Rose Revolution`. We have carried out a number of significant reforms aimed at the strengthening of the state institutions in order to ensure the irreversibility of democratic processes. However, the process of democracy building is hindered by some problems that cannot be solved by Georgia's efforts or political will only; these are the problems that need active involvement of the international community, international organizations and first of all, involvement of the UN.

The major problem where we have no progress at all is the restoration of territorial integrity of my country, infringed due to the protracted conflicts, first of all the conflict in Abkhazia, Georgia.

What is the current situation and the recent development in the conflict resolution process? I have to mention here that to a large extent, the Report of the Secretary-General reflects the main problems. As described in the Report, still:

- Military exercises held by the Abkhaz de facto authorities are going on and have even intensified during this year;
- Safety of the local population – ephemeral so far - is constantly deteriorating;
- Human rights sub-office in Gali region is still our common unrealized intention only;
- Small UN civilian police unit is operating only outside the conflict zone;
- The Georgian language is banned at schools in Gali region;
- Property rights of the spontaneous returnees are totally ignored.

Mr. President,

As a result of the conflict in Abkhazia, Georgia, about three hundred thousand people, predominantly Georgians, as well as representatives of other nationalities - were forcefully driven from their homes, and today, this area is run by the benefactors of internationally recognized ethnic cleansing as recognized by the OSCE Summit Declarations in Budapest (1994), Lisbon (1996) and Istanbul (1999).

Already for more than 13 years, we have been speaking about the return of internally displaced persons. Dozens of the Security Council resolutions condemn the forceful demographic changes and demand unconditional, secure and dignified return of all refugees and IDPs. But those resolutions are shelved and not a single person has officially been allowed to realize one of the basic rights—the right to live in their homeland. How long should we all tolerate that?

Indeed, it is high time for international community to initiate more active efforts in order to establish the stability in the region. Georgia can no longer tolerate the existence of uncontrolled separatist enclaves, the so called "white spots" of democracy, that are breeding grounds for illegal arms trade and drug trafficking, safe havens for international terrorists and criminals. From the beginning of the peacekeeping operation until the end of 2005, about 1900 people were killed on the territory controlled by Russian peacekeepers; and its happening in Gali district, where the whole population does not exceed 60 thousand. We can no longer accept massive violation of fundamental human rights in the conflict zones in Georgia. May I remind the esteemed council that the threats posed by lawless territories usually tend to spread beyond their boundaries.

Today, one of the main problems on the way of conflict resolution is the presence in the conflict zone of CIS peacekeepers – entirely comprised of Russian military forces. Let me elaborate a little more on the role of this force.

Initially, the main objective for having peacekeeping forces was the necessity to cease-fire. This aim was reached more than 14 years ago. Since then all we have been witnessing is - murders, kidnapping and violation of human rights.

One can observe total public distrust to the Russian peacekeepers in the entire Georgian society. First of all, this distrust comes from efforts of Russian peacekeepers to alienate Abkhazia and the rest of Georgia. In fact, peacekeepers serve as border guards protecting illegal de-facto border established by separatists. And as it is openly declared by Russian militaries through TV channels and mass-media, they are protecting the interests of so called Russian citizens living in Abkhazia. Let me remind you that these are the people who were given Russian passports and citizenship purposefully, just to justify the permanent military presence of Russian forces in the region. Considering that the majority of the current population of Abkhazia, Georgia, has been granted Russian citizenship, it becomes evident that the existing peacekeeping force is not an impartial international unit carrying out its mandate, but rather a dividing force. This, in turn, casts doubt on the effectiveness of the entire peacekeeping operation carried out under the auspices of the United Nations.

Both Georgian and Abkhaz sides are against new outbreaks and those who constantly threaten the local population with the possible renewal of conflict, have special interest in maintaining `status quo` in the region.

Under the current peacekeeping format, the separatist government is being steadily armed with modern military equipment. During last two years, with the direct financial and material aid of the Russian defense and security services, at least eight large-scale military maneuvers were carried out on the territory of Abkhazia, Georgia precisely in the zone of restricted armament. The militarization of the region, facilitated by the efforts of the Russian Federation, is rapidly consolidating the destructive potential of the de facto regime of Abkhazia. I would like to highlight that this is a direct violation of existing peacekeeping mandate and most of bilateral agreements on conflict solution between Russia and Georgia.

There is an alarming trend of increasing number of criminal offences where evidence shows that in many cases the criminals were the peacekeepers themselves. According to our data, 9% of all criminal violations in Abkhazia during last year were committed by peacekeepers. The facts of peacekeepers' participation in organized crime, smuggling, facts of abuse of the local Georgian population are documentarily proved.

The Russian influence in Abkhazia is consistently increasing. No political decision or appointment of a high ranking official takes place without Russian directives. As an example we can just name Sultan Soslanaliev – Minister of Defence and Vice-Premier of Abkhazia, the person who used to be a commander of Shamil Basaev, the internationally recognized terrorist. The security system of Abkhazia is under total control of the Russian Intelligence Services. Abkhaz officials periodically visit Moscow, where they are received on a very high level and enjoy a strong support from well-known Russian politicians. Russian officials pay visits of support to Abkhazia as well. Another fact, testifying the obvious support of separatists by the Russian side and active involvement in inner Abkhazian politics, is that the key official posts in Abkhazia and all persons appointed are directly controlled by the Russian services. Russian illegal investments absorbing the strategic objects of Abkhazia, tourism infrastructure and banking system are getting more substantial. The legitimate property of the Georgian state and citizens is seized by Russian business circles and militaries. This is a vivid demonstration of double standards of Russia's policy – on one hand verbally supporting Georgia's territorial integrity and on the other backing secessionist regime that conducted ethnic cleansing of the Georgian population.

We address international community to condemn the unlawful embezzling of the state and private property belonging to the Georgian population in Abkhazia.

Abkhaz authorities are very restricted in making their own political decisions. Correspondingly, we don't have progress in negotiation process just because the Abkhaz side is completely bound to follow Russia's instructions. As an example, we could remind you of the so-called election of the leader of Abkhazia when enormous pressure was imposed on residing in Abkhazia.

We don't have any illusions concerning the possibility of resolving the existing conflicts overnight even in case of strong political will of Russia. But regretfully we have the impression that there is no political will and the motivation of Russia to maintain the *status quo* is even more decisive than that of Abkhazian leadership.

Mr. President,

According to the international law, annexation is nothing more than the assertion of effective control through political, economic and military means over the territory of another state. This is exactly what is going on in Abkhazia, Georgia.

But this is not the end of the story. Today, we are facing rather worrying development of this process. One of the members of the Security Council, member of the Group of friends and the facilitator of the peace process – namely the Russian Federation – suddenly has decided to disassociate itself from supporting the basic principle – principle of territorial integrity of Georgia within its internationally recognized borders. More and more frequently we hear that the national minorities in Georgia have the right to self-determination. Last statements of the President Putin and the representatives of the Russian Foreign Ministry concerning the universality of the Kosovo model and its applicability to Abkhazia is nothing more but an attempt to find a legal justification for the ongoing de-facto annexation undermining the sovereignty of Georgia. Numerous quoting of the referendum as a mechanism for defining of the status of this or that nation

is once more nothing but double standard. Any referendum can not be considered as legitimate, if it expresses the will of small part of the population only while the majority had been ethnically cleansed from that part of the country. And the last but not the least - any deviation from the principle of territorial integrity is a threat not only to my country but Russia itself in the first place. Unfortunately, not everybody in Russia, if any, does understand that.

Mr. President,

Despite this very destructive development, I have to reiterate once more that we strictly adhere to the principle of peaceful resolution of the conflict. This has been stated by highest Georgian officials on every possible occasion. We are ready to have open dialogue and constructive negotiations with our Abkhaz counterparts and are ready to grant the region the broadest model of autonomy.

Let me inform you about some steps that the Georgian government has taken to further the conflict resolution: President Saakashvili announced his readiness to meet the de-facto leader without any preconditions. Our expectation is that such a meeting will result in the beginning of unconditional, dignified and secure return of all refugees and IDPs, as envisaged by Security Council resolutions.

Unfortunately, no mechanism for such a process exists at this stage. The only peace keeping force in the conflict zone – that is Russian militaries – claim that they lack the proper mandate for facilitating such a return.

We are not against the peacekeeping forces *per se* in the region – as avoiding of any new provocations is in our own interests; All we want is to resolve this conflict peacefully and release the Abkhaz side from the political pressure of Russia's policy. Having a truly independent international peace-operation in the conflict zone is one of the main preconditions to achieve this goal.

We are ready to sign the agreement on non-resumption of fire. The only prerequisites for this are the security guarantees for the returnees in the region. We believe that these security guarantees should be provided exclusively by the international peace-keeping force and not by the Russian side that has already violated every existing agreement on the peace-process.

We have given new impetus to the Georgian-Abkhazian negotiation formats. The government of Georgia agreed to restore the railway-connections through the territory of Abkhazia and endorse other projects of economic rehabilitation. Unfortunately, the response to these initiatives was the declarations of de-facto Abkhaz leader regarding his intention to put land-mines across the border of Abkhazia.

Mr. President,

In order to assist the peaceful resolution of conflicts, the parliament of Georgia adopted a special resolution on peacekeeping forces in the conflict region. This was an attempt to alarm the international community on the necessity of facilitating the peace-process through positive pressure on the Russian side to fulfill its obligations. All we have got in response are declarations that Russia will not withdraw the military forces from the region regardless of any decision of the Georgian government.

The existing format of peacekeeping forces is unacceptable for us. The Georgian legislative body is determined to pass a special resolution on Abkhazia in the nearest future aimed at reviewing the existing peacekeeping mandate. But I can assure you that the government of Georgia will give adequate and positive response to any progress

achieved in peace-operation. We are ready to cooperation and are willing to see Russia playing a positive role.

At the same time we stand ready to consider any options which will breakthrough the stalemate in the conflict resolution process. The Security Council is exactly the body which can and has to take the decisive steps for such a breakthrough.

Once more, key issue which has to be solved is the return of all refugees and IDP's in organized, secure and suitable conditions. Unfortunately, such conditions do not exist for a while. As I already mentioned criminal situation in the conflict zone, especially in Gali district is very far from being normal. Killing, armed assault, kidnapping and physical abuse of local Georgian population has become a routine. The Government of Georgia welcomes the last initiative of the Group of friends of the Secretary-General concerning the establishment of the **international civil police force** in the region that will help to protect the elementary human rights and freedoms of the local population.

Mr. President,

Time is running out. The format of existing peacekeeping operation urgently needs to be reviewed and balanced by the international segment in order to guarantee the progress in the conflict resolution process according to the principles outlined in the resolutions of the Security Council. We are calling for the establishment of the **UN international peacekeeping forces**.

Once more, Georgian society as well as the international community has been waiting far too long for the secure, unconditional and organized return of all internally displaced persons and refugees. It is the right time for the UN to introduce new options to set this process in motion.

We are here to find new solutions and new approaches to promote the peace-process. We need truly neutral and unbiased peacekeeping operation. We need internationalization of the existing peacekeeping monopoly. We are here to ask you to adopt the resolution that will call upon the current realities, resolution that will facilitate the changing of `status quo` for the better and bring us to a final settlement of the conflict. We are confident that stepping up the efforts in conflict resolution in Abkhazia will bring us closer to peace, security and prosperity for the Caucasus and larger Europe.

I thank you.

11 July, 2006.

## **Resolution of the Parliament of Georgia**

### **On The Peacekeeping Forces Located on the Territory of Georgia** *(Tbilisi, 18 July 2006)*

In accordance with the resolutions N 1927-II s and N 2655 adopted by the Parliament of Georgia respectively on 11 October 2005 and 15 February 2006, considered the current situation in Abkhazia and the former Autonomous District of South Ossetia and the issue concerning peacekeeping forces located there.

Unfortunately, no progress has been achieved in terms of settlement of these conflicts within the time frame defined by the resolutions N 1927-II s and N 2655 adopted by the Parliament of Georgia respectively on 11 October 2005 and 15 February 2006.

Instead of demilitarization, the drastic increase of military potential of those armed forces under subordination of de-facto authorities of Abkhazia and former Autonomous



District of South Ossetia, drastic activation of terrorist and subversive actions, complete collapse of security guarantees for peaceful population, permanent attempts to legalize the results of ethnic cleansing the fact of which had been repeatedly recognized by the international community, massive violation of fundamental human rights and ever-increasing international criminal threats so characteristic for uncontrolled territories- this is a reality brought about as a result of peacekeeping operations.

The peaceful policy of Georgian side, which envisages settlement of conflicts in full compliance with the internationally recognized democratic norms and participation of international community, encounters opposition not only on the part of separatist regims, but also on the part of outside forces supporting them. In fact, a peace plan on the Former Autonomous District of South Ossetia elaborated by the Georgian side and supported by OSCE and the European Union, had been rejected by the Russian Federation.

Continuation of those actions, which have been listed in the Georgian Parliament's October 11, 2005 resolution 1927-II, as well as blockage of peace plan, can be assessed as a support towards separatists and as a permanent attempt to annex Georgia's territory. Based on the above mentioned, it is clear that actions undertaken by the Russian Federation's armed forces in Abkhazia and in the former Autonomous District of South Ossetia represent one of the major obstacles on the way to solve these conflicts peacefully, which is a result of absence of a political will on the part of Russian Federation to foster conflict resolution and to change the current status quo.

The Parliament of Georgia once again reiterates that Georgia remains committed to the peaceful resolution of the conflicts. The Georgian side's peace plan and unilaterally undertaken steps are confirmation to this. The rights of ethnic Abkhazian and Ossetian citizens will be guaranteed in the united Georgian state, as well as all the conditions necessary for their development and preservation of their self-identity will be secured.

Proceeding from the aforementioned, the Parliament of Georgia considers further continuation of the peacekeeping operation by the armed forces of the Russian Federation in Abkhazia and Former Autonomous District of South Ossetia as inexpedient and resolves:

1. To entrust the Government of Georgia with a task to launch necessary procedures to immediately suspend the so-called peacekeeping operations in Abkhazia and in former South Ossetian Autonomous District and to immediately withdraw the armed forces of the Russian Federation from the territory of Georgia.
2. The Government of Georgia should immediately start working over changing the peacekeeping format and over deployment of the international police forces in Abkhazia and former autonomous district of South Ossetia, also should acquaint the international community and the relevant international organizations with plans on peaceful resolution of conflicts and should actively cooperate with them in order to achieve the goal.
3. The Georgian government should activate work in order to properly inform the residents of Abkhazia and former autonomous district of South Ossetia, establish maximum possible confidence between the parties and establish peaceful, democratic way of living based on internationally recognized standards on the whole territory of Georgia.

## **Declaration by the Presidency on behalf of the European Union on recent developments in Georgia - Abkhazia and South Ossetia**

20 July, 2006

The European Union refers to recent developments in the South Ossetian zone of conflict in Georgia and to the Resolution of the Georgian Parliament on Peacekeeping Forces Stationed in the Conflict Zones, which was adopted on 18 July 2006.

Further to the Declaration by the Presidency on behalf of the European Union on recent developments in Georgia - South Ossetia of 21 February, the European Union reiterates its support for a peaceful resolution of the territorial conflicts in Georgia, based on respect for the sovereignty and territorial integrity of Georgia within its internationally recognised borders. The European Union welcomes the initiatives taken to this effect, as reflected in the decisions of the OSCE Ministerial Council in Ljubljana in December 2005, and stands ready to contribute actively to the peace processes.

The European Union is satisfied at the outcome of the OSCE-sponsored donors' conference on South Ossetia, held on 14 June in Brussels. It hopes that the programmes of economic rehabilitation agreed there will strengthen mutual confidence between the parties. It also welcomes plans to send a UN fact-finding mission regarding the possible deployment of an international police force to Abkhazia as soon as possible.

The European Union is deeply concerned about continuing tension between Georgia and Russia and recent incidents in South Ossetia, which do not contribute to stability and freedom of movement. The European Union is particularly worried by the recent closure of the only recognized border crossing between Georgia and the Russian Federation. The European Union emphasises the importance of ensuring freedom of movement of goods and people, in particular by keeping the border crossing at Zemo Larsi open.

The Union condemns violence in all its forms. It also reminds parties that detentions, violence and threatening of OSCE observers, diplomatic personnel and others performing agreed functions related to the peacekeeping operations and conflict resolution efforts are unacceptable.

The European Union urges the parties to make full use of the existing negotiating mechanisms and to do their utmost to promote stability and peaceful development in the region. In this connection, the European Union regrets the cancellation of the meeting of the Joint Control Commission on South Ossetia, scheduled for 17-18 July.

While emphasizing the need to increase the effectiveness of the negotiating and peacekeeping in South Ossetia and Abkhazia, the European Union invites all parties to start dialogue on the basis of the existing mechanisms, in order to explore the possibilities for improvement.

The Acceding Countries Bulgaria and Romania, the Candidate Countries Turkey, Croatia\* and the former Yugoslav Republic of Macedonia\*, the Countries of the Stabilisation and Association Process and potential candidates Albania, Bosnia and Herzegovina, Serbia and the EFTA countries Iceland, Liechtenstein and Norway, members of the European Economic Area, as well as the Republic of Moldova align themselves with this declaration.

## OSCE: EU Statement on Georgia

13 July 2006, 19:44

### **Finnish Presidency of the Council of the European Union**

#### **Permanent Council No. 619**

The European Union regrets that it has to raise yet again the situation in the zone of the Georgian-Ossetian conflict, as indeed alarming incidents are taking place.

The European Union shares the great concern of the OSCE Chairman-in-Office, as expressed in a press release of 12 July 2006, at the actions of South Ossetian officers who detained unarmed military monitors from the OSCE Mission to Georgia at gunpoint on 11 July 2006. We agree with the Chairman-in-Office that this was an extremely serious incident involving the threat of armed force against unarmed diplomatic personnel.

These actions are totally unacceptable and cast serious doubts on the willingness of the South Ossetian side to play a constructive role towards peaceful resolution of the conflict. A clear commitment by the South Ossetian side that there will be no repetition of such actions, as demanded by the OSCE Chairman-in-Office, is the least we can ask, also given the fact that the European Union and others have only recently pledged millions of Euros aimed at building confidence between the sides to the conflict through economic rehabilitation.

Furthermore the European Union shares the concern of the OSCE Chairman-in-Office, as expressed in a press release of 11 July 2006, about increased tensions after the closure of the Zemo Larsi border crossing point between Russia and Georgia on 8 July 2006. This closure reportedly led to a build up of large numbers of passenger and goods vehicles on both sides of the border, severely disrupting normal transit on the Trans Caucasian Highway and impacting on the local population as well. The European Union hopes that the border crossing point can be re-opened as soon as possible, in order to allow for the resumption of normal traffic.

The European Union calls on all parties involved to exercise calm and to refrain from actions or rhetoric, which risk escalating further the situation. It is of utmost importance that the political dialogue between all parties is resumed in order to diffuse tension, normalize the situation on the ground and prepare for a constructive meeting of the Joint Control Commission on 17 July in Tbilisi.

The Acceding Countries Bulgaria and Romania, the Candidate Countries Turkey, Croatia and the former Yugoslav Republic of Macedonia, the Countries of the Stabilisation and Association Process and potential candidates Albania, Bosnia and Herzegovina, and Serbia, EFTA countries Iceland, Liechtenstein and Norway, members of the European Economic Area, as well as Ukraine and the Republic of Moldova align themselves with this statement.

#### **For Further information please contact:**

*Editorial Board: Denola Chkhartishvili (editor in chief); Natia Maisurdze;  
Tel/fax: 99532 281660, e-mail: [ceisstaff@posta.ge](mailto:ceisstaff@posta.ge); [ceistbilisi@posta.ge](mailto:ceistbilisi@posta.ge);  
European Movement Georgia; (Centre for European Integration Studies)  
0172 – Muxiani 4b m.d. 21/51,  
Tbilisi, Georgia*