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# Main event of Independence Day of Georgia in Vaziani



National Archives of Georgia (Courtesy Photo)

European Georgia demands restoring the hall where the Constituent Assembly of the First Republic adopted the Act of Independence.

By NATALIA KOCHIASHVILI

The main event of the Independence Day of Georgia was held in Vaziani, at the warehouse of the 4<sup>th</sup> Mechanized Brigade. The President of Georgia, the Prime Minister, the Speaker of the Parliament and the Minister of Defense congratulated the servicemen on Independence Day.

Speaking at the event marking the 102<sup>nd</sup> anniversary of Georgia's independence, PM Giorgi Gakharia said that every generation in the struggle for independence and freedom of the country had its hero and we should pay due respect to them. According to him, the fight for Georgia's independence and unity is not over yet and the goal is to unite the country.

According to him, the Georgian army is a guarantee of the country's security, which is very important especially today, when the world is facing a global pandemic and no one knows what the world will be like tomorrow. "Our unity, the success of our army is the guarantee of our country's security, its Euro-Atlantic orientation, our effective cooperation with our strategic partners, the United States, the European Union, NATO and the Georgian army," Gakharia said.

In his address, he singled out the merits of Georgian soldiers in peacekeeping missions to ensure global security and the contribution they have made to the effective management of the new Coronavirus pandemic in Georgia.

"Today, Georgia can say and declare that we have all been able to localize this risk and manage it effectively," the PM said.

The PM also spoke of the importance of the date May 26<sup>th</sup> in the Georgian history. 102 years ago, the National Council adopted the Act of Independence and 'with this step took the most important step for the further development of the country...and then on May 26, the First Republic determined the further orientation of our country. Gakharia congratulated the citizens of Georgia, compatriots living abroad and the Abkhazian and Ossetian brothers on this day, believing that 'together we will be able to create a successful state.'

The President of Georgia spoke about the importance of partnership with the West at the event dedicated to Georgia's Independence Day.

According to Salome Zurbishvili, it is unfortunate that during the global challenge of the pandemic, not everyone was equally aware of the need for solidarity and joint struggle: "Now it is best to see



At the base of the 4<sup>th</sup> Mechanized Brigade of Vaziani, the Prime Minister, together with the President of Georgia, the Speaker of the Parliament, laid a wreath at the memorial to the fallen soldiers and paid tribute to the memory of the heroes.

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# Western pressure has increased the chances of democratic elections

By MALKHAZ MATSABERIDZE

**D**emands from the West for the release of political prisoners and the full implementation of the March 8<sup>th</sup> agreement have put the Georgian Dream in a difficult position and changed its position. It was the Western pressure that proved to be an effective factor in boosting the democratization of elections in Georgia.

A few days ago, the agreement reached between the government and the opposition on March 8 seemed to be in a deadlock. Authorities categorically denied that on March 8, they had promised to release the opposition members I. Okruashvili, G. Ugulava and G. Rurua's, while the opposition claimed that it would not support the constitutional changes without the release of the prisoners. Archil Talakvadze, the Chairman of the Parliament, stated this position of the Georgian Dream on May 11<sup>th</sup>. On May 13<sup>th</sup>, the United Opposition reiterated

that it would not support constitutional changes without the 'release of political prisoners.'

The intervention of the Western mediators was still necessary, and the Georgian Dream itself provoked it when the mediating diplomats were asked to negotiate - saying that the March 8 agreement did not provide for the release of anyone. The facilitators of this agreement did not hesitate and in a joint statement issued on May 11, called on the parties to fulfill both parts of the agreement for 'a successful implementation.' In the May 12<sup>th</sup> statement, Senator Rish said on Twitter that he hoped Georgian political parties would fully comply with the March agreement, including the release of political prisoners and progress on the new electoral system.

The mention of 'political prisoners' has caused a great stir in Georgia, the opposition has been encouraged, and the government has put its desire to argue with its Western friends on the basis of misinformation. Meanwhile, on

May 15<sup>th</sup>, it was announced that US Senators Ted Cruz and John Cornyn, as well as Congressmen Jody Arrington and Marquise Malin, had sent a letter to Secretary of State Mike Pompeo and Finance Minister Stephen Mnuchin. In the letter, concerns have been raised about the Georgian government's ties with US enemies. They also accused the Georgian government of expelling American businesses and cited companies such as Frontera Resources and Conti Group as examples. In the letter, US senators and congressmen noted that "Georgia's ties with America's hostile rivals and enemies, which run counter to our geostrategic and business interests" require a serious response from the federal government.

The Georgian Dream failed to properly assess the situation, and the West's harsh response came as a complete surprise to them. Strict assessments by European politicians and US congressmen followed. They have made it clear that the March 8

agreement is bipartisan and that in addition to the reform of the electoral system (120 proportional and 30 majoritarian seats in today's 77/73), imprisoned opposition figures must be released. The term 'political prisoners' was first used with regard to them.

The Georgian Dream chose to retreat. In order to defuse the situation, President Salome Zurbishvili said on May 15<sup>th</sup> that Gigi Ugulava and Irakli Okruashvili had been pardoned and that they had been released immediately. In order to not lose face, the Georgian Dream initially stated that Zurbishvili made the decision to pardon the prisoners without their consent and did not agree to the release of 'arrested criminals.' This seems to have upset President Zurbishvili, who said his decision to pardon Ugulava and Okruashvili was not a surprise to the government and agreed with Ito Bidzina Ivanishvili, Giorgi Gakharia and Archil Talakvadze. This caused another inconvenience to the Georgian Dream, as they had previously claimed that they knew nothing about the president's decision. The release of two opposition politicians has raised hopes that the March 8<sup>th</sup> agreement will finally be implemented and that better conditions will be created in

Georgia for democratic elections, although many issues remain unresolved and, as it turns out, new problems may arise.

The opposition negatively assessed the legislative initiative registered by the 6 pro-government parliamentary members on May 19<sup>th</sup>, which allows that without the consent of the parliament, the government will be able to take measures on transportation, economic activity, property, collection, labor and other rights. The initiators of the bill demand its immediate adoption, while the opposition considers the possibility of carrying out the restrictions characteristic of the state of emergency according to the will of the government as a step towards authoritarianism and unconstitutional. It becomes even more dangerous ahead of the upcoming parliamentary elections. This issue will probably be one of the main topics next week.

The government is feeling comfortable as the opposition's activity was limited in the state of emergency, and on May 26<sup>th</sup> the state of emergency has ended. However, this year's June 20<sup>th</sup>, marks a year since the event, which turned out to be a somewhat turning point for the Georgian political processes.

Translated by Mariam Mchedlidze

## Main event of Independence Day of Georgia in Vaziani

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what is the right way - this is the way to cooperation and peace. The way Georgia stands. Refusing to support, escalating tensions and occupying them is an anachronism."

President said that in the new world, Europe is facing a great challenge and a new stage of solidarity, and Georgia has no alternative to close cooperation with it: "Our place tomorrow is undoubtedly in the European bloc, no matter how it changes."

According to Zurbishvili, strategic partnership with the United States is gaining new importance, as in addition to direct military challenges, new global threats have emerged: "These threats require expanding cooperation, such as the Lugar Center and Scientific Relations."

According to the President, in the light of the reorganization of

the world economy, where the Black Sea destination is growing even more, the joint plans of Georgia and NATO to strengthen its security become even more urgent.

She also stated that success in the fight against Coronavirus should not weaken the society, because the country, together with the rest of the world, is entering the second, more difficult phase.

According to the President, Georgia should be prepared to overcome economic and social challenges, which require resilience, patience and more solidarity. She added that in tomorrow's world, Georgia can occupy even a small but dignified place: "It means rethinking our potential and steering society and the economy in the right direction." She says these new directions are already emerging: the survival of tourism, the rise of agriculture, the restoration of traditional production and the capture of new industrial niches in world geoeconomics.

In connection with the Independence Day of Georgia, the opposition party European Georgia has taken the initia-

tive to restore the hall where the Constituent Assembly of the First Republic adopted the Act of Independence and to hold important events and

meetings in this hall.

"In the future, the solemn sittings of the parliament will be held in this hall, and such historic acts as I am sure will soon take place, for example, Georgia's membership in NATO, the European Union, or ratification of international legal acts." Giorgi Kandelaki, a MP from European Georgia

told the media.

On May 26<sup>th</sup>, 1918, a session of the National Council of Georgia chaired by Noe Jordania was held at the former residence of the Caucasus Crown Prince on Rustaveli Avenue (former Golovin Avenue) in Tbilisi. Today, there is a student-youth palace in this building.



Due to the Coronavirus pandemic, Georgia's Independence Day was celebrated on May 26<sup>th</sup> only in the units of the Defense Forces.

### Weather

Wednesday, May 27

Day ☀️ Clear  
High: 26°C  
Night 🌙 Clear  
Low: 15°C

Thursday, May 28

Day ☀️ Clear  
High: 30°C  
Night 🌧️ Partly Cloudy  
Low: 18°C

published by  
**The Messenger**

43, Chovelidze st., Tbilisi,  
0108, Georgia  
Founded by Prof.

**Zaza Gachechiladze**  
**Tamar Gachechiladze**  
Publisher

Mob.: +995 599 565621; +995 577 760000  
E-mail: messenger@messenger.com.ge  
http://www.messenger.com.ge/

**Nino Metreveli**  
Commercial Director

**Mariam Mchedlidze**  
Editor-in-Chief

**Natalia Kochiashvili**  
Executive Editor

**Khatuna Gogichaishvili**  
Layout Designer, Photographer

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All contributions should be submitted by e-mail.

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Exchange Rates: US Dollar - 3.1916; Euro - 3.4801; GBP - 3.8890; 100 Russian Ruble - 4.4615; Swiss Franc - 3.2846

## 11 infrastructure projects for which gov't borrows 243 million completed at 0%



According to the results of the 2019 report, the cash performance of the state budget by the Ministry amounted to record ₾ 121.2 million.

BY NATALIA KOCHIASHVILI

The State Audit Office has published a report on the execution of the 2019 budget. The document summarizes the implementation of state investment projects. According to the report, a number of infrastructure projects, the development of which was invested in the 2019 budget, were completed at 0% by the end of the year.

The budget report also shows that 27 projects have less than 70% utilization in relation to the original plan.

According to the audit, the reasons given by the state structures as factors in the non-implementation of the projects are the delay in tenders and the delay in negotiations with donors. At the same time, due to the misappropriation of funds in certain projects, the state has allocated ₾ 4.8 million. The Commitment Fee was paid, which is a "fine" imposed by donors for non-compliance with these projects.

The State Audit 2019 report reads that it is important that the project implementing agencies ensure the timely and efficient use of the allocated loans and also

take into account the current performance of the projects in connection with the need to attract additional loans within the existing projects 'to avoid additional costs and/or delays in the projects.'

The list of projects, implementation of which was defined according to the initial law of the 2019 budget (before clarification, before amendment), but the actual absorption is 0% looks like this: Reconstruction-Construction (JICA) of Dzirula Argveta section of Tbilisi-Senaki-Leselidze highway - ₾ 48.8 million; Kutaisi Integrated Solid Waste Management Project (EU, KfW) - ₾ 15 million; Kakheti Infrastructure Strengthening (KfW) - ₾ 9 million; Strengthening the infrastructure of Guria transmission lines (KfW) - ₾ 4.5 million.

It's interesting, that after renewal, the cost of some projects has been reduced: Strengthening the Capacity of the Georgian Defense Forces (SG)-initially was ₾ 55 million; under the renewed project - ₾ 15 million; North Ring Egg (Phase I) (KfW, EBRD)-initially was ₾ 13.5 million, under the renewed project - ₾ 1.5 million; Municipal Infrastructure Renovation Project of Georgia (EIB) - ₾ 8 million, renewed project - ₾ 1.6 million;

In 4 cases, they were reduced to ₾ 0: Tbilisi Bus Project (Phase II - Gas) (EBRD) - ₾ 75 million; 500 sq. Km Tskaltubo-Akhaltikhe-Tortum (KfW) - ₾ 5 million, Kheledula-Lajanuri-Oni (KfW) - ₾ 9 million; Tbilisi Solid Waste Project (EBRD) - ₾ 20 million.

The audit negatively assessed the fact that the state agencies, after failing to implement the projects, change and reduce the plan of the mentioned projects, and as a result, the fact that their funds could not be appropriated is changed.

According to the State Audit Office, it is advisable for investment projects not to reduce the annual plans defined by the budget law due to the low use of credit resources allocated to them.

The Ministry of Regional Development and Infrastructure, one of the agencies responsible for implementing some of the projects, is responding to a report explaining that the misappropriation of state funds is related to various reasons such as protracted negotiations with donors or protest by locals.

In case of Reconstruction-Construction of Dzirula Argveta section of Tbilisi-Senaki-Leselidze road, the ministry says the planned amount could not be used due to a change in the source of funding. The works on the mentioned section of the road were to be carried out with the financial resources of JICA. "With intensive work in 2019, today we already have a new donor, as well as a company that won this section, with which a contract

was signed on January 16, 2020," reads statement, adding that no interest was added on the JICA loan.

As for Kutaisi Solid Waste Integrated Waste Management Project (EU, KfW) the approved plan was canceled due to the change in the location of the waste, triggered by protests from residents.

The planned amount could not be used for the municipal infrastructure renovation project of Georgia, due to the delay in the agreement with the donor within the framework of the project. The Ministry has not yet been able to obtain the relevant consent and due to the urgency of the projects (including the construction of kindergartens), the source of funding will be changed, allowing the start of the projects this year. No interest was accrued on the EIB loan, as the loan interest is accrued on the amount received from the donor, notes statement.

"This is part of the work process and the legislation allows for the redistribution of funds," ministry says, adding that this approach, within the existing available resources, has made it possible to accelerate the implementation of priority projects.

At the same time, the Ministry of Infrastructure notes that in 2019 they had a record number of applications in other programs.

"The cash performance of the state budget by the Ministry amounted to ₾ 121.2 million. Compared to the same period of 2018, the Ministry was able to use ₾ 459.5 million more financial resources," said the statement.

In addition to budget expenditures, the document also addresses the state's external debt. According to the document, the risk of interest rates on this debt has been increasing in recent years, as more and more loans that the state receives, instead of fixed, are fixed at a variable rate.

Government debt increased by 14.8% (₾ 2.566 million) in 2019 compared to the previous year, and by 24.0% (₾ 3.853 million) compared to 2017. This increase was due to both the taking of additional loans and the change in the GEL exchange rate. In 2019, compared to 2017, the effect of the exchange rate on the growth of debt balance is 28.1%, the effect of new loans is 71.9%, and compared to 2018, the effect of exchange rate increase on balance is 35.6%.

"As a result of the growth of the government debt portfolio, the depreciation of the lari and the change in interest rates, in 2019, compared to 2018, the total cost of public debt service and repayment increased by ₾ 386.6 million to both foreign and domestic loans and amounted to ₾ 2,901 million," the audit report said.



## Message from EU Ambassador Carl Hartzell on 26 May – Georgia's Independence Day

Let me extend my warmest congratulations to Georgia and its people on Independence Day!

The European Union is proud to stand together with Georgia on this day, as we continue standing up for her independence, sovereignty and territorial integrity.

Today we mark the birth of the First Republic, recognised by European nations over 100 years ago. That independence was short-lived, but the Georgian people achieved something remarkable during those three years. A determined and vibrant political class adopted a progressive constitution based on democratic ideals and equality, in many ways ahead of its times. It came to an end in the face of overwhelming Soviet force, but throughout the following 70 years the idea of an independent Georgia was kept alive.

To be reminded of one's history and reminded of the fact that freedom often comes at a cost is important to everybody, not least to the younger generation who has no recollection of life in an unfree Georgia. As the country continues on the road of state consolidation and modernisation, reclaiming its rightful place in Europe, it is a true asset to be able to gain strength from the past.

EU-Georgia relations are based on shared values and on this foundation we stand united as friends in the face of common challenges. In the current times of hardship, the European Union and its Member States have already sent a strong message of support to Georgia, demonstrating what such friendship really means.



Government debt increased by 14.8% (₾ 2.566 million) in 2019 compared to the previous year.



# About a fascinating history of Russo-Georgian relations by Dieter Boden



Philipp Ammon

This is the fascinating history of Russo-Georgian relations between 1801, the year of the annexation of Georgia by Tsarist Russia, until after the First World War. It is a subject that may have been of interest to historical scholars until the collapse of the Soviet Union. In the meantime, the Caucasus, as a regional source of tension in our immediate neighborhood, has received new topicality. In this respect, this book by Philipp Ammon is also a contribution to contemporary political history.

Ammon deals with a crucial section in the relationships between the two peoples and neighbors, which differ fundamentally in their culture, their mentality and their lifestyle. It is a story that is shaped by violence, betrayal and deception, but also by peaceful, often even harmonious coexistence - in one word: a prime example from the field of political relations between states, which can still teach us a lot today. This certainly applies in particular to our current relationship with Russia.

Ammon describes the period of bilateral relations with a great deal of expertise in the 115-year period in which Georgia was part of the Russian Empire. The volume contains a wealth of notes as well as detailed information on further literature on the subject; the cumbersome transcription of the personal names into German is a little disruptive, which often affects

reading. Ammon also briefly deals with the period from 1918 to 1921, in which Georgia first gained its independence before it was annihilated by the invasion of the Red Army in February 1921 - largely unnoticed by the rest of Europe, which dealt with the consequences of the previous world war. The following period, in which Georgia was part of the

Soviet Union as a federal state for over 70 years, is only touched upon by Ammon. He pays a lot of attention to the relationship between the two Orthodox Churches.

The annexation by Russia in 1801 initially brought the usual fate of a conquered country to Georgia: plundering, forced assimilation and suppression of

revolts that flared up again and again. Ammon correctly notes that the Georgians considered the subordination of their Orthodox Church to that of the Moscow Patriarchate in 1811 as the worst humiliation. However, Ammon opposes those who want to see Russian rule solely as a history of suffering and ongoing oppression taking a differentiated view. The balance is ambivalent: in the period up to 1914 Georgia experienced a period of peace without the devastation that it had suffered in the centuries before from an endless succession of invasions by foreign conquerors. The country gradually recovered under 'friendly bayonets,' as the poet Lermontov called it. It found a connection to the modern age through the construction of infrastructures, through the beginning conversion of an archaic agricultural economy to an industrial exploitation of its resources, through the development of telecommunications in which the German company Siemens played a decisive role.

The connections to Europe, which had been interrupted for centuries, were now revived, and Russia played a decisive role in the mediation. It was Russian universities that trained the new Georgian elites. The Georgian students came back from there as 'Westerners,' had read Kant and Hegel and soon also advocated national self-determination for their country.

Even after 115 years of common statehood, the differences in culture, attitude towards life and mentality between the two countries remained. The fact that the Russian epoch is predominantly perceived today as a traumatic experience is a consequence of the subsequent 70 years under

Soviet communist rule, which ended on April 9, 1989 with a particularly brutal act: a massacre of Soviet troops against the Georgian civilian population.

It would be desirable if this past history of Russian-Georgian relations were supplemented by a chapter on the Soviet era and the present since the new Georgian independence in 1991. In any case, the Book of Ammon is a worthwhile impetus. Today, Russian-Georgian relations are determined by the conflict over the separate states of Abkhazia and South Ossetia, which have fallen away from Georgia and have been supported by Russia. An amicable settlement of this conflict is not in sight. Bilateral relations between the two countries have broken down since 2008. The effects of this conflict radiate to us in various ways in Western Europe. This also makes Ammon's book clear: without a normalization of Georgian-Russian relations, the region of the South Caucasus will not find stability.

*Philipp Ammon, Georgien zwischen Eigenstaatlichkeit und russischer Okkupation. Die Wurzeln des Konflikts vom 18. Jh. bis 1924, Frankfurt/M 2020.*

Dr. Dieter Boden, retired ambassador; studied Slavic studies and political sciences in Münster and Hamburg; joined the Federal Foreign Office in 1968. He held various posts, including the German Embassies in Moscow and Rome. He was appointed ambassador to the OSCE in Vienna, Special Envoy to the UN Secretary General in Georgia, Head of the OSCE Mission to Tbilisi.



Dr. Dieter Boden