

The Georgian Times

Times

Distributed free

NO 1 NEWSPAPER IN GEORGIA

THE GEORGIAN TIMES MEDIA HOLDING

No 12 (1555) Monday, June 29, 2015 Weekly Newspaper, International Edition - Published by "The Georgian TIMES" Media Holding Since 1993 www.geotimes.ge



www.tbcbank.ge



www.psp.ge



www.elwagon.ge



www.aversi.ge



www.socar.ge



www.ginoparadise.ge

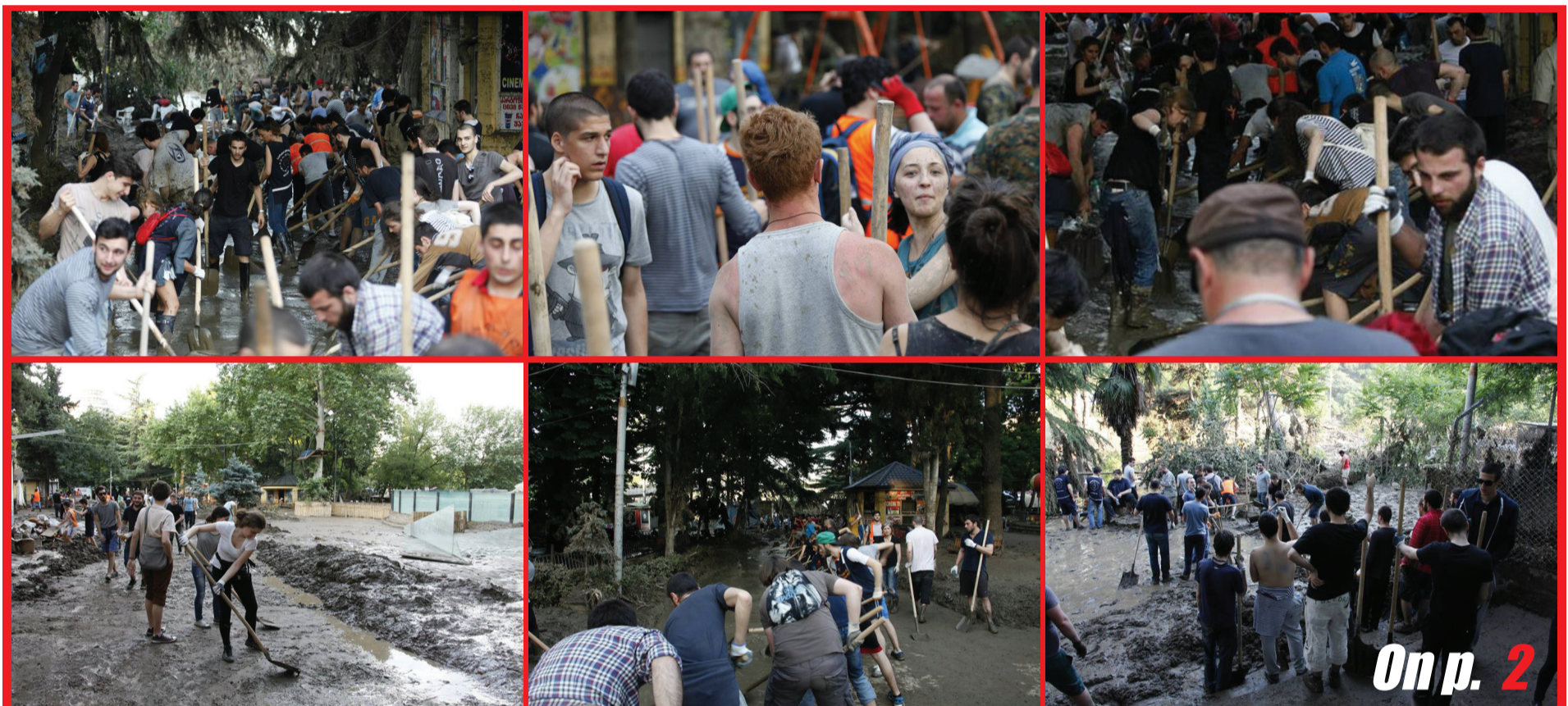


www.wissol.ge



www.geotimes.ge

Natural Disaster in Tbilisi and Its Tragic Consequences: Who is to be blamed?



On p. 2

Islamic Caliphate Establishes Geopolitical Power Centre in the Caucasus

On June 24 the Islamic Caliphate (IC) leadership, through press spokesman Sheikh Muhammad al-Adnani, confirmed that it had created a new directly subordinate administrative entity called the Caucasus Wilayat. This includes Chechnya, Dagestan, Kabardo-Balkaria and parts of Karachay-Cherkessia and will presumably be extended to the South Caucasus too. The IC leadership has appointed "Amir Abu Mohammad al-Qadari" – presumably the ex-commander and warlord of the Dagestani Sharia Jamaat Rustam Asilderov, as the ruler of this new entity.

On p. 4



President's Office Starts Selecting C.Bank Chief Candidate

On p. 2

U.S. Human Rights Report on Georgia

On p. 5

Defense Minister Visits NATO HQ

On p. 8

MPs Start Discussion of Controversial Bill on Banking Supervisory Agency

On p. 8

US-Russia Stalemate – from Cold War to Conventional Warfare

Russian policymakers are seriously considering the possibility of face-to-face combat with US forces and are preparing the grounds for further escalation of existing tensions. Some days ago President of Russian Federation Vladimir Putin attended special exhibition of military hardware called "The Army 2015" in Moscow, in which the equipment on display was worth about \$360 million. This was clearly designed as a means of flexing his military muscles against the West, as he directly threatened to aim Russia's armaments at the "territories from where the threat comes".

On p. 6

COASTAL SCENARIO



Copyright Stratfor 2015 www.stratfor.com

esri

Natural Disaster in Tbilisi and Its Tragic Consequences: Who is to be blamed?

By DR. VAKHTANG MAISAIA

The national tragedy which took place in Tbilisi on the night of 13-14 June has taken away more than 19 lives. More than 200 people have lost their homes and 3 people are still missing.

Intense rain created a flash flood from both sides of the Vera River which then developed into a torrent which flooded Tbilisi Zoo. This forced open the cages and wild animals, including several tigers, lions and jackals and a hippopotamus, escaped. The government did not see this coming, and only a brave and enthusiastic army of volunteers, mostly local teenagers, saved its face and also many lives.

The flood ruined the highway between Tbilisi and

ties responded to the disaster and its consequences. Though disaster management plans were in place it is unclear whether they right steps were taken at the right time when the river flooded, as it has before.

As is known, crisis management consists of four main elements:

- Prevention
- Reaction
- Mitigation of consequences
- Operational governance

The contemporary structures of the Georgian government, in particular the Crisis Management and National Security Affairs Council of Georgia, have only been interested in the third element - mitigation of consequences. The two previous ones, prevention and



Tskneti and caused a massive landslide. The population panicked, afraid of being attacked by the escaped animals, and three workers were indeed mauled by a tiger not far from the Zoo, one of them subsequently dying. The General Prosecutor's Office of Georgian has already launched a preliminary investigation into the disaster and opened a criminal case concerning how the new highway was constructed and whether all the technical safety aspects were properly addressed.

It is already clear that improper construction of the highway and a careless attitude towards project realisation could have played a part in the flood, as the builders have been criticized for these things before. However, questions will also be asked about how the authori-

reaction, have never been on the agenda. Consequently provision was lacking, and the measures which were in place were not implemented effectively.

The National Security Council did not appear at the crisis scene and did absolutely nothing to manage the crisis at any level, though it is obliged to by the Constitution of Georgia. It was unable to exploit civilian and military aviation means, such as helicopters, usually used when disasters strike. The previous Georgian government closed various preventive signaling facilities, such as hydrological and meteorological stations and research institutions, which might have predicted the disaster. Competition between two similar structures within the government "vertical" and personal rivalry between the President and Prime

Minister also hindered effective management of the crisis.

Both the Crisis Situation Management mechanism and the National Security Council

are likely to be reshuffled and adjusted to modern realities in the light of the Tbilisi flood. However, this alone will not prevent a recurrence, and the

General Prosecutor's Office may well uncover more than it would like to when it conducts its investigation into the tragedy.

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

NEWS

PRESIDENT'S OFFICE STARTS SELECTING C.BANK CHIEF CANDIDATE

President's office said on June 24 that it is launching an "open process" to select a candidate for Georgia's central bank governor, who will replace Giorgi Kadagidze after his term in office expires.

The announcement comes eight months before the expiration of incumbent governor Giorgi Kadagidze's seven-year term in office.

According to the constitution a candidate for a vacant seat in central bank's seven-member board has to be named by the President and then confirmed by the Parliament. The President, according to the constitution, appoints one of the members of the board as central bank governor. But the law on the National Bank of Georgia specifies that the board members select among themselves a candidate for central bank chief and submit the nomination to the President for confirmation. So technically the process will now involve selection of a new board member.

"Upon President's instruction from today I am starting a very open process for selecting a successor of Mr. Kadagidze," President's economic adviser, Giorgi Abashishvili, said on June 24.

"Consultations will be held with international financial institutions, non-governmental organizations, relevant expert community, business associations, banking sector, government ministries with economic portfolio and with the National Bank itself," Abashishvili added.

Speaking at a news conference, Abashishvili also reiterated the President's strong opposition to the bill that would strip the Georgian National Bank of supervisory functions of financial institutions and transfer them to a separate agency. The bill sponsored by two lawmakers from the Georgian Dream ruling coalition has also been criticized by business associations, as well as by the International Monetary Fund.

"Neither sponsors nor supporters of this bill have yet presented even a small professional argument why this change should be introduced, except of one that Mr. Kadagidze is unacceptable for them," the President's economic adviser said.

"We deem such process of destroying institutions because of individual persons categorically unacceptable," Abashishvili said. "The proposed changes pose threat to macroeconomic stability and efficient monetary policy; supporters of this bill will have to bear responsibility for the consequences."

Civil.ge

The Georgian TIMES

1 English-Language Newspaper in Georgia

First published in 1993.

The Founder and the President Malkhaz Gulashvili. Tel: (+995) 577 461 046

The Georgian Times Media Holding.

12, Kikodze str, Tbilisi, Georgia. Tel: (+995 32) 2934405,

E-mail: office@geotimes.ge; http://www.geotimes.ge

Publisher/Editor in Chief

Nana Gagua

Tel.: (+995) 555 293 003

E-mail:

gul@geotimes.ge

Executive Editor:

Mariam Toidze

Tel: (+995) 577 727 207

E-mail:

editor@geotimes.ge

Copy Editor

Rumwold Leigh

Tel: (+995) 599 501 452

E-mail:

rumwoldleigh@netscape.net

Director:

Kakha Maskharashvili

Tel: (+995) 551 501 313






E-mail:

director@geotimes.ge

Contributions to The Georgian TIMES are welcome. If you are interested in submitting an article or news item, ect. please contact; Tel/fax: (+995 32) 2934405

ავერსი AVERSI

Customers' idea about ideal lottery

-  There must be a wide variety of prizes;
-  It would be good to win several times;
-  Receive the prize the moment you win;
-  The rules must be easy;
-  In case of cash prizes, decide myself what to buy.

Having taken into consideration your wishes
“Aversi” **grand lottery** has begun!

The prizes are



The main prize
40 000 ₾

There are also
19 023
instant prizes!

20 000 ₾

5 X 10 000 ₾

5 X 5 000 ₾

The lottery will be held on the 20th of November 2015 in the broadcast of “Rustavi-2”,
after “Kurier” 18:00.

Islamic Caliphate Establishes Geopolitical Power Centre in the Caucasus

By DR. VAKHTANG MAISAIA

On June 24 the Islamic Caliphate (IC) leadership, through press spokesman Sheikh Muhammad al-Adnani, confirmed that it had created a new directly subordinate administrative entity called the Caucasus Wilayat. This includes Chechnya, Dagestan, Kabardo-Balkaria and parts of Karachay-Cherkessia and will presumably be extended to the South Caucasus too. The IC leadership has appointed "Amir Abu Mohammad al-Qadari" – presumably the ex-commander and warlord of the Dagestani Sharia Jamaat Rustam Asilderoev, as the ruler of this new entity.

Sheikh Adnani's statement followed the dissemination of a Russian-language audio statement on Twitter on June 21, in which a group of former Caucasus Islamic Emirate militants from Dagestan, Chechnya, Ingushetia and KBK (Kabarda, Balkaria and Karachay-Cherkessia) pledged allegiance to IC leader Abu Bakr al-Baghdadi. These districts constitute four of the six subdivisions of the Caucasus Islamic Emirate (CIE), which is not part of the IC but is al-Qaeda-affiliated. CIE militants have conducted frequent local attacks in support of its stated goals of establishing a Caucasus emirate under sharia law and waging global jihad. In the two CIE subdivisions where its supporters have not formally changed allegiance, Cherkessia and Nogay steppe, there have been few attacks.

The CIE has sought to establish a governorate in support of its regional expansion campaign since at least January 2015, and now appears to be doing so under the banner of the IC. In addition, on June 21 the most dangerous and well-trained of the Islamist paramilitary formations, the 500-strong Riayat al-Salakhii (suicide bomber battalion) took an oath to the IC leadership in the name

of the Wilayats of the Four Sectors, these being Nokchi, Dagestan, KBK and Ingushetia. This is very dangerous, as the total combat strength of all these ex-CIE warlord formations is up to 15,000 active combatants and mobilized reserves. It is probable that some active network of these has al-

The IC's statements and actions over the next few weeks will indicate whether it intends to launch operations through its new Caucasus affiliate or simply intends to use the pledge of support as an opportunity to assert its strength and further extend its intervention to Central Asia, seeking to actual-

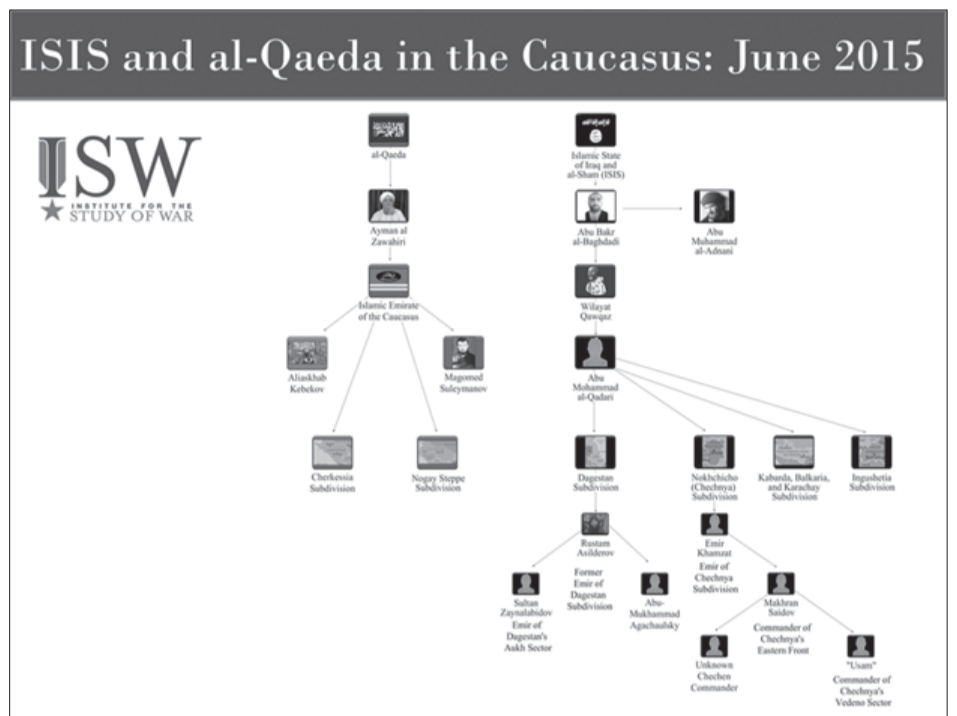


sobeen established by the IC secret services in Georgia and Azerbaijan (there are three of these in Caliphate territories: the Sharia Security Guard, whose operatives are known as the Mukhabarat, the Islamic Military Intelligence Service and the Khizba, the IC's counter-intelligence and political police).

It is known that on June 7 the IC took preliminary steps to setting up a Caucasus Regional Network. In a staged photograph taken outside the Akhmad Kadyrov Mosque in the Chechen capital, Grozny, IC supporters can be seen holding the message "Abu Bakr al-Baghdadi, this town awaits your holy army!", scrawled on a rectangular scrap of paper in Russian in a careful script which evoked a high-school love note. Baghdadi himself has not acknowledged this message but Chechen militants in Syria and Iraq responded the same day, posting a photo of their own on the pro-IS Cyber Jihad page on VKontakte. This shows a balaclava-clad militant holding aloft a ring-bound notepad with a similar message, also in Russian.

ize its new alliance with the Afghan-Pakistani Taliban movement. On June 16 the IC declared it will also extend its intervention from the south, i.e. from Afghanistan, and the Taliban and Islamic Caliphate alliance has already undertaken some joint operations - on June 22 a combined force blew up the Afghanistan Parliament building, and proceeded to take control of several key districts of Kunduz province, near the border with Tajikistan, and Mazari-Sharif province, near the border with Uzbekistan. According to some sources, including Tajik border guards, the Taliban and IC have mobilized these border areas, and more than 1,600 Islamic Jihadists from Chechnya, Uzbekistan, Syria, Iraq, etc. are ready to invade Tajikistan and Uzbekistan at any moment. The Khorog and Badakhshan districts in Tajikistan and the Fergana Valley in Uzbekistan are likely to be the first targets.

The IC has managed to create regional power bases in both the Caucasus and Central Asia simultaneously, with some ease, backed by at \$100 million in finance. It has even established its



own financial system – it has introduced its own currency, the "Dinar", in the areas it controls at a rate of 1 Dinar to 139 USD. It would not be unusual if this currency began circulating in the North Caucasus too, and may be even in Georgia.

The US State Department has issued a special report entitled "Country Report on Terrorism 2014". In the sub-chapter "Country Reports: Europe Overview" it says the following about Georgia: "In 2014, Georgia continued its robust engagement with the United States across a range of counterterrorism-related issues and remained a strong U.S. counterterrorism partner. However, there are continuing concerns about Georgia as a transit and source country for international terrorism. Media reported that, as of December, between 50 and 100 Georgian nationals from the Muslim-majority regions of Adjara and the Pankisi Gorge were fighting in Syria and Iraq for either al-Qaeda affiliates or the Islamic State in Iraq and the Levant (ISIL), including senior ISIL commander Tarkhan Batirashvili (aka Omar al-Shishani).

Given Georgia's geographic location, violent Islamist extremists continued to transit through the country between the Russian Federation's North Caucasus and Syria and Iraq. Georgian Prime Minister Irakli Garibashvili and former Foreign Minister Maia Panjikidze publicly committed to provide humanitarian support as part of Georgia's contribution to and membership of the Global Coalition to Counter ISIL. Following the passage of UN Security Council Resolution 2178, the Georgian government initiated changes to its criminal code related to foreign terrorist fighters and modified regulations to strengthen document security along the border with Turkey. Georgian and Turkish nationals are allowed to cross the border in both directions using identification cards that lack the security features of passports, thus increasing the likelihood that fraudulent documents could be used at the critical Turkish-Georgian border checkpoint on the route to Syria through Turkey". Unfortunately these strong words are also true. This can be demonstrated by the following:

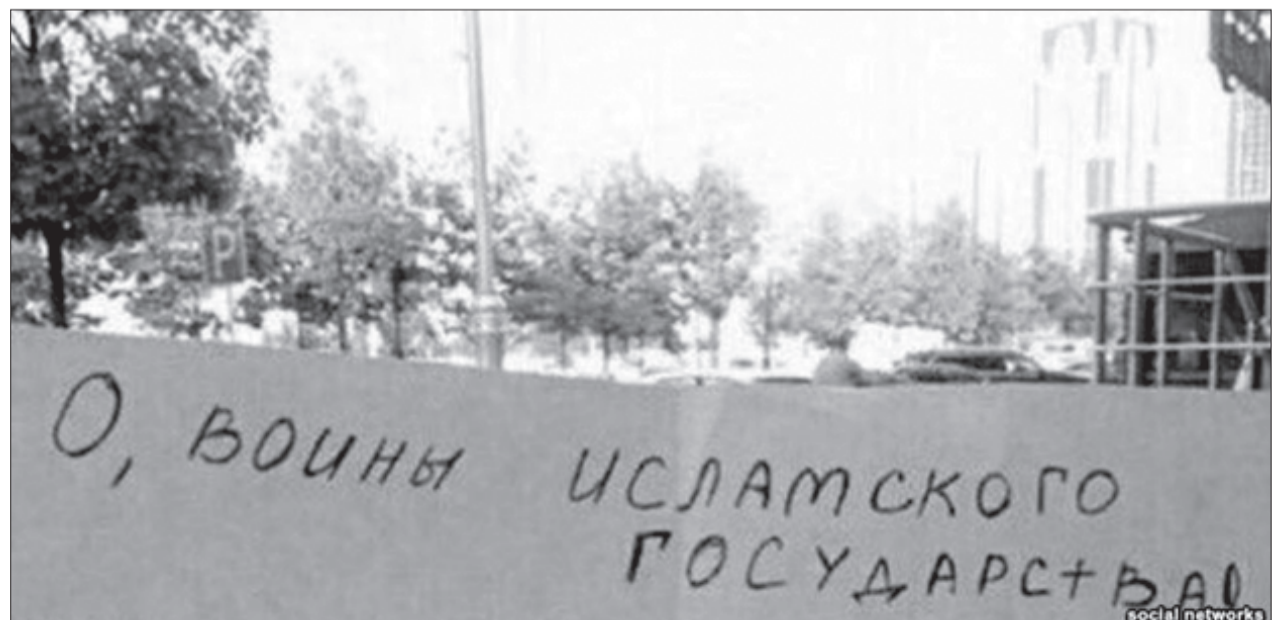
- The inability of the Georgian law enforcement agencies to fully investigate the so-called "Lapankuri Special Operation" which took place on August 28 2012 in Lopota Gorge and uncover the true motive and reasons for the massacre. This case was connected with the state sponsorship of terrorism conducted by the previous Georgian government.

- The inability of both the previous and present Georgian governments to Georgian territories crossing from the North Caucasus to Syria and Iraq and vice versa. More than 700 Jihadists and supporters have used this route.

- The inability of the special services to properly predict, analyze and avert the challenges emanating from the IC and its influence at regional level.

The IC threat has already entered the South Caucasus. It could have very negative consequences for Georgia's national security in the near future.

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



U.S. HUMAN RIGHTS REPORT ON GEORGIA

Domestic and politically motivated violence; increased societal intolerance against minority groups, including hate speech and interference with religious worship; shortcomings in the legal system and inappropriate use of pretrial detention have been identified as the most important human rights problems in Georgia last year, according to the U.S. Department of State's annual report.

In other problems the annual human rights report, released on June 25 and covering developments of 2014, notes "abuse by law enforcement officials; substandard prison conditions; allegations of political influence in the administration of justice; allegations of improper electronic surveillance; pressure on opposition figures to withdraw from local elections; and substandard living conditions for internally displaced persons (IDPs)."

The report, which relies heavily on reports from the Georgian Public Defender and local NGOs, says that despite of progress since the 2012, complains about abuse by penitentiary officials continued.

It says that although the government took steps to foster accountability, "there were some reports that security force members committed abuses with impunity"

"NGOs and the public defender maintained the incidence of police abuse was higher than the number of cases investigated by the prosecutor general and that failure to conduct systematic investigations and pursue convictions of all alleged abusers contributed to a culture of impunity," reads the report.

Unlike previous reports, which were noting problem of "external and internal influence on the judiciary", the recent one says that "there were some indications of increased judicial independence." It, however, also says that "challenges" still remained in this regard.

Citing NGO coalition for an Independent and Transparent Judiciary, the report says that the "key challenges to judicial independence included flawed judicial selection processes for Supreme Court justices and the chief justice and unclear procedures for disciplining judges." It also notes criticism voiced by the civil society groups of a three-year probationary period for new judges before their appointment for life.

"Judges typically applied higher standards to requests from prosecutors to institute wiretaps, search residences, and detain defendants before trial in cases involving former government administration officials," reads the report.

But on pretrial detention, the report, citing concerns of local court monitors, says that prosecution uses "legislative loopholes"

to prolong nine-month limitation of pretrial detention.

"Each new set of charges restarts a nine-month clock, and prosecutors often waited to file new charges until the pretrial detention clock was about to expire on the original charges," reads the report.

When original nine-month pretrial detention for former Tbilisi mayor and one of opposition UNM party leaders Gigi Ugulava was nearing its end, prosecutors re-qualified in March, 2015 one of the criminal charges against him in order to remand him in custody. Although this case was not included in the report, as it covers developments of last year, the U.S. embassy said in March that prosecution's move appeared to be an "effort to subvert the nine-month limit on pretrial detention."

Ugulava has appealed the Constitutional Court seeking repealing of legislative clauses, which he argues contradicts the constitution, which sets nine months as a maximum term for pretrial detention.

On Ugulava's original pretrial detention last year, the report mentions assessments of the Georgian Young Lawyers' Association and Transparency International Georgia, which said that former Tbilisi mayor's arrest lacked proper justification and contradicted requirements prescribed under the law. Ugulava at the time was UNM's campaign manager for the June, 2014 local elections.

The report says that throughout the pre-election campaign ahead of municipal polls, "there were reports of aggression from individuals targeting members of the UNM opposition and insufficient protection of the freedom of association by security officials."

It also says that the in first half of 2014 "opposition party activists were physically attacked in several cities throughout the country"; it mentions cases of attacks on UNM MP Nugzar Tsiklauri and one of UNM senior figures Zurab Tchiaberashvili. The report also mentions arrest of former head of the Khoni municipality and his former deputy. "NGOs noted the detention of active members of the opposition UNM party before the June local elections for crimes allegedly committed several years previously raised questions about the motives for the arrests," reads the report.

In the section of "arbitrary arrest", the report mentions detention of five former MoD and general staff officials in late October, which led to Free Democrats party quitting the GD ruling coalition. The report notes that seven NGOs at the time said it was "difficult to identify the signs of a crime at this stage" in the case. Five

detainees were released from pretrial detention last week; trial into the case, which involves charges of alleged misspending, is still ongoing.

According to the report, the major human rights problems that caused tension between the government and NGOs last year were "insufficient oversight of surveillance, mistreatment of prisoners, and dismissals for alleged political motivations."

On surveillance, the report notes legislative amendments, which were adopted by the Parliament last year.

Although the report notes that NGOs "criticized the law for not providing adequate protection of civil liberties," it also describe those amendments as providing "additional checks on the Ministry of Internal Affairs by requiring both court approval and authorization of the personal data protection inspector for access to information obtained through surveillance."

Opponents of the legislation, which has also been taken to the Constitutional Court, say that as long as the Interior Ministry maintains direct access to telecom operators' networks, it can easily circumvent personal data protection inspector and launch unlawful surveillance.

The report says that "domestic and other violence against women remained a significant problem."

"In most of the domestic violence cases addressed to the public defender, police limited their response to issuing verbal warnings and initiating preventive supervision, which did not provide actual protection from a recurrent abuse," reads the report.

It also says, citing data from the Interior Ministry, that 636 investigations into domestic violence crimes were launched as of September, 2014, up from 399 in 2013. But NGOs believe cases of domestic violence were underreported.

According to the report in 2014 there were several instances of discrimination against minority communities. It mentions the case when a group of locals in Kobuleti nailed pig's head to the front door of a planned Muslim school.

"NGOs criticized the government for failing to carry out effective investigations in previous cases motivated by religious hatred," it says.

The report says that "societal prejudices against LGBT persons remained strong."

"The Media Development Foundation noted numerous homophobic statements issued by high-level officials, politicians from various political parties, and media outlets, most frequently in the context of the antidiscrimination law", which was passed by the Parliament last year, says the report.

ANNOUNCEMENT

Invitation to the Contest for Services Procurement for Detailed Engineering Design and BoQ for Zemo Samgori Irrigation System

Recipient of the Grant: Georgia

Implementor Agency: Georgian Amelioration LTD

Project #: ORIO13/GE/01

Summary of the Project

The Ministry of Agriculture (MoA) in Tbilisi, Georgia has applied for a grant from the Dutch ORIO programme administered by Netherlands Enterprise Agency RVO, on behalf of the Ministry of Foreign Affairs, concerning a project entitled "Rehabilitation of Zemo Samgori Irrigation System" (ref. ORIO13/GE/01). The project entails the rehabilitation of Georgia's largest irrigation and drainage system with a total gravity irrigation network of more than 30,000 ha. The Zemo Samgori irrigation system is managed by the state company Georgian Amelioration LTD ("GA").

Abovementioned development phase provides with the Detailed Engineering Design and BoQ:

1. Site Investigation (deliverable 1)
2. Environmental and Social Impact Assessment and Environmental and Social Management Plan (deliverable 2)
3. Financial Plan and Economic Study (deliverable 3)
4. Detailed rehabilitation engineering design (deliverable 4)

LTD Georgian Amelioration invites all interested companies/consortiums to participate in the contest. Interested companies/consortiums are obliged to present their offers within 60 days from the announcement of the contest, no later 15 August 18 pm, 2015, at the following address: Tbilisi, Marshall Avenue, N6, 2nd Floor procurement service.

The bid evaluation and winner identification will be carried by two-envelope method, evaluating technical and financial proposals

The budget is – **1 531 500 EURO** (including all applicable taxes).

For additional information please contact ORIO Grant Project Manager Mr. George Kalandadze, email: gkalandadze@hotmail.com; Tbilisi, Marshall Gelovani Alley km 6, 2nd floor.

For detail information regarding the Contest please visit the state procurement agencies webpage <http://contest.procurement.gov.ge/> Contest N-1694.

US-Russia Stalemate – from Cold War to Conventional Warfare

By DR. VAKHTANG MAISAIA

Russian policymakers are seriously considering the possibility of face-to-face combat with US forces and are preparing the grounds for further escalation of existing tensions. Some days ago President of Russian Federation Vladimir Putin attended special exhibition of military hardware called “The Army 2015” in Moscow, in which the equipment on display was worth about \$360 million. This was clearly designed as a means of flexing his military muscles against the West, as he directly threatened to aim Russia’s armaments at the “territories from where the threat comes”.

The exhibition was held despite the fact that Russia had lost more than \$200 billion due to Western sanctions, the West losing more than \$100 billion

advanced anti-missile defense systems (like the Aegis system) the US has at its disposal. The Russians have developed many new armaments which are keeping pace with relevant Western-American armaments, thus nullifying the West’s long-held technological advantage in this area.

Among the new hardware Russia has developed we can highlight the following:

- *ARMATA-14 fifth generation combat tanks - \$7 million apiece*

- *YaK-130 fourth generation military fighter jets capable of delivering tactical nuclear warheads*

- *URAN-6 Minesweepers*

- *The Pchela, Chirok or Shmell drones, which are able to carry bombs*

- *AVATAR anthropomorphic robots*

- *An ultra-high frequency ‘microwave gun’ capable of deactivating aerial drones and high-precision warheads*



means Russia is preparing seriously for a possible war. It is also reinforcing in the Kaliningrad Oblast, where the 11th

missiles, capable of delivering 0.5-2 kiloton nuclear warheads over 1,000 kms are pointed at Lithuania and Poland. At the end of 2015 the Kremlin will deploy at the Western Military District Strategic-Operational Command HQ, which is designed to confront similar NATO Command HQ structures (the Rhine Field Army Command and Baltic Army Corp) more than 10 SU-35 multi-purpose fighter jets (NATO classification “Flanker-T”, so-called 4+1 generation aircraft) and their counterparts the SU-30CM, which can deliver P60 “air-to-land” nuclear warheads.

This reinforcement will take place under Russia’s “Gosoboronzakaz” (State Defense Request program) which will be 100% fulfilled this year. The same military potential is

also being accumulated to the south, pointed towards Ukraine and Georgia. Russia intends to intervene in Ukraine in one of three directions – it is considering the “Land Bridge Scenario”, “Coastal Scenario” and “Eastern Ukraine Scenario”. In response, the US Senate has allocated more than \$300 million for military support to Ukraine and NATO has launched a special programme to increase the defense capabilities of neighboring Moldova.

At the most recent NATO Defense Ministerial the 28 alliance members debated current global and regional security postures and clearly indicated how far the USA is prepared to go to confront the Russian government. The USA plans to deploy some heavy military equipment, including

250 combat vehicles and tanks, in the Baltic states and Poland in order to transport 5,000 troops rapidly if needed and NATO is likewise considering increasing its Very High Readiness Joint Task Force (VJTF) to a complement of 40,000. The VJTF was one of the many measures agreed at the Wales Summit in 2014 in order to enhance the capability to respond to emerging security challenges, and consists of a land component with appropriate air, maritime and special operations components as needed, which can deploy within a few days to respond to any challenges which may arise on NATO’s flanks. The Ministerial also decided to call an urgent meeting of the Special Nuclear Planning Group to revise the alliance nuclear doctrine and get a new plan adopted by the end of this year. This will be the first such meeting since 1990.

A Russia-USA confrontation on the scale being postulated would be very detrimental not only for Russian and US strategic interests but the world as a whole, as it includes nuclear deterrence components. However, with plans clearly so well advanced, it may soon take a lot to prevent.



- *The GAZ-3344 easy-riding all-terrain vehicle*
Producing these weapons

Guard Army is deployed and “ISKANDER-M” and “ISKANDER-E” tactical ballistic

from these in its turn. Russia is seeking to compensate these losses in future by improving trade ties with another geopolitical actor, China, but it continues to spend big on its military modernization programme regardless of the present situation, having committed about \$400 billion to it for the next decade.

Putin announced that Russia will add 40 new intercontinental ballistic missiles to its nuclear arsenal in 2015 - presumably these will be 20 TOPOL-M and 20 YARS missiles (NATO classification SS-27 Mod 2). These could help Russia achieve one of its most important geostrategic missions – countering the technically



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

საქართველოს ვაგონმშენებელთა ჰოლდინგი GEORGIAN CARRIAGE BUILDERS HOLDING



**TWO MAJOR EXHIBITIONS
UNDER ONE ROOF**

**THE MOST SPECIAL EVENT OF THE
INDUSTRY THIS YEAR**

DON'T MISS YOUR CHANCE

GET NOTICED!

CAUCASUS BUILD 2015 FALL EDITION

20TH Anniversary of International Exhibition for Building and Interiors

AQUA-THERM TBILISI 2015

International Trade Fair for Heating, Air Conditioning, Sanitary Fittings,
Bath & Design and Renewable Energies

1-3 OCTOBER, 2015

Tbilisi, Georgia

Contact Us:

Exhibition Center ExpoGeorgia Co.

www.expogeorgia.ge

Tel: +995 234 11 00 (109)

E-mail: kakulia@expogeorgia.ge

DEFENSE MINISTER VISITS NATO HQ



Georgian Defense Minister, Tina Khidasheli, has left for Brussels to visit NATO headquarters for a meeting of defense ministers from the alliance members and Afghanistan mission contributor nations on June 25.

With 885 soldiers Georgia is the second largest troop contributor to NATO's Resolute Support mission in Afghanistan.

Khidasheli told journalists before departure early on Wednesday morning that she will also have more than dozen of bilateral meetings with her counterparts from the NATO member states.

Speaking at a meeting with civil society representatives on June 22, Khidasheli said that the Georgia will be firm in its demand towards NATO to grant the country Membership Action Plan (MAP) at the next summit of the alliance in Warsaw in 2016.

"Our people deserve to know precisely and to be sure that its government aims at maximum results," the Georgian Defense Minister said on June 22.

"I am not going to tone down demands," she said. "Georgia fights and does its utmost to move substantially on a new level of relationship with NATO at the Warsaw summit and we will be constantly in communication with the people – and not just by making statements that we want MAP – but also through reporting [to the public] all those specific issues that we are undertaking on this path."

This is Khidasheli's second visit to NATO HQ since taking defense minister's office in early May.

Civil.ge

MPS START DISCUSSION OF CONTROVERSIAL BILL ON BANKING SUPERVISORY AGENCY

Parliamentary committees discussed on June 25 a highly controversial bill that would strip the Georgian National Bank of supervisory functions of financial institutions and transfer them to a separate agency.

After a three-hour long hearing held jointly by four committees, members of the parliamentary committees for legal affairs, economic policy, finances and procedural issues, endorsed the bill for discussion with its first hearing at a parliamentary session on the condition that sponsors of the proposal take into consideration their critical remarks.

The bill, sponsored by two lawmakers from the Georgian Dream parliamentary majority group, Tamaz Mechiauri and Nodar Ebanoidze, was first presented a month ago and came under heavy criticism – the President warned he would veto it; business associations said it would put country's banking sector in jeopardy and the International Monetary Fund expressed concern that it would put central bank's "independence at risk."

Since then the launch of parliamentary hearings of the bill, which was backed by ex-PM Bidzina Ivanishvili, was delayed, and sponsors of the initiative engaged in series of consultations with stakeholders. Although sponsors have agreed to revise some clauses of the bill, key part of the proposal to have a separate supervisory agency remained unchanged.

Shortly after the parliamentary committees endorsed the bill for further discussions by the legislative body, President's economic adviser, Giorgi Abashishvili, a staunch critic of the proposal, released a statement condemning the move.

He said that the move violates Georgia's commitments under the Association Agenda with the EU as the legislation related to the central bank is being amended without prior consultations with the European experts.

Association Agenda, which sets priorities for the period of 2014-2016 with a view to facilitate the implementation of the Association Agreement between Georgia and the EU, says that the parties will cooperate to "strengthen the independence of the National Bank of Georgia (NBG), including by reviewing the central bank legislation in line with best EU practice, including with the support of EU expertise, also from the European Central Bank (ECB)."

The bill envisages setting up of the Financial Supervisory Agency, which will be in charge of monitoring and oversight of banking sector and other financial institutions; these functions are currently carried out by departments, which are part of the central bank.

According to the bill, the Financial Supervisory Agency will have seven-member board; candidates for six seats will be nominated by parliamentary speaker, parliamentary factions and a group of at least six lawmakers and then confirmed by the Parliament. Central bank governor will be an ex-officio member of the

board, but will have no right to also serve as a chairperson of the board. Chairperson of the board will have the right to appoint head of the agency, according to the bill.

Co-sponsor of the bill MP Tamaz Mechiauri, who chairs the parliamentary committee for finances and budget, says that a separate agency is needed because the current leadership of the central bank, which took office under the previous government, is "politicized" and "does not enjoy public confidence."

"Currently not a single agency, enjoying with public confidence, has access to information [related to banking sector]. Therefore the need for a model has emerged... which would take into consideration this reality that we now have," MP Mechiauri said during the committee hearings on June 25. Last month he also said that central bank's current board and its governor Giorgi Kadagidze "do not reflect at all interests of those forces, which are currently in power." All but one members of the central bank's seven-seat board, including Kadagidze, were elected when UNM opposition party was in power. Central bank's board members are nominated by the president and confirmed by the Parliament.

One of the main reasons of criticism of the bill is that, according to opponents, the proposal is motivated by political rather than economic reasons.

Speaking during the parliamentary committee hearing on June 25, opposition MP from UNM party, Zurab Melikishvili, said that the only reason behind the proposal is GD ruling coalition's attempt to "further disembowel" the central bank because it is headed by Giorgi Kadagidze.

Kadagidze, whose seven-year term in office will expire in February 2015, has been a frequent target of attacks from GD politicians since the national currency, lari, started to depreciate. Since November, 2014 lari lost 28.4% of its value against U.S. dollar.

"[Eight] months are left [before Kadagidze's term expires]; let's wait and there will be a new president [of the central bank]; let's not destroy this system. How do you think this step will affect on lari? It will directly hit financial stability," UNM MP Melikishvili said.

Another UNM lawmaker, Sergo Ratiani, said that this proposal "is a direct order coming from Ivanishvili."

MP from opposition Free Democrats (FD) party, Davit Onopriashvili, who chaired parliamentary committee for finances and budget before his party went into opposition, also criticized the bill and said that sponsors failed to present any rational argument in favor of the proposal.

Criticism was also voiced by some GD lawmakers. Chairman of the parliamentary committee for legal affairs, Vakhtang Khmaladze, said that some of the clauses of the bill were not fully in line of the constitution.

Before the end of the hearing, co-sponsors of the bill requested a break to prepare their position over the critical remarks voiced during the hearing.

When the hearing resumed, MP Mechiauri said that he would accept a proposal to change the rule of selecting Financial Supervisory Agency's board members.

He said that the revised bill will include a new rule, according to which two central bank board members, instead of one, will take seats in seven-member board of the planned new agency; five other candidates, he said, would be nominated by the government, instead of the parliamentary factions and parliament speaker; nominations will then have to be confirmed by the Parliament. He also said the head of the agency would also be confirmed by the parliament, instead of being appointed by the chairperson of agency's board.

In other changes to the bill, MP Mechiauri said that he would introduce provision that would guarantee full access of the central bank to the information available in the Financial Supervisory Agency; give central bank chief final say in setting of minimum reserve requirements for banks; and in case of a complaint, decision of the agency can be appealed directly to the court.

All these changes have yet to be reflected in the bill, which before going into force has to be approved by the Parliament with three separate readings and then signed into law by the President. In case of a presidential veto, the Parliament will need at least 76 votes to override the veto.

Civil.ge

SENATE CONFIRMS NEW U.S. AMBASSADOR TO GEORGIA

The Senate confirmed on June 24 a career diplomat Ian C. Kelly as the new U.S. ambassador to Georgia, replacing Richard Norland, who has served in Tbilisi since September, 2012.

Kelly, who has been in the foreign service for about 30 years, served as State Department spokesman in 2009-2010 and was the U.S. ambassador to the OSCE in 2010-2013. He also served as a co-chair of the Minsk Group on the Nagorno-Karabakh conflict resolution in December, 2012-September, 2013.

Speaking during a confirmation hearing at the Senate Foreign Relations Committee in late May, Ambassador Kelly reiterated U.S. support for Georgia's EU and NATO integration aspirations and stated that "no third party" has the right to veto Georgia's path.

"If confirmed, I look forward to working with the Georgian government and my embassy colleagues in realizing these aspirations. I will also urge all Georgians, who believe in their country's Euro-Atlantic goals, to unite in supporting them and moving their country forward," he told the Senate Foreign Relations Committee on May 20.

During the hearing, Democratic Senator Chris Murphy asked Kelly about how Georgia's NATO membership can be achieved when its territories remain under Russian occupation and if he foresees a situation wherein NATO membership is granted to Georgia with a reservation that it does not apply to its occupied territories.

"You've put your finger on a really hard part of it, which is the fact that Russia occupies 20 percent of Georgia," Kelly re-

sponded. "I think that we just have to stay focused on overall goal of supporting Georgia in becoming more interoperable with NATO, in reforming its defense institutions and we have multiple programs to do that, and also to be very steadfast in rejecting Russia's illegal occupation of 20 percent of Georgia's territory."

But Senator Murphy pressed further on the issue by asking: "Does not it effectively result in Russia having a veto power over Georgia's accession to NATO if we do not holdout a possibility that there is a pathway for them [Georgia] to join while the occupation continues?"

"I do not think that Russia or any other country has a veto on a country's desire to join NATO," the diplomat responded. "Obviously occupation of South Ossetia and Abkhazia is a very difficult issue, but this overarching principle that all countries should be able to choose their own alliances and associations is something that has to be really defended and... the U.S. is doing everything it can to help Georgia realize its aspirations."

Later during the hearing, when discussions turned to Russian propaganda, Ambassador Kelly noted that it is important to



Ian C. Kelly during the confirmation hearing at the Senate Foreign Relations Committee on May 20, 2015.

maintain a high level of public support towards Euro-Atlantic integration in Georgia.

In this context, he said that Russia is "ramping up their outreach to Georgia in terms of media" and "there are some NGOs that are active in Georgia."

"We do not want to see that level [of public support to NATO integration] fall and we would be concerned about the messages that run contrary to our values that we are seeing in the Russian media and we need to ensure that Georgians appreciate that we stand behind them," said Kelly, who noted for number of times the importance of "highlighting" to the Georgian public the assistance U.S. is providing to the country.

On issues related to democratic development, Kelly said during the hearing that Georgia has made "substantial progress toward becoming a fully democratic state", but "more work needs to be done for Georgia to realize its goal of an environment fully conducive to political pluralism."

"We will work with all parties in Georgia to help ensure the next parliamentary elections [in 2016] are the freest and fairest in Georgia's history," said Kelly.

"The U.S. has been a partner in this effort, with a robust assistance program to help Georgia strengthen accountable government, and consolidate its democratic institutions," he added.

Asked by New Hampshire's Democratic Senator Jeanne Shaheen about "concern" and "questions" over the rule of law, particularly regarding the cases of arrests of former government officials, Kelly responded: "Our top foreign policy priority for Georgia is helping it attain its aspirations join the Euro-Atlantic institutions and of course we would not want to see anything degrade that trajectory towards the Euro-Atlantic integration."

"In our bilateral contacts – I know that Ambassador Norland has had many good consultations with the Georgian government – and we have stressed the importance of not even having a perception of any kind of political use of any kind of judicial levers," he said.

"Having said that, we also have a very strong cooperation with Georgia to ensure that the judicial process in all cases is transparent and accountable and I think that Georgia has made great strides in ensuring the independence of the judiciary," Kelly added.

On economic issues Kelly said that if Georgia's quest to integrate with the West is to succeed, "it is critical that it improve the climate for trade and investment", adding that it's an area where both the government and opposition should be able to come together and cooperate.

"The United States appreciates Georgia's growing role as a regional business, trade and logistics hub, and its contributions to the revitalization of East-West trade routes along the New Silk Road, connecting European and Asian markets," he said, also noting the importance of taking advantage of a "tremendous opportunity" opened by the Deep and Comprehensive Free Trade Agreement with the EU.

Ambassador Kelly's previous assignments also include being the director of the Office of Russian Affairs at the Department of State in 2007-2009, public affairs adviser at the U.S. mission in NATO, press attaché at the U.S. embassies in Italy and Turkey.

As the director of Democratic Initiatives to the Newly Independent States at the State Department in 1994-1996, he was coordinating the activities of about dozen federal agencies involved in democracy programs in the former Soviet Union countries.

The U.S. Embassy in Tbilisi said on June 25 that Ambassador Kelly plans to arrive in Tbilisi in September.

"Ambassador Norland extended his congratulations and began preparations for his departure from Georgia this summer," it said.

Civil.ge

SUNDAY BRUNCH!



Tradition at Tbilisi Marriott is back with reinvented SUNDAY BRUNCH!

Hand crafted salads, live action stations, omelets, pancakes & crepes, best in town home made desserts, fresh compotes & lemonades, a glass of wine or beer, kids' fun corner with Xbox KINECT makes it the perfect SUNDAY with your friends & family at Parnas Restaurant!

For reservations please call 2779200 or 595337172

Every Sunday; 12- 4 PM

39 GEL+VAT per person
Complimentary for kids up to age of 8.
50% discount for ages 8-12

TBILISI MARRIOTT HOTEL
13, RUSTAVELI AVENUE, TBILISI
GEORGIA (CAUCASUS REGION)
TELEPHONE: +995 (32) 277 92 00
FAX: +995 (32) 277 92 10
TBILISIMARRIOTT.COM



Become a VIP at the Airport?

Then ask for "Primeclass" CIP Service

"primeclass" CIP Service offers a complete package of meet and assist services at the airport. "primeclass" CIP Service agents will gladly assist passengers during all flight procedures for both departure and arrival. Passengers are accompanied through the fast tracks, dedicated security check points and business check-in and hosted in "primeclass" Lounge while their luggage are carried by a porter.

Tbilisi | Tel: 322 310 330 | Fax: 322 310 331 | E-mail: primeclass.georgia@tav.aero
Batumi | Tel: 422 235 111 | Fax: 422 235 112 | E-mail: primeclass.batumi@tav.aero
TAV Georgia Operation Services LLC | www.primeclass.com.fr





QUALITY I TRUST!



WWW.WISSOL.GE

Ambasadori
13 Shavteli st, Tbilisi0105, Georgia
Tel: (+995 32) 2439494 (+995 32) 2 180110

Holiday Inn
1,26 May Square; Tel: (+995 32) 2300099
web: <http://www.hi-tbilisi.com>

სამურაი სუსი ბარი!

ნიკონური სანზარეულო

SAMURAI SUSHI BAR

Samurai-Sushi Bar
Tbilisi , 9 G. Tabidze St.
Tel: (+995 32) 240 39 99, (790) 16 02 02

Marrakesh Express
Rkinis rigi N5 (Meidan Area) Tbilisi, Georgia
Tel: (+ 995 32) 439350

Hotel "VERE PALACE"

Vere Palace
Tbilisi , 24/8 Kuchishvili St. ,
Tel: (+995 32) 225 33 40, 225 33 41,
web: www.verepalace.com.ge

inhouse
restaurant&bar

Inhouse
Ahvlediani (Perovskaya) street #17, 0162 Tbilisi, Georgia
Tel: 577 44 99 61

სანზარეულო

სანზარეულო

HOTEL VARAZI

Hotel Varazi
Kostava st.45a, 0179 Tbilisi, Georgia; Tel: (+995 32) 293 11 61

First Irish Pub in Tbilisi

WHEELS

Wheels - Irish Pub
Tbilisi, 16 G. Akhvlediani St., Tel: (+995 32) 298 87 33

Hotel OLD METEKHI

Old Metekhi
3 Metekhi St. Tbilisi
Tel: (+995 32) 274 74 04; (+995 32) 274 74 31
Fax: (+995 32) 277 46 35

Cafe Canape

Canape
Tbilisi , 14 I. Abashidze St., Tel: (+995 32) 223 19 21,
Tbilisi, 7 Kazbegi Ave., Tel: (+995 32) 237 35 73
Tbilisi, 112 Agmashenebeli Ave., Tel: (+995 32) 296 22 69

Jazz Cafe

KOPALA

Kopala
Chekhov str.8/10, Tbilisi, Georgia
Tel: (+995 32) 277 55 20

Glasgow
20 Akhvlediani Str. Tbilisi
Tel: (+995 32) 236 99 18

Marriott
TBILISI

Tbilisi
Rustaveli Avenue 13
Tbilisi, 0108, Georgia, Tel: (+995 32) 277 92 00

DAVID SULTAN Hotel Tbilisi

David Sultan
16a P. Iashvili str. Georgia, Tbilisi
Tel: (+995 32) 2 935-006; (+995 32) 2 931-685

Radisson BLU
IVERIA HOTEL, TBILISI

Radisson Blu Iveria Hotel, Tbilisi
Rose Revolution Square 1, 0108 Tbilisi, Georgia.
Tel: (+995 32) 402 200
web: www.radissonblu.com/hotel-tbilisi

11/11

11/11
11/11 G. Tabidze Str. Tbilisi
Tel: (+995 32) 293 23 40

River Side

River Side
Corner of the Brose Street
Tel: (+995 32)224 22 44; 224 22 55;

BUSINESS CONSULTING

Award

www.award.com.ge

AWARD CONSULTING
Tel: 593 31 41 05

BOOK CORNER

Book Corner
13b Tarkhnishvili Lane, 0179 Tbilisi, Georgia
Tel: (+995 32) 223 24 30

COURTYARD Marriott

Marriott Courtyard
4 Freedom Square; Tbilisi, 0105, Georgia
Tel: (+995 32) 277 91 00

Penthouse Hotel

Penthouse
12 Metekhi Str. Tbilisi
Tel: (+995 32) 274 57 77; (+995 32) 274 59 99

Cafe Lefse

Kafe Lefse
Shardeni Str. 14, Tbilisi, Georgia
Tel: (+995 32) 243 93 03

KMM Hotel
★★★★★

KMM
Metekhi Turn10 Tbilisi Georgia
Tel: (+995 32) 277 88 50; (+995 32) 2747185

Contact us and
Become our Partner

12, Kikodze str, Tbilisi, Georgia.
Tel: (+995 32) 2934405,
E-mail:marketing@geotimes.ge;
www.geotimes.ge

LB ციბეჩიტი ბანკი
LIBERTY BANK

ყველანა და ყველანათვის

LB სანაწარმოო სერვისები
CERTIFICATE OF DEPOSIT

HIGH YIELD ON INVESTMENT

COMPLIMENTARY SERVICES OF PRIVATE BANKING

LEARN MORE: WWW.LIBERTYBANK.GE/CD



BEKA GOCHIASHVILI

YOUNG GEORGIAN PIANIST
LIBERTY BANK BRAND AMBASSADOR

CONTACT US AT:
PB@LibertyBank.ge

TEL:
+995 322 55 55 00 (1010)

* 55 00

+995 32 255 55 00

www.libertybank.ge

info@libertybank.ge

[libertybank.ge](https://skype.com/libertybank.ge)