

# EBRD Annual Meeting 2015 – Why Tbilisi?

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that this is a stable and economically developed country

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## **Turkey Welcomes American Instructors** -A Missed Opportunity for Georgia?



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within the next ten days.

Georgian President **Meets NATO Secretary** General On p. 9

Georgian, U.S. Troops Launch Joint **Drills Outside** Tbilisi

## **Russia-China Strategic Partnership** – From the **Pacific to the Black Sea**

The New Cold War has brought about a new geopolitical power distribution in whicha Russia-China strategic alliance is a logical counterweight to thecombined EU-NATO-USA pole. Growing strategic partnership in energy security and geoeconomic areas has created a deepening cooperation in the military sphere. Two Chinese missile frigates, The Linyi and the Weifang, accompanied by a support ship, entered the port of Novorossiysk on May 8 to take part in Victory Day celebrations, the first time in history this had occurred.



POLITICS

## EBRD Annual Meeting 2015 – Why Tbilisi?

By DR. VAKHTANG MAISAIA



Being chosen to host the **European Bank of Recon**struction and Development (EBRD) meeting in Tbilisi on 12-15 May could be considered a great achievement for Georgia as it implies recognition from the international financial community that this is a stable and economically developed country. Though the Georgian economy is currently going through hard times, with the Lari enduring super-inflation and GDP growth having fallen from 4.2% to 2.3%, the EBRD considered the Tbilisi meeting very fruitful.

Georgia joined the EBRD in 1992, and since then the bank has been actively involved in the country's economic and financial development. At present it is focusing on three main areas:

- Fostering private investment: The EBRD will continue to pursue operations with private sector clients directly and, indirectly, via private banks operating in Georgia. As the business environment in Georgia is generally very good, policy dialogue activities in this area will focus on the unfinished reform agenda in the area of governance, rule of law and competition policies, in line with the authorities' priorities;

- Completing the modernization of the energy sector. The EBRD will complete the energy sector projects started during the past strategy, which aim to increase energy production and access export markets. Future projects will foster private sector participation and will be supported by policy dialogue in the areas of domestic markets reform and introduction of modern regulatory frameworks;

- Supporting Georgia's regional and global economic integration. The EBRD will focus on projects in various areas including infrastructure, logistics, telecommunications and the financial sector, that would support cross-border economic activities. The EBRD will support opportunities for skills transfer to enable Georgian companies to take advantage of trade opportunities and to become more competitive in a wider regional and international context.

The decision to hold the 2015 Annual Meeting in Tbilisi was taken by the Board of Governors of the EBRD. The announcement came after a meeting between the Prime Minister of Georgia, Irakli Gharibashvili, and EBRD President Sir Suma Chakrabarti at the World Economic Forum in Davos. Georgia made the official offer to host the meeting in May 2013, and that September the EBRD technical mission positively assessed Tbilisi's capacity to host the event.

EBRD Annual Meetings are held in either its London Headquarters or in member countries. While they are attended by government delegations, Business Forums run in parallel with them are attended by representatives of the international business community. Between 1,200 and 1,500 guests usually attend both events.

EBRD is an important partner of Georgia both in terms of funding and cooperation with Europe. It has financed over 165 projects in Georgia worth around1.8 billion Euros. 81 percent of its funding is allocated for private sector projects. On September 4, 2013 the EBRD Board of Directors approved the new Strategy for Georgia



which outlines the cooperation priorities for 2013-2016. It is this which set the three priority areas outlined above, the overall aim being to develop Georgia as a regional hub. The EBRD is currently seeking to make a huge investment, \$150 million, in the energy sector, intending to build hydro-electric and wind operated power stations.

Founded in 1991, The EBRD uses the tools of investment to help build market economies and democracies in 30 countries from central Europe to central Asia. Its initial mission was to support formerly communist countries in the process of establishing their private sectors. By the seventh meeting, representatives of 40 nations and two European institutions had reached agreement on the bank's charter, its initial size, and the distribution of power among shareholders.

The EBRD provides loan and equity finance, guarantees, leasing facilities and trade finance and finances professional development through support programmes. To be eligible for EBRD funding, a project must be located in an EBRD country of operations, have strong commercial prospects, involve significant equity contributions in-cash or in-kind from the project sponsor, benefit the local economy and help develop the private sector and satisfy banking and environmental standards.

The EBRD finances projects in most sectors. These include:

Agribusiness

- · Energy efficiency
- Financial institutions
- Manufacturing
- · Municipal and environment infrastructure
  - Natural resources
  - · Power and energy
  - · Property and tourism
  - · Telecommunications

 Information technology and media
 Transport

Hosting the EBRD Annual Meeting will not save the Georgian economy, and inflation continues to rise: at the end of June the exchange rate will be \$1=2.5 GEL. The long term effect it will have on Georgia's economic conditions may be another matter.

> The Georgian Institute for Geostrategic and Euro-Atlantic Studies Institute, Chairman







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PUBLICITY

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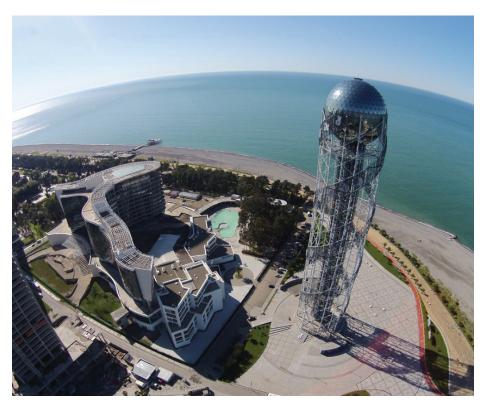
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## Turkey Welcomes American Instructors – A Missed Opportunity for Georgia?

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The Syrian conflict has developed in such a way that the Great Powers cannot avoid being involved until it is concluded. Therefore it is not surprising that Turkish media sources have recently said that around 40 U.S. Special Forces members are now based at the Hirfanli gendarmerie base in the Central Anatolian province of Kirsehir, where they will to help their Turkish colleagues train Syrian rebel groups to fight the Islamic State of Iraq and Levant (ISIL) within the next ten days.



those associated with Adjand al-Kavkaz, which is led by the famous Chechen warlord Amir Abdul Khakim al-Shishani (Rustam Ashiev), which is now an important ally of the Free Syrian Army. This group is part of the International Expedition Force sent by the Caucasus Islamic Emirate to fight against the Assad regime, a force which has Western backing. But this development is rather strange, considering that ISIS itself emerged outof the Syrian opposition forces in 2012-13, all of a sudden.

> The Georgian Institute for Geostrategic and Euro-Atlantic Studies Institute, Chairman



Turkey's National Intelligence Organization (MIT) is currently selecting new rebels to join this programme. Turkmens are said to be the most prominent ethnic group amongst these mercenaries, who will form additional strike combat units which will provide support to the Syrian Free Army. They will be trained in Turkey in groups of 400.

This programme was scheduled to begin at the end of 2014 but was then postponed to February. In the event, talks between Turkish and U.S. officials have only recently been concluded. Turkish Defense Minister Ismet Yilmaz was moderate Syrian opposition. They discussed efforts to deepen cooperation to stem the flow of foreign fighters", it added.

Up to 5,000 new rebels will be trained in Jordan as part of the same programme, and this training has already begun. 2,000 Syrian are being trained at presentand the figure will reach 5,000 when the programme is extended to Saudi Arabia and Qatar. The U.S. is providing all the necessary training equipment.

This programme is only a part of the broad new strategic cooperation between Turkey and the USA.

The two countries are due

Apart from being an important U.S. ally in the region and a member of NATO, Turkey has also jointly chaired the Global Counterterrorism Forum (GCTF) with the U.S. since 2011. The GCTF is a major initiative to build an international structure for dealing with 21st century terrorism. It seeks to provide a unique platform in which senior counter-terrorism policymakers and experts from around the world can work together to identify urgent needs, devise solutions and mobilize the resources to address key counter-terrorism challenges. Programmes such as this are a natural extension of the GCTF's

ing this training now? The reasons are unclear but may well be related to the breakdown in relations between Alasania and Prime Minister Gharibashvili. One way or another Georgia declared itself unready to host the programme, despite Alasania's desire to do so, and this must be regarded as a missed opportunity to play a part in combating ISIS and helping develop an international coalition against it.

The moderate Islamic groups most likely to be involved in this training include



NEWS

## THREE NEW DEPUTIES OF DEFENSE MINISTER NAMED



quoted by the state-run Anadolu Agencyas saying that this is a U.S.-led programme, and has the direct consent of the U.S. Congress.

The key details of the programme's execution were decidedat an official meeting between U.S. President Barack Obama and President of Turkey Recep Tayyip Erdogan on March 26. The two parties discussed cooperation in fighting ISIL militants and their "common efforts to bring security and stability to Iraq and Syria", according to a White House statement. "The two leaders reviewed the train-and-equip program for vetted members of the to sign a new agreement on increasing cooperation and intelligence sharing in the fight against ISIS which will give Turkey improved access to nofly lists and of-the-moment intelligence so that it can better monitor the flow of people travelling to and from Syria. Turkey is already an active member of the anti-ISIS coalition and constantly reiterates that it is devoting much effort to halting the flow of foreigners seeking to join ISIS. According to its Ministry of Internal Affairs almost 13,000 people have been barred from entering the country for this reason and 1,300 have been deported.

work.

What is interesting is that when this programme was first mootedit was intended that some of the new rebels would be trained in Georgia. This issue was discussed during then Georgian Defence Minister Irakli Alasania's official visit to Washington last year, when it was suggested he had proposed to host programme elements at Georgian military bases. This report was fiercely denied by Georgian officials, but the provisions of the new American-Turkish agreement make clear that Alasania did indeed make such a proposal.

So why is Georgia not host-

New defense minister Tina Khidasheli named on May 15 Davit Ebralidze, Anna Dolidze and Besik Loladze as her deputies.

Davit Ebralidze, who will oversee finances and procurements in his capacity of first deputy defense minister, served as deputy finance minister before May 2013, when he resigned, citing disagreements with Finance Minister Nodar Khaduri.

Anna Dolidze, who up until recently was a professor of law at the University of Western Ontario in Canada, was head of Tbilisi-based rights and legal advocacy group Georgian Young Lawyers' Association (GYLA) in 2004-2006; her predecessor as head of GYLA was current defense minister Khidasheli. As deputy defense minister Dolidze will be in charge of social issues of service members.

Besik Loladze, who will serve as MoD's parliamentary secretary in his capacity of deputy minister, was deputy chairman of the Constitutional Court and served as deputy justice minister for about a year till February, 2005.

Remaining two posts of deputy defense minister are still vacant.

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## Russia-China Strategic Partnership – From the Pacific to the Black Sea

#### By DR. VAKHTANG MAISAIA

The New Cold War has brought about a new geopolitical power distribution in whicha **Russia-China strategic** alliance is a logical counterweight to the combined EU-NATO-USA pole. **Growing strategic** partnership in energy security and geoeconomic areas has created a deepening cooperation in the military sphere. Two Chinese missile frigates, The Linyi and the Weifang, accompanied by a support ship, entered the port of Novorossiysk on May 8 to take part in Victory Day celebrations, the first time in history this had occurred. They are now conductingjoint exercises in the Mediterranean with six Russian vessels.

Each of the Chinese ships is a 4,000-ton vessel of the relatively new Type 054A (also known as Jiangkai II), which first entered service in 2007. The exercisesare the first of their kind to take place in the Mediterranean, and began on May 11th and will last until the 21st. The stated aim of the exercises is todeepen the friendly cooperation between China and Russia and strengthen their ability to repel naval threats in combat.However they are being held at a time when NATO and its allies are holding a massive wave of military drills all across Europe, collectively codenamed Operation Atlantic Resolve. NATO commanders and European leaders have said that these are designed to send a message to Russia over its alleged aggression and the crisis in Ukraine, and some individual states are conducting their own training maneouvresin

#### parallel to them.

Russia has been conducting exercises within its own territory throughout winter and early spring, including massive drills in the Baltic Sea, the Black Sea, the Arctic and the Far East. The Chinese and Russian Navies have been conducting joint exercises off Russia's far eastern coastsince 2012. Russian Deputy Defense Minister Antonovhas said that there will be further Sino-Russian exercises in the Sea of Japan in

#### August. ing Beij

Beijing's foray into the Mediterranean is seen as an attempt to extend its naval reach worldwide and emphasize its growing strategic partnership with Moscow against the West. A joint command centre has been set up in Novorossiysk. This military muscle is not being demonstrated so near the Black Sea Basin by accident: Russia has expressed concern over the increasing US and NATO presence in the Black







Sea Region, examples of this being the 600 American military instructors sent to Ukraine to train and equip the Ukrainian National Guard and the joint American-Georgian military exercises involving about 600 U.S. and Georgian troops, for which the U.S. army transported an entire mechanized company, including 14 Bradley infantry fighting vehicles, across the Black Sea from Bulgaria, the first time this had happened.

NATO has also stated that it intends to deploy a brigade-

size military unit in Lithuania in response to the reinforcement of the Russian military forces in the Kaliningrad Oblast and their deployment of theIS-KANDER-M tactical missile system. Hence Russia is seeking to demonstrate how The Kremlin can counter-balance NATO involvement in the Black Sea, akey geostrategic location as it is the gateway to the Caucasus-Caspian Basin and then Central Asia, where China has geostrategic interests.

China itself has been openly developing a naval strategy aimed at challenging American dominance of the western Pacific, including the waters around Japan and Taiwan. China criticized last month's announcement by US President Barack Obama and Japanese Prime Minister Shinzo Abe that the two countries were beefing up military cooperation. Hence, China has introduced a military presence in the Black Sea to protect its interests in the western Pacific Rim.

China and Russia are considering the possibility of creating a common trade and economic zone, and there is even a slight possibility that China will join the Eurasian Economic Union and create a common Eurasian Grand Coalition with security, energy, economic and military components. It is this prosopect which lay behind Turkish Foreign Minister Mevlut Chavushouglu's initiative at the Anatolia NATO Foreign Ministers session that "accession talks" be launched with four candidate countries: Macedonia, Bosnia-Herzegovina, Montenegro and Georgia. A new geopolitical muscle race is clearly underway, and Georgia will once again be at the centre of international debate.

> The Georgian Institute for Geostrategic and Euro-Atlantic Studies Institute, Chairman

#### ANNOUNCEMENT

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#### EAP, SOME EU FMS MEET IN **BRATISLAVA AHEAD OF RIGA** SUMMIT



Foreign ministers from six Eastern Partnership (EaP) countries, among them Georgia, meet their counterparts from Visegrad Group of four Central European states and some other

EU members in Bratislava on May 15 to discuss upcoming EaP summit in Riga. Visegrad Group, or V4, unites the Czech Republic, Hungary, Poland and Slovakia.

EU foreign policy chief Federica Mogherini; EU commissioner for neighborhood policy and enlargement negotiations Johannes Hahn, as well as Foreign Minister of Sweden Margot Wallström; Foreign Minister of Romania Bogdan Aurescu and Foreign Minister of Latvia Edgars Rinkevics, whose country holds EU's rotating presidency, also participate in the meeting.

The Georgian Foreign Ministry said that the meeting in Bratislava gives an opportunity to "prepare more efficiently" for the EaP summit in Riga, planned for May 21-22.

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#### EBRD ANNUAL MEETING OPENS IN TBILISI



delegates, among them government delegations from over 60 countries and business executives are gathered in Tbilisi for a two-day Annual Meeting and Business Forum of the

Reconstruction and Development (EBRD).

The meeting, which is the first of this kind in the South Caucasus region, opened on May 14 and along with EBRD board of governors' annual meeting also includes panel discussions and countries investment outlook sessions, among them on Georgia

Georgian officials say the event is a good chance to showcase country's investment opportunities.

Speaking at the opening of the meeting, Georgian PM Irakli Garibashvili said that Georgia is "an ideal place for investments" with one of "the simplest tax systems" and "lower tax rates." He also hailed Georgia's "long-lasting and productive cooperation" with the EBRD, noting that investments from the Bank "doubled last year to over EUR 200 million."

EBRD President Suma Chakrabarti told the meeting on May 14, that the Bank responded "flexibly and successfully" to continuing geopolitical and economic uncertainty facing the region.

Also on May 14 EBRD released its new Regional Economic Prospects, according to which growth will stagnate in Bank's area of operations.

EBRD expects Georgia's economic growth to slow to about 2.3% in 2015 as Russia's recession and conflict in Ukraine is having a large negative spillover effect.

"Even though [Georgia's] economic links [with Russia] are less than they used to be in the past... it still has an impact in Georgia when Russia is in recession. We expect 2-2.3% growth in Georgia this year - that compares quite well with much of the rest of the region," Hans Peter Lankes, EBRD acting chief economist, said in Tbilisi

Lower exports and remittances have negatively affected growth and the external balance of payments with Georgian currency lari depreciating by about 18% since the start of the year and by 34.6% against U.S. dollar since early November, when lari started weakening.

EBRD estimated that Belarus, Georgia and Moldova experienced the largest depreciations of their currencies since the ear of around 15 to 25% against the U.S. dolla

Garibashvili signed a memorandum of understanding about setting up of the council in Tbilisi on May 12.

N E W S

15-member Investors Council, chaired by the PM, will bring together business ombudsman and other representatives of the government, as well as representatives of business associations and international investors.

'This Investment Council is a crucial platform for promoting constructive dialogue between the private and public sector, as well as stimulating local and foreign investment by addressing those very obstacles that investors face," said EBRD President Chakrabarti after signing of the memorandum.

"With this initiative Georgia is taking an important step towards further improving the development of the private sector," he added

The EBRD is financing the activity of the Investor Council's secretariat.

"Investors Council will create new platform of dialogue between the government and business, promote cooperation and develop business climate in the country," PM Garibashvili said.

"Under the memorandum the government will identify those specific areas, where government actions with the support of EBRD will make it possible to significantly improve business climate. We will of course consider thoroughly and implement those proposal, which will be offered by the business community and those [proposals] will be discussed at the Investors Council," he

EBRD President Suma Chakrabartiâ•™s visit comes ahead of the Bank's Annual Meeting and Business Forum in Tbilisi on May 14-15. Government delegations from about 60 countries are expected to arrive in the Georgian capital for the event.

Also on May 12, the EBRD President and Georgia's Finance Minister Nodar Khaduri signed agreements on extending a sovereign loan of EUR 7 million to Georgia to introduce a modern solidwaste management system covering the collection and disposal of municipal solid waste in Kvemo Kartli region. The EBRD financing will be complemented by grant funding of EUR 3 million from the Swedish International Development Cooperation Agency (SIDA)

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#### **GEORGIA, EBRD IN INITIAL DEAL ON GORI WIND FARM**



Georgia and EBRD have reached an initial agreement on USD 25 million loan to finance construction of country's first wind power plant in Gori, town in the Shida Kartli region.

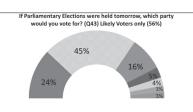
The total estimated cost of the planned wind farm, developed by the state-owned Georgian Energy Development Fund, is USD 35 million. Installed capacity of the wind farm will be 20 megawatt

Initial agreement was signed on May 14 on the sideline of EBRD's Annual Meeting and Business Forum in Tbilisi.

The EBRD's Board of Directors is expected to take final decision whether to provide USD 25 million loan financing for the project later this year, according to the Bank.

"After investing EUR 312 million in hydropower generation, we are hoping to make another renewable source - wind attractive for investors," said EBRD Managing Director for Energy and Natural Resources, Riccardo Puliti, who signed the initial agreement with Georgian Energy Minister Kakha Kaladze. Civil.ge

#### NDI POLL SHOWS 'ELECTORAL PLAYING FIELD WIDE OPEN'



also part of the ruling coalition, GD coalition was named by 42%. UNM was identified in the recent poll as the political party "closest" to them by 13%, statistically the same as in August, 2014.

"The electoral playing field is wide open and no party is strongly ahead in Georgia," Laura Thornton, NDI's senior director in Georgia, said on May 13, when the poll was released. "Georgians are undecided about their political support, presenting an opportunity for all parties to spend the next year and a half leading up to the parliamentary elections earning citizens' backing through responsive platforms and policies.'

Head of the Georgian Orthodox Church, Patriarch Ilia II, has the highest approval rating with 87%.

Among the politicians, President Giorgi Margvelashvili leads with 52% approval rating, followed by leader of opposition Free Democrats party Irakli Alasania (51%); parliament speaker Davit Usupashvili (45%); UNM parliamentary minority group leader MP Davit Bakradze (44%) and PM Irakli Garibashvili (40%)

59% of respondents believe that ex-PM Bidzina Ivanishvili continues to be a decision-maker in the actions of the government. Majority of respondents think Ivanishvili should either return to politics in an official capacity (30%) or not be involved in decision-making at all (41%). Only 6% believed he should make decisions in an unofficial capacity.

The public opinion survey also shows decline in performance rating of some institutions. Police's performance has dropped significantly down to 33% from more than 60% in 2010; only 10% of respondents rate favorably the work of the Parliament.

Among the ministries, Healthcare and Social Affairs Ministry has the highest performance rating with 43%, followed by the Ministry of Justice - 26%. The Ministry of Finance is perceived as having the poorest performance (6%).

The survey was conducted through nationwide face-to-face interview with 4,360 respondents and has a margin of error plus, minus 2.3%

Political ratings are part of a broader public opinion poll, which includes survey on respondents' attitudes towards wide range of issues, which was released by NDI earlier this week.

. Civil.ge

#### MARGVELASHVILI MEETS PRESIDENT OF EUROPEAN COUNCIL



President of European the Council Donald Tusk said after meeting Georgian President Giorgi Margvelashvili in Brussels on May 12 that it was agreed to "redouble efforts" to successfully final-EU ize visa

liberalisation with Georgia "as soon as feasible."

Echoing report of the European Commission, assessing Georgia's implementation of visa liberalisation action plan, Tusk said that the country made a "significant progress", but some steps are still remaining.

In a joint letter to the EU, including to the European Council President, on May 5, Georgian President Margvelashvili, PM Irakli Garibashvili and Parliament Chairman Davit Usupashvili called on the EU to make an "unambiguous endorsement of visa-free regime" with Georgia at the Eastern Partnership summit in Riga on May 21-22. But the European Commission said in its report on May 8 that despite of significant progress, Georgia "still needs to address the remaining recommendations" in the visa liberalization action plan.

Looking forward to my next meeting with @eucopresident in #Tbilisi. Always happy to welcome our #Europian friends. pic.twitter.com/0BKZA4JoC2

- President Of Georgia (@MargvelashviliG) May 12, 2015 The European Commission said that it will report on Georgia's further progress on implementation of the visa liberalisation action plan by the end of 2015. But it also said that "in view of the significant progress Georgia has made in the past few months, the Commission is ready to bring forward the timing of the next report provided that the rapid progress... continues.

Speaking after meeting with President Margvelashvili on May

"The lari has depreciated significantly, which, given the significant dollarization in the economy, is leading to increase in NPLs [nonperforming loan]," reads EBRD's Regional Economic Prospects

"Domestic political uncertainty is also weighing on confidence and growth. In 2016, growth is expected to remain still subdued at 2.6 per cent, affected by negative external environment, and increasing NPLs, as effects of the slide of lari in 2014-15 and downturn in economy will begin to crystallize," it says. Civil.ge

#### **GEORGIA, EBRD SET UP INVES-TORS COUNCIL**

With the support from the European Bank for Reconstruction and Development (EBRD) the Georgian government is establishing Investors Council with the participation of business community to identify and address specific obstacles that investors face

EBRD President Suma Chakrabarti and Georgian PM Irakli

| Georgian Dream Coalition  | Don't Know/Refuse to Answer/No Party |
|---------------------------|--------------------------------------|
| United National Movemenmt | Free Democrats                       |
| Alliance of Patriots      | Labour Party                         |
| ■ Other                   |                                      |

ording to a public binion survey comissioned by the U.S. National Demo-

Source: NDI/

One-third of

CRRC public opinion

survey, April, 2015

likely voters are ei-

ther undecided or

have no preferred

political party, ac-

cratic Institute (NDI), which also shows decline in support for ruling Georgian Dream (GD) coalition.

27% of likely voters said they did not know which political party they would vote if parliamentary election were held tomorrow; 6% said they would not vote for any of the party.

12% refused to answer, according to the poll fielded by the Caucasus Resource Research Centers (CRRC) on March 27-April 19.

GD ruling coalition had 24%, followed by parliamentary opposition parties United National Movement (UNM) and Free Democrats (FD) with 16% and 5%, respectively. Alliance of Patriots of Georgia had 4% and Labor Party - 3%.

No similar question about parliamentary elections was asked in a similar survey in August, 2014, just after the local elections won by GD: but respondents were asked in both polls "which party is closest to you."

On this question in the recent poll 35% of respondents said "no party", up from 30% in August 2014; Georgian Dream party (leading party in the GD ruling coalition) was named by 21%; in the previous survey in August 2014, when Free Democrats was 11 in Brussels, EU commissioner for neighborhood policy and enlargement negotiations Johannes Hahn said that the European Commission's report was "very positive."

"If few outstanding... issues are resolved, I would not exclude that very soon a very positive final report could be there,' Hahn said.

President of the European Council, Donald Tusk, said after meeting President Margvelashvili on May 12 that Georgia is "a close partner of the European Union.'

"With the Eastern Partnership Summit in Riga just around the corner our meeting was well-timed. I assured President Margvelashvili that the Riga Summit will reaffirm the European Unionâ•™s strong commitment to the Eastern Partnership and the objective of developing strengthened, closer, and differentiated relations between the EU and its sovereign, independent Eastern partner states," Tusk said.

He also said that "smooth" implementation of the Association Agreement and deep and comprehensive free trade treaty with the EU should be another priority.

"For the Georgian government the time is now ripe to drive forward necessary reforms while maintaining a close dialogue with the citizens to ensure long-term public support for the process," Tusk said.

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#### GEORGIAN PRESIDENT MEETS NATO SECRETARY GENERAL



NATO Secretary General Jens Stoltenberg said after meeting with Georgian President Giorgi Margvelashvili in Brussels on May 11 that implementation of the substantial package of cooperation with Georgia is "well on track."

Stoltenberg reiterated that NATO-Georgia Joint Training and Evaluation Center, which is one of the components of the

substantial package, will be established in Georgia this year.

"Georgia is moving closer to NATO," he said at a news conference after the meeting." We are looking forward to continue working with you on this path."

"Today we also discussed Georgia's progress in making the defence sector more transparent and accountable. We have seen significant progress. We welcome the ambitious plans you have announced for this year. We encourage you to deepen your democratic reforms. That includes strengthening the independence of the judiciary, and the rule of law," the NATO Secretary General said.

Stoltenberg thanked Georgia for its "remarkable role" in NATOled operation in Afghanistan, where Georgia is now the second largest troop contributor to Resolute Support mission with about 850 servicemen, down from its pick of about 1,600 during ISAF mission. Under the Resolute Support mission the Georgian troops' duties focus on security and rapid reaction force. As Chief of General Staff of Georgian Armed Forces Maj. Gen. Vakhtang Kapanadze said, when he visited Afghanistan in April, "since the change of the mission our troop numbers have decreased, but our responsibilities have increased."

Georgian troops are stationed in Kabul; Bagram Airfield and at the German army's Camp Marmal in Mazar-i-Sharif.

"NATO is committed to help Georgia make its defence still more modern. This will help you move closer to your aspiration of NATO membership," Stoltenberg said.

President Margvelashvili reiterated Georgia's aspiration to join NATO and said: "Georgia will continue its path towards democracy, towards introduction of values, which the alliance has been built upon, as well as will continue our... military cooperation." *Civil.ge* 

#### ECHR: POLICE FAILED TO PRO-TECT ANTI-HOMOPHOBIA DEM-ONSTRATORS FROM ATTACKS IN 2012

European Court of Human Rights (ECHR) has ruled that the police "failed to provide adequate protection" to a small group of gay rights activists against attacks when they were marking International Day Against Homophobia on May 17, 2012.

Application, filed to the Strasbourg-based court by Tbilisibased LGBT rights group Identoba and over dozen of individuals, was stemming from the incident which took place in Tbilisi center three years ago, when the first-ever march of a small group of rainbow flag-waving gay activists ended in a scuffle after Orthodox groups blocked activists' way, not allowing them to continue procession.

Along with violation of freedom of assembly rights, ECHR also ruled in a judgment released on May 12 that there was a violation of Article 3 (prohibition of inhuman or degrading treatment) taken in conjunction with Article 14 (prohibition of discrimination) of the European Convention on Human Rights.

The court ruled that Georgia has to pay to nine out of 13 individual applicants EUR 2,000 each; EUR 3,000 to two applicants each and EUR 4,000 each to remaining two applicants. Identoba was awarded with EUR 1,500 in respect of non-pecuniary damage.

"Although given notice [by organizers] nine days prior to the march, the authorities had not used that period for careful preparation. Given the attitudes in parts of Georgian society towards sexual minorities, the authorities knew or should have known of the risk of tensions associated with the march," the Strasbourgbased court said. "Instead of focusing on restraining the most aggressive counter-demonstrators with the aim of allowing the peaceful procession to proceed, the belated police intervention shifted onto the arrest and evacuation of some of the applicants, the very victims whom they had been called to protect. "The Court considered that the authorities had failed to ensure that the march to mark the International Day against Homophobia could be held peacefully by sufficiently containing homophobic and violent counter-demonstrators," it said. ECHR also said that the authorities had failed to investigate the incident thoroughly and no significant progress had been made for over two years. "The only tangible result was the administrative sanctioning of two other counter-demonstrators who had been given a fine. However, in view of the level of unwarranted violence and aggression against the applicants, the Court did not consider that sanction sufficient," the ECHR said. In 2013 group of LGBT rights activists faced violence of much larger scale, when thousands of anti-gay demonstrators, led by Orthodox clerics, attacked small group of activists who wanted to mark May 17 in an area adjacent to Freedom Square in center of Tbilisi; at least 28 people were injured in the violence. Fearing homophobic violence, LGBT rights groups have since then opted against public events to mark the International Day against homophobia on May 17.

with a large rally, led by the Orthodox clerics, which turned into anti-gay demonstration and protest against anti-discrimination law, which was newly adopted at the time. *Civil.ge* 

494,478 bottles of Georgian wine were exported to China in the first four months of 2015, which is 87% increase over the same period of last year, according to the National Wine Agency of Georgia.

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#### GEORGIAN, U.S. TROOPS LAUNCH JOINT DRILLS OUTSIDE TBILISI



Paratroopers jump out from aircraft over Vaziani military training ground outside Tbilisi as Georgiana and U.S. solders are lined up in front of Bradley and BMP-2 infantry fighting vehicles during an opening ceremony of joint military drills Noble Partner on May 11, 2015. Photo: Eana

Korbezashvili/Civil.ge

NEWS

Two-week long joint U.S-Georgian military exercises, Noble Partner, started at the Vaziani training area outside Tbilisi on May 11.

About 600 soldiers from the both countries are participating in the exercises, which aim at enhancing U.S. and Georgian NATO Response Force interoperability.

"I want to remind everyone that although Georgia is not a NATO member state, it is voluntarily taking part in NATO Response Forces," Georgian PM Irakli Garibashvili said in his speech at the opening ceremony.

14 Bradley infantry fighting vehicles and several wheeledsupport vehicles were shipped by the U.S. Army Europe from Bulgaria to Georgia across the Black Sea for participation in the Noble Partner exercises, which are held for the first time in Georgia.

Drills will include a combined parachute operation, classroom training, a field training exercise and a live-fire exercise.

"These exercises represent yet another confirmation of firm military cooperation between Georgia and the United States," the Georgian PM said.

"I also want to emphasize that these exercises are not directed against any particular threat. These military drills aim at increasing compatibility with the NATO Response Force," he said.

"I want to thank our main strategic partners and real friend – the United States, for sponsoring these exercises and for supporting Georgia," the PM added.

A mechanized infantry company from 1st Brigade, 3rd Infantry Division, which is part of the U.S. contribution to NATO Response Force in 2015, as well as a rifle company of paratroopers from the 173rd Airborne Brigade are taking part in the drills from the U.S. side.

The Georgian participation includes a company from 1st infantry brigade's 12th battalion; a mechanized company from 4th mechanized brigade's 42nd battalion and a military police unit.

"Joint military exercises [with the U.S. troops] of such scale are taking part for the first time in Georgia," Tina Khidasheli, Georgia's new Defense Minister, told journalists after the opening ceremony.

"This is just the beginning. These exercises are important for number of reasons. It shows that Georgia has not just a partner, but a friend [referring to the U.S.], which is ready to help Georgia in every possible way to strengthen its statehood and its army. Second: it is unique opportunity for the Georgian solders to train alongside with the U.S. troops with the use of U.S. military equipment. And the third: there is a long-term plan of cooperation in frames of the Noble Partner. Several other large-scale exercises are also planned this year, including NATO-Georgian exercises, which are planned for this summer and which will feature troops from Georgia and several NATO [member states]."

"We do not plan to go into war with anyone; we prepare for peace and that's precisely why we need strong army," the Georgian Defense Minister added.

U.S. Deputy Assistant Secretary of Defense for Russia, Ukraine and Eurasia Evelyn Farkas, who visited Tbilisi late last month, described the Noble Partner drills as "the most robust" that the U.S. has conducted with Georgia to date.

"It is a critical part of our [Georgia and the United States'] contributions to the NATO Response Force," she said on April 24 in Tbilisi.

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#### **CHINA'S AGRICULTURE MINIS**

#### EUROPEAN COMMISSION: GEORGIA 'STILL NEEDS TO AD-DRESS REMAINING RECOMMEN-DATIONS' ON VISA LIBERALISATION



The European Commission, which released on May 8 third report on implementation of visa liberalisation action plan (VLAP) by Georgia, said that although country's progress has been significant, it "still needs to address the remaining recommendations." "Georgia's progress has

been significant in a short period of time and is broadly in line with the second-phase benchmarks," the European Commission said.

"While the legislative and institutional framework in place and the integrity of the institutional and organisational practices across the four blocks of VLAP [that includes document security, border and migration management, public order, and external relations and fundamental rights] generally comply with the European and international standards, Georgia still needs to address the remaining recommendations and sustained efforts by all stakeholders involved will be needed."

"The key priority is the sustainable implementation of the legal and institutional framework, in particular in the areas of asylum, anti-corruption, trafficking in human beings and drugs," it said.

"Fulfilling the actions required in this report would allow Georgia to complete its implementation of all the VLAP's second-phase benchmarks," the European Commission said.

Also on May 8 the European Commission released fifth report on implementation of VLAP by Ukraine.

"The visa liberalisation dialogue is an important driver of reforms in the area of Justice and Home Affairs. Georgia and Ukraine showed great commitment in fulfilling the VLAP benchmarks under the second phase. It is crucial that this hard work continues in the months to come," EU Commissioner for Migration, Home Affairs and Citizenship, Dimitris Avramopoulos, said.

Georgia and the EU launched the visa liberalisation talks in June, 2012 and Visa Liberalisation Action Plan (VLAP) – a set of detailed requirements that a country should meet in order to be granted short-term visa-free regime in the Schengen area – was presented to Georgia in late February, 2013.

The plan addresses broad range of areas related to document security, border management, migration, mobility and asylum, as well as other issues such as the fight against corruption and organized crime, protection of human rights, minorities, and anti-discrimination.

On October 29, 2014 the European Commission announced that Georgia met first-phase requirements of its Visa Liberalisation Action Plan, paving the way for the launch of the second phase.

The first phase benchmarks included the overall policy and legal framework, involving adoption of relevant legislation, and the second phase benchmarks involve putting into practice effective and sustainable implementation of these relevant measures and legislation.

The European Commission's report comes ahead of the EU Eastern Partnership summit in Riga on May 21-22.

In a joint letter to the EU on May 5, Georgian President Giorgi Margvelashvili, PM Irakli Garibashvili and Parliament Chairman Davit Usupashvili have called on the EU to make an "unambiguous endorsement of visa-free regime" with Georgia at the Riga Summit, saying that "for Georgians, visa liberalisation will provide a longawaited tangible reward for reforms and encourage renewed efforts."

The European Commission said that it will report on Georgia's further progress on implementation of the visa liberalisation action plan by the end of 2015.

It, however, also said that "in view of the significant progress Georgia has made in the past few months, the Commission is ready to bring forward the timing of the next report provided that the rapid progress... continues."

The report assesses how Georgia is meeting benchmarks set under the VLAP in four blocks, involving document security, border and migration management, public order, and external re lations and fundamental rights. It assesses those benchmarks as either "achieved", "almost achieved" or "partially achieved". The report deemed benchmarks related to document security; integrated border management; fighting organized crime; protection of personal data; freedom of movement; issuance of travel and identity documents, and international legal cooperation in criminal matters as "achieved". Benchmarks in migration management; money laundering; cooperation between various law enforcement agencies, and citizens' rights including protection of minorities have been deemed by the report as "almost achieved". Benchmarks in asylum; human trafficking; anti-corruption and drugs are deemed as "partially achieved." On anti-corruption, the report calls on Georgia, among other issues, to pursue the reform of the civil service with the adoption of a civil service law in line with international practice setting the scope and standards of a professional and de-politicized civil service, and to further strengthen the practical protection of whistleblowers. On drugs, the report says that although Georgia made a substantial progress in implementing national anti-drug strategy, the drug policy "remains based more on retribution than restorative action.

#### Monday, May 18, 2015

In an obvious attempt to counter the International Day Against Homophobia, the Georgian Orthodox Church introduced, what it calls, "Family Day" on May 17. Last year the day was marked

### TER HOLDS TALKS IN TBILISI

Agriculture Minister of China, Han Changfu, met his Georgian counterpart Otar Danelia and PM Irakli Garibashvili in Tbilisi on May 11.

"Importance of promoting export of Georgian agriculture products was emphasized during the meeting," the Georgian PM's office said. "Deepening of trade and economic relations with China is of special importance for the Georgian authorities. Recent significant increase in dynamic bilateral partnership has also been noted."

Georgia's deputy PM and Economy Minister Giorgi Kvirikashvili, who visited China in March, was also present at the meeting.

The ministers of agriculture of the two countries signed a joint action plan for cooperation in the agrarian sector.

The Georgian side thanked China for its aid involving granting last year of 30 units of equipment for irrigation systems, and USD 10.7 million worth equipment for agricultural melioration.

On the first day of his visit on May 10, the Chinese Agriculture Minister visited some of the Georgian wineries in eastern region of Kakheti.

China is fifth largest export market for Georgian wine.

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