

# The Messenger

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## 20 members of criminal network arrested in cooperation with Europol and Georgia

► Criminal network QQAAZZ has been active since 2016.



► Law enforcement agencies from 16 states were involved in the operation.

By KHATIA BZHALAVA

The Ministry of Internal Affairs of Georgia has made a statement, according to which, as a result of an unprecedented international police operation - 2BaGoldMule, 20 members of the criminal network QQAAZZ were arrested. The organization which provided money-laundering service to the world's leading cybercriminals attempted to launder tens of millions of euros. A large-scale investigative operation, involving law enforcement agencies from 16 states, was coordinated by Europol.

The operation was preceded by a complex investigation conducted by the police of Portugal, the United States, and Spain, as well as the law enforcement agencies of the United Kingdom, Georgia, Latvia, Bulgaria, Italy, Germany, Switzerland, Poland, the Czech Republic, Australia, Sweden, Austria and Belgium under the coordination of Europol.

The investigation ascertained that members of the QQAAZZ network, who were from Latvia, Georgia, Bulgaria, Romania, and Belgium, had opened hundreds of personal and corporate bank accounts throughout the world, where they transferred money stolen from victims by cybercriminals. As the ministry notes, the mentioned funds were then transferred to QQAAZZ-controlled accounts and sometimes converted into cryptocurrencies.

The statement reads that the ministry continues the provision of different kinds of operational assistance to Europol, Interpol, and other countries within the frames of bilateral cooperation agreements, as "International Police Cooperation is one of the priority directions for the Ministry of Internal Affairs."

As MIA notes, the Center for International Cooperation in the Law Enforcement Sphere and Cybercrime Division under the Main Division for Combating Organized Crime of the Central Criminal Police Department of the Ministry of Internal Affairs was actively engaged in the investigation.

### POLITICS

Co-founder of Mtavari Arkhi TV Giorgi Rurua attacked in prison



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### ECONOMICS

Decline in Georgian economy in third quarter - 3.8%



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# Co-founder of Mtavari Arkhi TV Giorgi Rurua attacked in prison

BY KHATIA BZHALAVA

Convict Giorgi Rurua, a co-founder and shareholder of TV channel Mtavari Arkhi, was attacked by other inmates in prison on November 2nd. As the Special Penitentiary Service informs, Rurua was taken out of his cell for a meeting with his lawyer, while inmates assaulted him physically and verbally. Opposition United National Movement party as well as Rurua's lawyer stated that the attack had been organized by the government, however, the Special Penitentiary Service has dismissed the allegations that the attack was deliberate.

As the agency reports, the incident was handled by the staff of the penitentiary facility, however, as a result of the physical clash, Rurua suffered bruises on his face. According to the agency, 5 inmates involved in physical confrontation against Rurua have been transferred to a strict regime penitentiary facility. The Special Penitentiary Service has made public the video-footage public "to avoid any political speculations."

An investigation has been launched under Article 126, Part 1, Subparagraph B of the



► 5 inmates who attacked Rurua have been placed in a strict penitentiary facility.



► An investigation has been launched under Article 126, Part 1, Subparagraph B of the Criminal Code of Georgia.

Criminal Code of Georgia. As part of the investigation, Giorgi Rurua as well as inmates and inspectors have been interrogated.

According to Rurua's lawyer Dimitri Sadzaglishvili, the attack was politically motivated, as he believes that the attackers were operating under the government instructions. Rurua has published a statement on social media, saying that he holds Bidzina Ivanishvili responsible for the incident.

MEP Anna Fotyga has responded to the issue and stated in her Twitter post that she is shocked by the incident. She believes that the Government of Georgia bears full responsibility for Rurua's health/safety condition and calls on EU diplomats to visit Rurua and assess the situation.

Tbilisi City Court found Rurua guilty on July 30th and sentenced him to four years in prison for the illegal possession and carrying of firearms. However, opposition parties consider him a political inmate and demand his release on the ground of the March 8th agreement, reached alongside with the participation of the diplomatic missions of the USA and the EU.

## Clean energy helps protect Georgian rivers and forests

UNDP INSTALLS SOLAR PANELS IN KRTSANISI PARK TO IRRIGATE FOREST AND RESTORE DRYING LAKES

TBILISI. 4 November 2020 – A 100 kW solar panel was installed in the Krtsanisi Park with support from the United Nations Development Programme (UNDP), serving to supply the area with renewable energy, irrigate 50 hectares of protected forest and help restore eight oxbow lakes drying out because of the sand-and-gravel extraction from the Mtkvari riverbed.

Funded by the Global Environment Facility (GEF) under the regional Kura II Project, the initiative was carried out in close partnership with Georgia's Ministry of Environmental Protection and Agriculture and its National Wildlife Agency.

"Krtsanisi Park is a natural ecosystem and recreational zone that serves Tbilisi and Rustavi cities. Access to green and sustainable energy is critical for its development and is in line with the policies and priorities set by the Georgian Government," Minister of Environmental Protection and Agriculture Levan Davitashvili said.

"Our future depends on how smart we are in using zero-

emission renewables instead of fossil fuels. The restoration of the Krtsanisi Park will set an example of how solar energy can benefit the economy while protecting the environment," UNDP Head Louisa Vinton said.

"The Mtkvari River feeds agriculture and sustains ecosystems in Georgia and Azerbaijan. Sustainable management of this critical transboundary water resource will protect the environment, contributing to water security in the region," said UNDP-GEF Kura II Regional Project Coordinator Mary Matthews.

The Krtsanisi Park is situated on 210 hectares of land

located on the outskirts of Georgia's capital, Tbilisi. Once famous for its 170 species of trees and populations of rabbits, wild ducks and lake fish, the Park ecosystem has been degrading over the past decades, affected by the excessive use of firewood, illegal hunting and the extraction of sand and gravel from the Mtkvari riverbed.

The rehabilitation of Krtsanisi Park kicked off in 2019 and a state programme for biodiversity protection was launched by the decision of the Government.

The solar panels installed by UNDP with GEF support will provide the Krtsanisi Park with a source of clean energy that will be used to pump water from

the Mtkvari River, irrigating 50 hectares of forest and filling up the eight oxbow lakes. In addition, UNDP will help construct a groundwater intake gallery, providing water to a fish farm established to restore the fish population in the lakes. Water abstraction from the river will not exceed 0.14% of its minimum daily flow, ensuring that it has no impact on the ecosystem or the water supply to downstream villages.

The Kura II Project assists Azerbaijan and Georgia in harmonizing water use policies and practices. It has a total budget of USD 5.3 million, shared between both countries, and is due to conclude in 2020.

THURSDAY NOVEMBER 5

Day  Overcast

High: 20°C

Night  Mostly cloudy

Low: 13°C

FRIDAY NOVEMBER 6

Day  Rain likely

High: 16°C

Night  Partly cloudy

Low: 11°C

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US DOLLAR - 3.2888 | EURO - 3.8586 | GBP - 4.2848 | 100 RUSSIAN RUBLE - 4.1408 | SWISS FRANC - 3.6017 |

## Decline in Georgian economy in third quarter - 3.8%

By NATALIA KOCHIASHVILI

The President of the National Bank (NBG), Koba Gvenetadze presented another report on monetary policy, saying that the main task of the NBG is to maintain low inflation in the country.

According to the NBG, low inflation is necessary to ensure long-term economic growth and a natural level of employment. Given the unprecedentedly strong recessions as a result of the lockdown, the world economy, including that of Georgia, received a severe hit this year.

"After a 12.3% annual decline in the Georgian economy in the second quarter, according to preliminary data, the decline in the third quarter was relatively small - about 3.8%. However, it is still difficult to talk about overcoming the shock," Gvenetadze explained.

According to the current forecast of the National Bank, in 2020 the real GDP will decrease by 5%, and in 2021 it will start to recover and will increase by about 5%.

The NBG head noted that there is also uncertainty on a global scale, stemming primarily from the pandemic. Georgia, as well as the world, has suffered most in the tourism industry. Since March, after the declaration of the state of emergency and the closure of the borders, the entry of foreign visitors to the country has almost ceased, which has had a sharp negative impact on the trade balance.

As a result, the dynamics of reducing the current account deficit in recent years have reversed, and in the first half of 2020 this figure was 10.3% of GDP. However, Gvenetadze claims that the pandemic conditions have better-than-expected results in terms of exports of goods and remittances than the NBG estimated at the initial stage of the pandemic.

"Inflation-related changes are largely due to the depreciation of the nominal effective GEL exchange rate and the reflection of increased costs due to the pandemic in the final price," Gvenetadze explained.

On the other hand, he emphasizes a slowdown in aggregate demand to reduce inflation, which reached 3.8% in September. According to the current forecast, under equal conditions, the downward trend in annual inflation will continue and it will be close to the target inflation in 2021.

The future dynamics of inflation is mainly determined by the weak aggregate demand, although the Monetary Policy Committee also took into ac-



► According to the NBG head, the reduced joint demand is impacting inflation.



► The official exchange rate for November 5: 1\$ - ₾3.3409, 1€ - ₾3.9042, 1£ - ₾4.3348.

count the uncertainty related to the acceleration of the spread of the virus and the increase of geopolitical risks, leaving the rate unchanged at 8.0%.

It is estimated that the gradual exit from the tightened monetary policy - normalisation, and its pace will depend on inflation expectations and the dynamics of economic activity. Gvenetadze clarified that the forecast of the monetary policy rate does not

represent the promise of the National Bank regarding future monetary policy decisions. It rather reflects the orientation trajectory with the assumption that exogenous factors will develop according to the scenario provided in the forecast or that no new exogenous shocks will occur.

Recall that the inflation target has been 3% in the medium term since 2018. However, the inflation target does not mean

the maximum level of inflation or the inflation limit. In the inflation targeting mode, price stability is achieved with the lowest public spending, while long-term economic growth is the highest and most sustainable compared to other alternative regimes.

Amid a 12.3% slowdown in the economy in the second quarter of 2020, the number of employees fell by 1.9% year-on-year, according to the NBG's monetary

policy report. According to the Central Bank, the annual decline in the salaries of employees in the country amounted to 2.5%, and in the second quarter of 2020 the average monthly salary of this figure amounted to ₾1,150.

"In the 3rd quarter of 2020, compared to the previous quarter, the nominal exchange rate of the lari against the US dollar strengthened by 1.1%, while against the euro it depreciated by 5.0%," said the report.

"During the same period, the nominal effective GEL exchange rate strengthened quarterly by 0.7% and depreciated by 0.2% year-on-year. As for the exchange rate adjusted for the price level differential, in the third quarter of 2020, the real effective exchange rate depreciated by 0.9% on a quarterly basis and strengthened by 0.8% on an annual basis."

According to the NBG, in September, compared to June, the annual growth of the loan portfolio decreased and excluded the exchange rate effect, amounting to 12%.

According to the NBG, the growth rate of loans to individuals during the period increased by 3.1% points to 12.1%, while the growth rate of loans to legal entities decreased by 7.7% points to 11.8%.

# Opening of the Two Projects within the GGP Grassroots Human Security Grant Program of the Embassy of Japan in Georgia

On November 4, the Opening was held for two projects, funded by the Government of Japan, based on the goodwill of the Japanese people. The opening was attended by H.E. Mr. Tadaharu Uehara, Ambassador Extraordinary and Plenipotentiary of Japan to Georgia; Mr. Masataka Obata, Deputy Head of Mission, Counselor of the Embassy of Japan in Georgia; Mr. Zviad Khapava, Director of the organization Bediani Children Center; Kakha Bakhtadze, program manager of the organization Environment and Development; Rtsmunebuli (village plenipotentiary) of Village Baretia Mr. Bidzina Gabuldani; Founder and Chair of the Board of the organization BRIDGE – Innovation and Development, Ms. Nino Kareli and member of the board of BRIDGE, Ms Ketevan Getiashvili, to-

gether with the representatives of the cooperatives.

The projects were funded within the Grassroots Human Security Grant Program (GGP) of the Embassy of Japan and aim to contribute to the community resilience and rural development of Tsalka Municipality. The two projects are:

**1. Construction of Storage for Post-harvest for 3 Villages in Tsalka, Kvemo Kartli Region** – within this project, potato storage has been constructed at Baretia village in Tsalka Municipality. This project supports local population of environmental migrants to increase their income and at the same time, promotes sustainable usage of water and soil resources. The project was implemented by NGO

“Bediani Children Center” in partnership with NGOs “Environment and Development” and “Mountainous Regions Development Association”. **Grant Amount: 86 526 USD**

**2. Establishment of Bio-Briquettes Workshop facility for Two Villages in Tsalka, Kvemo kartli Region** – within this project, 2 cooperatives and 2 workshops for producing biological bricks were constructed at Avranlo and Trialeti villages in Tsalka Municipality. By introducing a new technology, this project developed an eco-friendly firewood alternative which creates a good precedent for replication, to potentially avoid deforestation in Georgia. Moreover, by producing affordable heat the project is very important for poverty alleviation

among environmental migrants, residing in Tsalka. The project was implemented by NGO BRIDGE – Innovation and Development. **Grant Amount: 71 498 USD**

The “Grassroots Human Security Grant program” (GGP) provides assistance to relatively small projects and aims at improvement of human security in Georgia in the following priority fields: environment protection, agriculture, infrastructure, healthcare and education. The major principles behind the GGP program are overcoming poverty, sustainable development, inclusiveness and participatory growth. Since the independence of Georgia, within GGP Human Security Program alone, Japanese Government has funded over 180 projects in Georgia, in total amounting to more than 17 million USD.

