

# Georgian and Abkhaz Perspectives on Human Security and Development in Conflict-Affected Areas

A Policy Research Initiative



With the support of the European Commission



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**CITpax**  
TOLEDO INTERNATIONAL CENTRE FOR PEACE



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# Foreword

This document is the milestone in a process aiming at increasing the understanding of joint interests in the spheres of human security, human rights and regional development in a particular area of the South Caucasus.

Since March 2008 and with the support of the European Commission, CITpax has been implementing a “confidence building measure” with the goal of contributing to a common understanding of the impact that the Georgian-Abkhaz conflict has upon the populations living on both sides of the Ingur/i River; this being a region which is most affected by an enduring situation of forced displacement, political and communal tension, sustained isolation and human rights violations. The project envisaged the introduction of a parallel perspective between the parties without ignoring, on the other hand, the political differences at stake. It was conceived and conducted as the framework for a research programme, in which the continuous engagement of the project's experts over a one-year period involved their work on the joint idea of creating a feasible basis for the improvement of the living conditions of the local population—including cross-community co-operation—in spite of the difficulties of conflict resolution. The project was implemented under the co-ordination and advice of Antje Herrberg and Luis Peral as ad hoc CITpax co-facilitators.

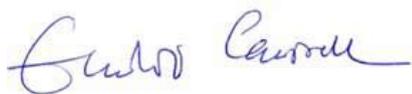
Following the full-blown escalation of the conflict in South Ossetia in August 2008, the project co-facilitators and the project directors initiated a series of talks in order to decide on the future of the project. After several weeks of discussion, the project participants came to the conclusion that the project could still play a positive role in the new scenario by focusing upon areas of common concern. In the aftermath of the August events, the dialogue dynamics generated within the framework of this project have informed the Geneva process and will continue to feed it at a grass-root level.

The project's research identified specific actions in four policy areas (i.e. human rights of the displaced and the returnees, human security, energy and economic development), in which Georgian-Abkhaz co-operation is deemed appropriate with a view to improving the living conditions of the local population.

The project was led by a Steering Group consisting of the co-facilitators as well as the Georgian, Abkhaz and Russian project co-directors (Archil Gegeshidze from the Georgian Foundation for Strategic and International Studies, Liana Kvarchelia from the Centre for Humanitarian Programmes and Vitaly Naumkin, President of the International Centre for Strategic and Political Studies). The methodology used for undertaking the research on the proposed areas was carefully chosen so as to ensure that the materials produced were neutral, sound and well balanced. The research as such was undertaken by two groups of four field researchers (and led by two chief investigators) with access to empirical instruments including population surveys and information on technical data.

The preliminary results of the project were officially presented to a wide audience in Brussels on March 31, 2009. I especially wish to thank President Martti Ahtisaari for closing that successful venue with such sensible yet hopeful auspices for the future in the region.

The ensuing sets of recommendations have been drafted in the hope that they will serve as valuable policy advice for the incumbent authorities, local governments and civil society stakeholders as well as the international organisations which are active in the region. CITpax further hopes and expects that the sum of all these efforts—undertaken with the contribution and sponsorship of the European Commission—may prove useful for the life of the population involved and open up practical inroads for a better future.



Emilio Cassinello  
Director General  
Toledo International Centre for Peace -CITpax-



# Introduction

*Antje Herrberg and Luis Peral*

*Assessment of CITpax Co-facilitators*

No legitimate authority can deny the population affected by a protracted conflict the means to improve their living conditions in order to achieve dignity. This sentence both captures the driving principle of this confidence-building process and constitutes an appeal to Georgian and Abkhaz authorities as well as to the international community and the EU, in particular. The appeal entails an obligation to find some kind of formula for allowing and helping the local population to return to acceptable living conditions without prejudice to political negotiations on intractable issues. Drawn out high-level negotiations are no excuse for not immediately alleviating the poverty and despair of those who have been suffering the consequences of the conflict for more than a decade. This process is a modest but determined attempt to find such a formula.

## Why CITpax in the South Caucasus?

The idea of the need to contribute to conflict resolution in the South Caucasus was initially shared and discussed by Antje Herrberg with other members of the so-called Private Diplomacy Network, an informal and flexible consultation framework of some of the main Track II organisations in the world, in a meeting which took place in Toledo in the Summer of 2007.

Following these discussions and feedback received by partners, the Toledo International Center for Peace (CITpax) decided to engage in a fact-finding mission in order to determine what role it could possibly play. A first fact-finding trip to Sukhum/i and Tbilisi, facilitated by the Berghof Centre for International Peace Support, took place between October-November 2007. The trip confirmed that an independent, non-governmental organisation based in Madrid with no links whatsoever to the parties to the conflict could play a neutral role in helping to support a rapprochement amongst qualified stakeholders concerned with the Georgian-Abkhaz conflict. All contacts made on the ground during those weeks confirmed the need for dialogue through parallel processes which could help to break the protracted nature of the conflict at an official level —with due respect to the limits of non-official diplomacy. Discussions with staff of the European Commission Directorate General for External Relations followed, in particular with its Crisis Response and Peace Building Unit. In March 2008, the process could be launched thanks to the financial support granted through the Stability Instrument.

As co-facilitators, our responsibility was to safeguard a fair and equitable process for which we enjoyed the support of a project co-ordinator (Alvaro García-Ormaechea), a technical co-ordinator (Thea Kentchadze) and the logistical and management staff of CITpax. Indeed, the facilitation is only the “tip of the iceberg.” The importance of this support structure for facilitators was crucial given the complex nature of communication, the organisation of meetings and travels, visa-related issues and publications management.

We were in contact with organisations, individuals and officials in the region and agreed to create a structure which would combine two teams of prominent experts from both parties to the Georgian-Abkhaz conflict. Each team would comprise an equal number of researchers led by one chief-investigator for each side. In addition, this project consisted of three co-directors, Liana Kvarchelia from the Abkhazian side, Archil Gegeshidze from the Georgian side and Vitaly Naumkin from Russia. The co-directors acted as a collegial body whereas the Georgian and Abkhaz co-directors were also the respective directors with their individual teams and the Russian co-director with both teams.

The process formally started in Madrid and Toledo in March 2008 where the entire team (researchers, co-chief investigators, co-directors, project manager and facilitators) met for the first time. It was clear right from the beginning that the neutrality of CITpax would assist in creating an atmosphere conducive to dialogue. We convened a second meeting in Istanbul in June, a meeting with directors in London in October, a meeting with the whole project team in Yerevan in December and concluded with the entire team in March 2009. Intermittently, we travelled to both Georgia and Abkhazia to visit and discuss with both teams.

We believe that we played a role which we both envisaged for ourselves: As co-facilitators, we took on the role of guardians of the process and information brokers. As guardians of the process, we aimed to create an atmosphere of joint understanding, to facilitate the discussions by ensuring that each individual had sufficient space to discuss his ideas, to provide the process with suggestions and proposals and to shepherd it to a completion notwithstanding the adverse circumstances on the ground. As information brokers, as regards to actors outside of the process, our role was to establish sufficient contacts with relevant stakeholders and to channel information vis-à-vis both EU officials but, at the same time, to protect and preserve the independence of the work carried out by the experts. Our interest, of course, is that the results of the work carried out by this process—which include to a large extent recommendations to the European Union—would be followed up in action through policy measures or other initiatives.

## Obstacles and Driving Principle

The attempt to launch a Track II diplomacy process based upon research and analysis carried out by a combined Georgian and Abkhaz project team was inevitably faced by obstacles. The main principle underpinning our work was to provide all actors with maximum autonomy within an overarching framework of common interests. Amongst other positive inputs, the Russian co-director provided for a useful balance between different perspectives as well as for a reality check throughout this project. Moreover, exploring the potential role of the European Union as regards the conflict situation constituted a focal point for research and analysis which informed the recommendations of both teams. The funding role of the European Commission provided an additional framework for this project although the EC was not always seen as an entirely unbiased actor.

It is no secret that had we focused our discussions upon the question of status, this process would have probably finished in a dead end of conflicting positions which for both parties appear to be non-negotiable. Indeed, such practice would have jeopardised any chance of promoting a genuine exchange of ideas. Thus, the process kept the focus upon the human security issue which would address the needs of the populations on both sides of the conflict. Our framework was to accommodate each other's perspectives on the conflict whilst concentrating on key thematic issues that could be shared by both teams and which could provide possible venues for action in the short- to medium-term. This framework was adopted for a one-year duration of the process. The August war, followed by a meeting in London (on 10-11 October 2008) narrowed the number of thematic issues as well as the intended geographical scope of the recommendations which could be realistically shared by both sides.

Thus, the basic assumption and driving force of the whole process is straightforward and simple. It derives from the first rule of governance in all societies which also constitutes the essence of democracy beyond elections and relates to the core content of the principles of human security and human development. As the group confirmed in its first meeting in Madrid and reiterated throughout the process, the framework of this process and, therefore, the focus of research would be on the question of how the living conditions on both sides of the divide could be improved.

## Training on Mediation and Negotiation

In addition to the regular work with the researchers and the communities, we convened to organise a workshop on mediation and dialogue practice in Berlin addressed to mid-ranking Abkhaz and Georgian officials in co-operation with the Viadrina Centre for Peace Mediation and Swisspeace. The purpose of this training was to portray different ways of negotiation, mediation and dialogue and also to promote understanding of the importance of a needs-based approach in conducting negotiations whilst at the same time showing the value added of mediation. This training has been very positively valued by the official participants. Our regret is that we could not offer such training to a wider number of high level officials—and in a repeated fashion—as this might have upgraded and widened the perspective of negotiators in Track I processes.

## Key Research Results and Way Ahead

Gradually over the last twelve months, and within the framework of the improvement of local living conditions, the process focused increasingly on the four thematic areas: 1) human rights, 2) security, 3) trade and economic development and 4) energy.

The research produced does paint quite a pessimistic picture. A fundamental lack of trust between the communities can be deduced in part to the lack of human security and socio-economic development. Human security, in particular in the border areas, is precarious. Indeed, the most important message coming from both

parties is that the provision of security guarantees are fundamental to allowing a response to the sufferings of the local population and addressing the acute problems of health, education and infrastructure as well as curbing trans-border crime.

The research presented suggests that stimulating local development and investment will require unorthodox approaches on the part of the donor community. Experience in the Balkans shows that the development of trans-frontier co-operation and functional co-operation across borders are by no means impossible and have proven to be engines for greater regional integration and development. Related to this, both Georgians and Abkhaz endorse and advance the idea of further exploring the joint maintenance and rehabilitation of the Ingur/i hydro power plant.

## Our Assessment

In line with our working principles, the four pairs of researchers have both identified needs on the ground and, consequently, formulated recommendations and concrete proposals following an agreed-upon framework. Some of the recommendations are consensual whilst some are not but are not incompatible since they are addressed to the respective authorities by each team or refer to aspects that do not need consensus as such.

The fact that this project allowed for relatively frequent interaction helped to open and deepen discussions. Throughout the process, the emerging consensus was that in order to support progress towards greater human security, links between the local population and the international community need to be created so as to improve the living conditions in the conflict affected areas. This vision emerged without prejudice to the negotiations at other levels and the difficult political and legal problems in place.

The main proposals, recommendations and concrete actions based on the wealth of research undertaken by the experts have been to a large part commented upon by international experts, themselves either part of formerly divided communities. Researchers could 'take or leave' the advice. We felt this approach provided for a useful reality check and feedback mechanism.

Whilst following the August war the Georgian and Abkhaz team worked in parallel with one another, the discussion of preliminary results in Yerevan on 8-9 December 2008 emphasised again the importance of face-to-face meetings as a means for increasing a joint understanding of different perspectives. We appreciate the flexibility of our donor to allow for these meetings although the increased interaction between Georgians and Abkhaz was impeded by largely logistical issues mostly related to the difficulty and enormous effort and resources required to actually organise joint meetings.

It is worth remarking that it was the Russian co-director (Vitaly Naumkin), rather than the co-facilitators, who played an important role in integrating the findings and proposing a joint vision of both the Georgian and Abkhaz sides. It displays the evidence of the trust and confidence by both sides vested in him. At the same time, the publication process has also showed the challenges of synthesising different perspectives. As shown in his report, he did so whenever possible without concealing those aspects which were raised by only one of the teams and not the other.

The documents presented herein in our view constitute an indispensable starting point for implementing concrete actions to improve human security and the well-being of local populations affected by the Georgian-Abkhaz conflict. In line with our working principles, the four pairs of researchers have both identified needs on the ground and consequently formulated recommendations and concrete proposals following an agreed-upon framework.

Our mandate as co-facilitators for this initiative is about to end. We are committed to present this collection of research and the accompanying recommendations to all relevant stakeholders, including policy-makers, in the region and in the EU institutions.

It is of our view that no legitimate authority could claim a right to oppose, either directly or indirectly, the implementation of those projects which are merely designed for the benefit of the local population without prejudice of their respective political positions in the first-track conflict resolution processes. We would hope that the parties to the conflict—but also the international community engaged in the region—would take this effort as a serious attempt and proposal for action and duly follow up the recommendations and proposals.



MIRADOR RTM

SALIDA DE  
HERNANDEZ

Final Paper

Eo January  
Feb

translation

- 1. France
- 2. policy maker
- 3. bureaucrat
- 3. Expert

Chutsishvili

# PART ONE:

## Policy papers by local experts from the Abkhaz and Georgian teams





## THE PROBLEM OF PROVIDING SECURITY FOR THE BORDER AREA POPULATION OF THE GAL DISTRICT OF ABKHAZIA

### Introduction

#### Problem Definition

The aim of this research is to analyze the security situation in the Gal District of Abkhazia, with particular focus upon the human security of the local population within. For the purposes of this study, we define security as the pre-condition for normal human development devoid of any destabilizing or threatening factors and constraints thereto. Furthermore, the level of security is also defined by external life conditions such as a stable political situation, the existing infrastructure, the legal framework -including political, economic and social rights- and the level of criminalisation of social interactions in tandem with internal aspects such as the psychological state of the population.

It is necessary to state that fighting crime is an urgent matter beyond the Gal region of Abkhazia. However, crimes committed in the Gal District not only traumatise the local population but also have the potential to seriously complicate the situation on the border and to intensify the Georgian-Abkhaz conflict. For these reasons, the research undertaken within this study is timely from a humanitarian point of view and from the point of view of the wider regional (political) context.

Though the Gal District is marked by all of the negative consequences of war typical of other districts in Abkhazia, at the same time it has some unique characteristics which place its people in an extremely vulnerable situation. First of all, the majority of the population of the Gal District consists of Georgians (Megrelians) who are closely connected to the people of the Zugdidi District of Georgia by kinship or other linkages. With the agreement upon the non-renewal of military actions between Georgia and Abkhazia unsigned, it has been difficult for the Abkhaz to have their trust in the Gal inhabitants restored. Furthermore, there is the ambiguous civil status of the returnees who have to cross the border over the River Ingur, since they remain on the displaced persons' list of the UNHCR and as such are registered in the Zugdidi District of Georgia. Within a context of lasting conflict with Georgia, all these factors significantly complicate the situation for the people who live in this border

zone and make the task of providing security for them manifold. One of the most serious factors influencing the situation in the Gal District is the aggravation of the Georgian-Abkhaz conflict and the change of the general political context in the region. It is no overstatement that the events of August 2008 (the war in South Ossetia and the recognition of Abkhazia's independence by the Russian Federation) seriously altered the situation in the border zone.

The post-August 2008 situation in the region does not reduce the importance of conducting research in the field of humanitarian security as concerns the inhabitants of the Gal District. In fact, various incidents continue to take place on the border; criminality has not disappeared and problems dealing with human rights and the work of the law enforcement bodies as well as the difficulties in economic development continue to characterise life in the region. Human security continues to sit at a low level in the Gal District with the local population still living within a perceptible vulnerability. Given the fact that the events of August 2008 profoundly changed the political context for solving the problems in the region—and, in particular, for strengthening the security of the border region—it is necessary to reflect upon new assistance measures for implementation whilst taking into account the emerging challenges and opportunities.

#### Research goals

- To identify the major factors having an impact upon the security level of the population in the Gal District.
- To define the conditions and measures, which can improve the security of the people living in this border zone.

#### Research objectives

- To describe the security situation in the Gal District, past and present.
- To define how the political situation influences human safety in the Gal District.

- To assess the work of the law enforcement bodies therein.
- To study the public opinion of the residents in the border zone.
- To define the possible role of the authorities and local and international civil organisations in improving the security level of the population in the border zone.

#### Research methodology

The definition of “human security” has external (characterised by objective indicators) and internal (psychological) dimensions and was used as such in analysing the following aspects within this study: the influence of the political context, the human rights situation, the level of economic development and people’s own assessment of the security situation. The main methods for collecting information were interviews with experts and quantitative surveys of public opinion amongst Gal residents. The information produced by international and local organisations in the Gal District as well as the data from the law-enforcement authorities was also widely used herein.

#### Hypothesis

As the safety of the Gal residents depends upon many factors (the unresolved Georgian-Abkhaz conflict, illegal activities of criminal groups on both sides of the Ingur border, etc.), only the combination of parallel and possibly coordinated actions between both sides of the conflict could significantly raise the level of human security in this border area.

#### Expected results

The improvement of human safety in the Gal District includes many aspects: the necessity of defining the major sources of insecurity, the study of those conditions that encourage the spread of crime and the identification of internal and external resources that can change the current situation. The data collected in the course of the study can help in defining measures which have to be taken as a means for improving the security level of the Gal population. Based upon the analysis of the received data, recommendations will be formulated for the Abkhaz authorities, international and local civil organisations. First of all, this investigation aims to substantiate the need for a new solution to the identified problem, by enabling a complex understanding of the sources of the security threats in a context where the Georgian-

Abkhazian political problems lead to the deterioration of the situation, and the lessening of the people’s security aggravates in its turn the political situation. The recommendations will help to complement the existing measures to protect the Gal residents by providing new ways to positively influence the situation inside the district and, within a wider context of the domestic policy of the Abkhaz authorities as well as in the negotiation process with Georgia.

#### Problem description

The problems which exist in the Gal District are amongst the most serious consequences of the Georgian-Abkhaz war (of 1992-1993) despite the fact that the territory saw relatively little military actions during the confrontation. This notwithstanding, the greater part of the District’s population left Abkhazia in September 1993. The spontaneous process of return began in 1994 although the unresolved conflict, the proximity to the border and the continued fighting and terrorist activity of partisan groups led to the growing conflict which culminated in May 1998 when the majority of the District’s population left Abkhazia for the Zugdidi District of Georgia. The Abkhaz leadership unilaterally called for a return of the Gal people in 1999 from which time the return process was restarted. According to different assessments, from 45,000 to 60,000 inhabitants came back to their homes—even back to the so-called Lower Zone—although houses had been burned in many of the villages. Whilst acknowledging the importance of all the current problems in the region, many experts consider that the “return to the Gal District is one of the spheres in the conflict resolution process where a certain progress has been achieved during these years.”<sup>1</sup>

Following the beginning of the return process, normal life gradually began to be restored although security remained the most important challenge for both the Abkhaz authorities and the local population. To this end we agree with N. Akaba who writes: “The Gal District represents the most sensitive point for modern Abkhazia from the point of view of security. It must be stated that, as a rule, this zone is mentioned in a negative context with references to exchanges of fire, acts of sabotage, kidnappings, etc. Any statement or action, directly or indirectly related to the Gal District, lead the Georgian-Abkhaz relationship to a new and higher twist of tension which allows us to talk about this ‘special’ region in terms of its potential to cause more conflict.”<sup>2</sup>

The crucial factor which has a decisive impact upon the level of security in the Gal District is a political one. Firstly, the fact that the region belongs to Abkhazia and is populated by ethnic Georgians makes the local population feel like hostages of the unresolved conflict wherein each side makes demands upon the people of this District, which often contradict each other. The Georgian side has often accused the Gal inhabitants of betraying the interests of Georgia because they co-operate with the Abkhaz authorities or take part in the elections at different levels in Abkhazia. From the Abkhaz side, the Gal residents are constantly viewed with mistrust and suspicion for their alleged co-operation with the Georgian secret services and until recently they have been accused of participation in the terrorist activities of partisan groups. At the same time, both sides demanded that the Gal population make an unambiguous political and civil choice. This could result in serious problems for them given the existing unresolved conflict – they could become targets for revenge from either side. In such circumstances criminal and semi-criminal groups from both sides of the Ingur border that were active in the region for a long period of time, considered that by robbing these people and extracting the nuts harvest from them they not only made profit for themselves but also punished traitors. All this drew local residents to a state close to depression and social paralysis. Under such difficult conditions they simply tried to survive by avoiding situations which demanded making choices and hoped for a rapid resolution of the Georgian-Abkhaz conflict.

## Chapter I. Influence of Georgian Policy upon the Human Security Level in the Gal District

### The guerilla groups factor

Partisan groups - White Legion and Forest Brothers- whose aims were to commit acts of sabotage in Abkhazia and, in most cases, in the territory of the Gal District- were formed in Georgia almost immediately following the Georgian-Abkhaz war. As is clearly evident from the report of the Joint UN and OSCE Assessment Mission on the Situation in the Gal District: "For several years after the end of open hostilities, the armed groups, which consisted of Georgians, carried out task-oriented attacks in the Gali District. The leaders of the most well-known groups, the White Legion and Forest Brothers, stated in their public declarations that their main task was to return Abkhazia to Georgia by force. Their

nearest task was to create an atmosphere of fear and instability amongst the Gali returnees in order to demonstrate that it is impossible to stay in the territory which was controlled by the Abkhaz side. For this purpose, they used ambush, kidnapping and purposeful mining. The reports of the local people give reason to suspect breaking the border between partisan and organised criminal groups and to believe that the members of one group often belonged to the other group as well."<sup>3</sup>

For a long time, Georgian authorities denied that they were involved in any of the activities of partisan organisations and stated that they were without control in the region, although some Georgian politicians at that time even publically applauded the partisan activity. Interestingly enough, David Shengelia, the leader of the Forest Brothers group, was appointed the Deputy Chief of the Gal administration-in-exile in 2002 and stated in an interview with Rustavi 2 television that some arms which were recovered from a member of the Georgian Ministry of State Security actually belonged to partisans fighting against Abkhaz separatists. The arsenal consisted of three anti-tank grenade launchers, nine anti-tank missiles and other types of arms. Furthermore, Shengelia also remarked that he had evidence of the participation of the Ministry of State Security of Georgia in acts of smuggling on the border across the River Ingur. Mr. Shengelia himself was accused of smuggling at the time when he was occupying his official post. Obviously, acts of sabotage were combined with robbery and smuggling so it is extremely difficult to distinguish between political crimes and those committed for personal material gain in the border zones, particularly in the Gal District.

Together, these facts testify to the criminal activities of the partisans in the territory of Abkhazia for a number of years, during which hundreds of people (among which Abkhaz military men, border guards, members of the administration and law-enforcement authorities, Russian peacekeepers and ordinary residents of the Tqarchal, Gal and Oчамчыра Districts) died in ambushes and as a result of land mines. Finally, any doubts concerning the implication of the Georgian authorities in the financing and control of the partisan activity disappeared after the dissolution of the Forest Brothers group by the decree of the Georgian Government in early 2004. In 2006, numerous charges were brought against Shengelia, for which he was subsequently arrested.

As for the White Legion, the unit under the leadership of its head, Zurab Samushia was especially active in the Gal District during the events of 1998, although after that year the activities of the group gradually stopped. Incidentally, the Georgian press published materials describing the linkage between the White Legion and the Georgian Ministry of Interior Affairs, which was never refuted by the authorities. From time to time, Samushia's name appeared in publications and television programs and he even took part in a televised press conference in which he revealed his plans for staging sabotage activities in Abkhazia. His latest interview was broadcasted in 2008. Following the events of August 2008, Samushia stated in an interview to a Russian newspaper that his group should resume subversive activities in Abkhazia.

Without any doubt, the disbanding of partisan groups is a reassuring step. However, it remains unknown in what manner this campaign has been conducted and whether the members of the groups have been disarmed and their weapons confiscated.<sup>5</sup>

#### Attitude towards Gal residents co-operating with Abkhaz authorities

Criminal partisan groups were not the only source of threat to the people of the Gal District. Victims among the civilian population included primarily those who were members of the local administration, militiamen and businessmen who managed to start business jointly with Abkhazians; that is, those who actively participated in Abkhazia's political and economic life. Unfortunately, however, despite the disbandment of partisan groups the list of victims amongst the civilian population of Gal continues to grow. A vivid example of the intimidation policy of the Georgian authorities is found in the detention of Fridon Chakoberia, a businessman from the village of Bargyab in the Gal district, and the kidnapping of David Sigua, chairman of the Gal district election committee, in 2006. The intervention of international organisations helped to attain amnesty for Chakoberia but the whereabouts of Sigua have never been found and there are serious grounds to believe that he is no longer alive. As far as the contractor and the executor of the crime are concerned, one of the versions (popular amongst Gal residents and representatives of the district administration) is associated with the involvement of a specific structure in the Georgian security system, namely the Department of Constitutional Security. Currently, there is a rumour

circulating in the district that this structure formed two sabotage groups after the events of August 2008 which were aimed at committing terrorist attacks in Kodor and Gal areas.<sup>6</sup>

The abovementioned examples do not cover all the methods which the Georgian Government uses to put pressure on the Gal residents. Indisputably, the incidents with Sigua and Chakoberia affected the social activity of the Gal residents in Abkhazia which decreased significantly, since people fear to become involved in the political life of the country. It is a well known fact that the residents of the Gal District frequently travel to Georgia to make purchases, to get welfare payments or simply to visit relatives. In recent years, however, the Georgian law enforcement authorities have started to stop them at the border or summon them for interrogation. The Georgian security structures are interested in the change of the military situation in the area as well as in the social and political activity of the Gal residents. It was mostly the authorities of the autonomous government-in-exile who interrogated the Gal residents. Such practices have become a fairly serious problem for the people who have addressed their complaints to the UNCHR and the Georgian Ombudsman.<sup>7</sup>

#### Information policy

It is necessary to draw special attention to the fact that from the point of view of the information they primarily get, the people of the Gal District belong to the area mostly covered by the Georgian mass media (radio transmission and television channels), which tend to distort the real situation on the ground. This fact has been more than once mentioned in UN documents concerning the Georgian-Abkhaz conflict: "... in this period, the feeling of uncertainty and anxiety has been nourished by a practically daily flood of unreliable messages spread by the Georgian mass media and, in some cases, by the Georgian authorities themselves..."<sup>8</sup> In order to check and verify the information disseminated through the Georgian press or through Georgia's official statements, the UN directed numerous special patrols around the Gal District: "...in some cases the information was unreliable, in others it was exaggerated and sometimes it was misinterpreted."<sup>9</sup> The local population, however, cannot help to react to announcements concerning alleged serious incidents or warnings about the start of military actions (even when the rumours are not confirmed afterwards).

The Georgian authorities use a variety of instruments on the eve of each election—local, parliamentary or presidential—in Abkhazia. These measures include not only propaganda but also direct intimidation and threatening phone calls. The most effective tools, in fact, are these telephone warnings in which anonymous persons call Gal residents who plan to participate in the Abkhaz elections and tell them not to forget that their children are studying in Georgian educational institutions.<sup>10</sup>

It should be noted that the same kind of pressure exists when it comes to elections in Georgia. In order to have a better idea and understanding about the variety of forms of propaganda orchestrated by the Georgian secret service in the Gal District, it is sufficient to look at the reports of the incident in the village of Hurcha in the Zugdidi District on the day of the Georgian Parliamentary elections (21 May 2008). All Georgian TV channels broadcasted an announcement that Abkhaz authorities allegedly shot at the buses bringing voters from the Gal District who were going to Hurcha to vote. Afterwards, many foreign and Georgian journalists ascertained that the shooting was a fabricated event organised by the Georgian secret service with the participation of the Rustavi 2 television channel -whose cameramen had been able to film the shooting by having placed their cameras in strategic positions in advance. The initiators of this operation were not worried about the security of the Gal population as was demonstrated by the wounding of one woman during the staged event. The entire details of this action were reflected in a film by Vakhtang Komakhidze which was devoted to the Georgian Parliamentary elections.<sup>11</sup>

#### The problem of registration of returnees to the Gal District

In addition to the foregoing, it should be noted that the Georgian Government postponed the process of registering the returning residents to the Gal District for several years. The UNHCR planned to start the registration process in 2005 and had set up the necessary infrastructure by 2006 but had to postpone the process twice at the demand of the Georgian side.<sup>12</sup> “The UNHCR’s strategy included a number of checks of registration data, as well as collecting information regarding living conditions and human rights problems ... in order to ensure that returnees are able to work and earn their living. ... Unfortunately, this strategy has never been implemented because of the Georgian Government.”<sup>13</sup>

All of the aforementioned, therefore, shows that the Georgian side is not interested in normal conditions to be established within the Gal District. Moreover, the arsenal of the abovementioned measures shows that the goal of the Georgian leadership is to foster the deterioration and destabilisation of the situation in the District.

## Chapter 2. Influence of the Political Situation in Abkhazia upon the Security Level in the Gal District.

### Border protection

According to our data, the security threat coming from the Abkhaz side was in most cases a lateral one and depended upon the actions of Georgian partisans and other sabotage groups. In spite of the fact that Russian peacekeepers were located in the Security Zone, many parts of the border remained transparent for the forces that were striving to destabilise the situation in Abkhazia. It is evident that the growing confrontation in the Gal District and the decrease in the level of security were certainly not in the plans of the Abkhaz side, as this would prove inefficiency of the Abkhaz authorities in securing order and stability on their territory.

The crimes committed by the Abkhaz, however, had another character which sometimes took the form of revenge for the deaths of fellow combatants. These actions were often committed against innocent people. While the partisans hid themselves on the other side of the Ingur River and remained inaccessible, local residents who were only suspected of collaboration with saboteur groups were punished. It is needless to say that there were no serious investigations of such cases during the first post-war years. Another type of pressure was related to the policing of the border by some formations of war veterans who actually organised special camps in villages, controlled the movements of local residents and sometimes deprived farmers of their harvests. In the course of time, robbery by members of the armed groups transformed into an established process of racketeering with different groups “sharing” villages and farms while the residents paid them “tributes” in the form of harvest products or money.

Law-enforcement agencies inevitably reacted to the partisan sabotage. In the past, pressure was exercised upon people living in the vicinity of the areas wherein terrorist acts had been committed which resulted in

a significant part of the male population having to re-cross the border and stay in the Zugdidi District waiting for better times. The so-called “mopping-up” operations were carried out by law enforcement structures, in the same way as the examination of documents and the mass detentions, which were frequently undertaken with serious violations of human rights. In previous years, district residents repeatedly reported cases of violence against people who were detained upon suspicion of involvement in subversive acts. In recent years, according to the representatives of international human rights organisations interviewed for the current research, such cases have become extremely rare.<sup>14</sup>

In-depth polls have also revealed other forms of property misappropriation in the Gal District. In recent times, units of the Abkhaz militia were deployed on a permanent basis to protect the population in remote villages. These measures led to the fact that robbery, which often led to murders, was almost eliminated. Most of the respondents confirmed that the security of the residents was enhanced with the advent of permanent militias. At the same time some members of militia groups while protecting the villagers from external robbers, discovered ways for illicit enrichment at the expense of the residents. In some villages, for example, the militia groups blocked the roads during the peak harvest season in order not to let the robbers in. On the other hand, local residents were rendered unable to take out their goods for sale and had to sell their entire crop to militia units—a practice which makes it impossible to set competitive market prices. Residents are also concerned with the issue of the tribute of up to 100 kg of nuts per family, which village administrations claim is a “tax” to pay for land and electricity, for example, but of which the farmers have strong doubts given the fact that the “tax” is not universal and the taxation process not transparent. In order to protect themselves against racketeering and to strengthen their businesses, many residents of the Gal District and Abkhaz from the Oчамчыра and Tқuarchal Districts create joint ventures with such partnerships sometimes being formed with law enforcement officers who resolve all the problems associated with the processing and transportation of agricultural products. As can be seen from the polling results, the nature of the crimes is changing in that they are becoming more benign but systematic and characterised by the involvement of representatives of official structures, mainly mid-level officials.

Summarising the abovementioned, we can

conclude that measures aimed at protecting the borders and eliminating the activities of subversive groups, unfortunately, often had a negative impact upon the local residents who were not protected from arbitrary actions of formal and informal structures. There is still a lack of employees in the sector of border security and law enforcement in the Gal District. In previous years, the situation was worse with the authorities having to accept the help of thievish volunteers which most certainly had an impact upon the security level of the Gal residents and upon the degree of their confidence in the Abkhaz authorities.

A further unsettling fact concerns the cases of land mine explosions—those recently planted rather than the ones planted after the 1992-1993 war—following the August events. Representatives of the Abkhaz leadership deny their involvement in these cases and claim that the measures aimed at border protection do not include the planting of mines. These cases, however, require special investigation.

As concerns the intentions of the Abkhaz Government for the development of the area, it should be noted that in 1999 President Vladislav Ardzinba issued a decree that envisaged the creation of a governmental commission addressing the socio-economic rehabilitation of the Gal District and the provision of good living conditions for the returnees<sup>15</sup>. In 2008, the Abkhaz Government allocated relatively significant extra-budgetary funds (RUB 17 mln) for rehabilitation work in the Gal District for the first time. The funds were not enough to solve all of the District’s problems but the very fact of special attention to the needs of the District did not go unnoticed by the Gal residents.

Going back to the lack of information policy, one should mention that many of the Gal residents find it difficult to say who is financing the area’s rehabilitation projects: whether the Abkhaz Government, local businessmen, the UN or the Danish Refugee Council.<sup>16</sup> Given the increase in the numbers of population in the villages of the Lower Zone, we can say that the situation is changing for the better despite the overall difficulties. Contrary to popular belief, the neighbouring Tқuarchal and Oчамчыра areas face as many problems related to unemployment and crime as the Gal District and this is confirmed by every serious study.<sup>17</sup> Despite a somewhat fair reproach concerning the Abkhaz Government, the foregoing facts suggest that serious problems in the Gal District

are being addressed at a slow rate because of the overall low level of economic development and poor governance, which is characteristic of all parts of Abkhazia, and not because the Abkhaz Government does not see these problems as priority tasks.

### The internal political discourse and the problems of the Gal district

The problems facing the Gal District are one of the key themes of the domestic political discourse in Abkhazia. The unresolved Georgian-Abkhaz conflict, the worsening of the situation on the border, the acts of sabotage in the region and the ethnic and linguistic differences make the problems of the Gal area highly political. After a certain period of non-publicity, the Gal issue is now being increasingly covered in newspapers, statements of political parties and governmental documents in Abkhazia.

In the Abkhaz society there is no universal approach towards the problem. The main disagreement concerns the answer to the question of whether or not to regard the Gal residents as lawful citizens of the Republic of Abkhazia. It should be noted that all Gal residents were considered citizens of Abkhazia prior to the adoption of the Citizenship Law, and elections at all levels were held in the Gal District - although this did not guarantee an absence of problems with passports and other identity documents. Moreover, the Ministry of Defence of Abkhazia also acted upon the assumption that Gal residents are Abkhazian citizens when the Gal youth was recruited to the Abkhaz army. The conscription process sometimes did not include any provisional agenda or warnings to parents, and at times it involved bribes for non conscription. Such violations yielded many complaints<sup>18</sup>. The main objection, however, and without doubt is against conscription prior to citizenship determination. The fact that most Gal residents acquired Georgian citizenship in recent years seriously complicates the situation since under Abkhaz legislation non-Abkhaz citizens of Abkhazia can have only Russian as their second citizenship. At the same time, many residents of the Gal district are interested in acquiring the Abkhaz citizenship since the lack of an Abkhaz passport complicates their life in many situations.

Despite the fact that the vast majority of residents of the Gal District had not participated in the war, they are still regarded as representatives of the Georgian nation, who have close contacts and links

with the Georgian side. In our opinion, the caution, which is taken in the issue of the full integration of Gal residents into Abkhaz society is rooted in the perception of the situation through the prism of threats to the security of Abkhazia rather than in ethnic prejudice. The oppositional political block, which has recently become a political party under the name "The National Unity Forum," has repeatedly warned that a critical approach should be taken with regard to the Government's proposals advocating for the acceleration of the citizenship acquisition process. In their statements and speeches, the members of the party often stress that in the absence of a peace treaty with Georgia, the Georgian citizenship factor should not be underestimated, and so it is for this reason that Gal residents should acquire a residence permit rather than Abkhaz citizenship. "Our major concern ... is the intention to massively grant Abkhaz citizenship to the residents of the Gal District many of whom are citizens of Georgia,"<sup>19</sup> declared the political council of National Unity Forum on 24 December 2008. This view contradicts the approach of the Abkhaz President who has repeatedly expressed his desire to accelerate the process of processing and issuing passports. In early 2007, Bagapsh addressed the residents of the Gal District and stated that the post-war years "demonstrated our resilience and will to build a free democratic society. The residents of the Gal District, the citizens of the Republic of Abkhazia, are part of this society."<sup>20</sup> It must be said that the leadership of Abkhazia also expressed objections to Bagapsh's initiative but the decision was made and as a result within the first two months of 2009 the Gal residents have been issued several hundred passports.

Of course, no one forces the population to acquire Abkhaz citizenship but people do understand that the rights of citizens and holders of residence permits will differ considerably in the near future, although this is likely to happen in practice rather than in theory. An ordinary resident of the Gal District, therefore, chooses to acquire Abkhaz citizenship not because it will grant him the right to vote and to be elected but because it will allow him to legally register property and do business.

If we turn our attention towards elections, it should be noted that the population of Gal feel quite skeptical about this right following the dramatic presidential elections of 2004, which were characterised by the vast majority of Gal residents voting for Bagapsh. Firstly, after the 2004 presidential elections the right

of Gal people to influence the election process through voting was repeatedly questioned by the Abkhaz opposition and, secondly, because the hopes for serious positive changes in the Gal District proved to be too optimistic. Many experts believe, too, that certain passivity of the President in implementing more drastic measures against crime and corruption in the Gal District is a consequence of the schism in Abkhaz society following the elections of 2004.<sup>21</sup>

#### The role of the law enforcement bodies

The law enforcement system of Abkhazia has long been in need of reformation. Unfortunately, however, the consequences of the war did not contribute to a change. Currently, the Abkhaz law enforcement system remains as the one which was established during the Soviet period and which, for obvious reasons, cannot meet modern requirements, when there is a new constitution, new democratic institutions are developing, etc. One of the major problems of the Abkhaz law enforcement system is the fact that during the Soviet period the Abkhaz national police consisted mainly (90 percent) of Georgians. After the war, very few employees were left within the police service which created an urgent necessity to recruit new people. As it happened, people who did not have adequate knowledge, experience or appropriate motivation were very often recruited as police officers. It is widely known that a post-war environment leads to increased levels of crime in all parts of the world with Abkhazia not being an exception thereto. New challenges required a more thorough and effective law enforcement system but the country lacked skilled professional personnel and the appropriate technical resources needed to carry out basic functions. Lacking sufficient resources, therefore, the law enforcement agencies of Abkhazia were forced to survive in conditions of sanctions and an absence of any external assistance. Extremely low salaries contributed to perpetuate corruption which in turn led to a decline in the credibility of the entire department in the eyes of the population.

In the Gal District, the law enforcement environment turned out to be even more difficult. As previously mentioned, the border regions of Abkhazia were flooded with Georgian criminal gangs for many years which were given the political task to target Abkhaz authorities and those who dared to cooperate with them. Dozens of boarder guards, police officers, administration representatives and ordinary citizens have been killed. More than 60 employees of

the Ministry of Internal Affairs were killed in the Gal District. Changes take place at a very slow pace despite all the visible efforts of the current government aimed at stabilising the law enforcement system. Although the problems associated with communication and fuel and equipment are being gradually resolved, it is still very problematic to hire employees who are willing to work in the Gal District.

Currently, the office of the Ministry of Internal Affairs in the Gal District is incomplete with its staffing only at 40 percent, including the positions of immigration services staff and technical staff, with few numbers of detectives. There is not a single district police officer within. The Abkhaz authorities continue to encourage the local population of Gal to work in law enforcement agencies and these initiatives have been noted by international experts<sup>22</sup>. There are many reasons for the local residents to not want to work in the Ministry of Internal Affairs, as indicated in the Report of the Joint Mission on the Situation in the Gal District: "The Joint Mission found out that there is a huge gap between the local Georgian population and local law enforcement agencies which is filled by mutual suspicion. Whilst some local Georgians were employed in law enforcement agencies, the Georgian population is still underrepresented in law enforcement agencies and the local population still treats those employees with a great deal of mistrust."<sup>23</sup> Over the past three years, eight police officers (Gal residents) have been victims of deliberate acts of sabotage in the Gal District.<sup>24</sup> According to the Ministry of Internal Affairs and the Gal Administration, the major obstacle towards attracting residents of the Gal District to work in the law enforcement sector is the insecure border which is infiltrated by saboteurs from the Georgian side<sup>25</sup>, and the Gal residents are afraid to be punished by Georgians<sup>26</sup>. This notwithstanding, however, more people who were acquainted with the local terrain and the language<sup>27</sup> were recruited into law enforcement agencies over the last years even though it is recognised that the recruitment of local people alone cannot change the system as a whole.

Many civil activists who have been interviewed in the framework of the given research, stated that the problems of law enforcement agencies in Abkhazia—and in the Gal District in particular—demonstrate the need for greater public control over law enforcement activities<sup>28</sup>. Interestingly, both administration representatives and various international organisations note that the crime rate has declined sharply since 2005 despite the many difficulties. Three years ago

the Gal law enforcement agencies carried out a very difficult operation during which several gangs involved in robbery and kidnapping were literally destroyed. Since then, incidents of mugging and kidnapping have almost completely been eliminated. According to reports of the Ministry of Interior Affairs in 2007, the total number of crimes against persons committed in the Gal District dropped from 82 cases in 2004 to 63 with the number of homicides dropping from 51 in 2004 to 39 in 2007 and the number of kidnappings from 15 to 11.<sup>29</sup> Law enforcement officials associate the ongoing reduction of crime with the continuing work on strengthening the border since they believe that the majority of serious crimes are rooted on the other side of the Ingur River. This will also enable Gal residents to more actively co-operate with law enforcement agencies and this will help to bring in new staff that is more knowledgeable about the area.

Although the Abkhaz side initially rejected the creation of an international civilian police, such a police team began its work in co-operation with law enforcement agencies in Abkhazia under the auspices of UNOMIG in 2006. The data reflected in the reports of the UN Secretary-General, which represents the amount work carried out by the police department of UNOMIG, is impressive. In 2007, for example, the police conducted 23 training sessions for more than 250 officers of the Abkhaz militia. In 2008, 101 training sessions for 595 officers from various parts of Abkhazia were carried out. These sessions focused on such topics as international standards of policing, road safety, the investigation of economic crimes, modern methods of forensic science, detention of suspects, the use of weapons, etc. The increased UN police engagement indicates the fact that Abkhaz authorities and law enforcement agencies were able to establish trustful working relations. Apart from the training and educational activities, the UN police conducted systematic work in the Gal District to include, inter alia, monitoring and counselling.

#### The internal situation in the Gal district

In recent years external threats to the Gal residents have considerably decreased after a series of measures undertaken both by the Georgian and Abkhaz sides. The severe post-war years in the Gal District, however, led to the creation of an environment in which crimes being committed by the local residents have become frequent. Unemployment, stress, constant tension, an unstable situation and the

lack of citizenship have cumulatively contributed to the spread of a psychological depression among the residents. Alcohol abuse has become common. Problems of domestic violence grew. Criminal views and values have become widespread amongst the younger generations. The general public and police officials claim that theft and robbery is often committed by local residents themselves which is a fact that is also confirmed by experts of the Joint Mission: "... the main danger that residents of the Gal District face are property crimes such as armed robbery, petty theft, looting and extortion. The criminals are both Georgians and Abkhaz. Many local residents reported crimes committed by former residents of their villages."<sup>30</sup>

There are cases when as a result of alcohol abuse there are fights that result in severe injuries or sometimes deaths. It is difficult to determine the precise cause of the problem. It could be related to the difficult economic situation or to the problems related to citizenship and exclusion which stem from the unresolved Georgian-Abkhaz conflict. Most likely, it is a combination of both of these factors. The change of the regime for crossing the border to make it more strict created obstacles for the Gal residents to trade on the Georgian market whilst access to the Abkhazian market is hampered by the absence of an Abkhaz passport and the language barrier. Despite the fact that the human security situation in the Gal District is complicated, the descriptions of "rampant lawlessness," which appear in the Georgian mass media, seem exaggerated. To change the situation positively one has to make an objective assessment first.

The UNOMIG data on the criminal situation in the Gal and Zugdidi districts in 2007<sup>31</sup> and 2008<sup>32</sup> reflected in the UN Secretary General's reports indicate that there is no significant difference in the crime level of the districts compared. On the other hand, if you compare the security situation in the Gal district with that in other districts of Abkhazia, it becomes evident that during the summertime the security environment in the Gal District is even better than in some other parts of Abkhazia. This is also proven by the data collected by the Ministry of Internal Affairs of Abkhazia. The following table shows a comparison of the Gal and Gudauta Districts data for 2005, 2006 and 2007.

**Table I. Ministry of the Interior Data for the Gal and Gudauta Districts of Abkhazia for 2005, 2006 and 2007<sup>33</sup>**

	2005		2006		2007		Total 2005-2007	
	Registered crimes	Serious crimes						
<b>Gal District</b>	<b>94</b>	<b>61</b>	<b>47</b>	<b>24</b>	<b>37</b>	<b>24</b>	<b>178</b>	<b>109</b>
<b>Gudauta District</b>	<b>112</b>	<b>43</b>	<b>86</b>	<b>26</b>	<b>101</b>	<b>44</b>	<b>299</b>	<b>113</b>

Special attention is to be paid to the phenomenon of the merging and co-operation of criminal groups from both sides of the border. The financial interest helped to trespass the border and overcome national differences. Illegal business evolved in different areas and brought together people of different nationalities. There was a time when kidnapping was popular amongst gangs wherein residents were kidnapped in Gal and other areas but the ransom was transferred to Georgia. At other times those who were kidnapped were kept in other parts of Abkhazia. Crimes such as drug trafficking and the illegal trade of gasoline and cigarettes have also flourished. Recently, the situation with drug trafficking and smuggling has changed for the better as a result of the increased control at the Georgian checkpoints, on the one hand, and due to the measures by the Abkhaz Government to strengthen the border, on the other.

### Chapter 3. Data Gathered through Sociological Research

#### Survey methodology

The sociological research consisted of quantitative and qualitative surveys within the framework of this investigation wherein 210 respondents were interviewed. The quantitative poll was conducted in the Gal District by means of special questionnaires (see Annex 1) and covered 186 respondents. The research was performed in three phases; namely, in the months of June, July and December 2008 with the second and the third phases of the research being conducted in order to identify possible changes in public opinion in connection with the series of terrorist attacks carried out in the territory of Abkhazia in the

beginning of July and the radical change of the political situation after the events of August 2008. The results of the quantitative poll were processed through the SPSS programme. The qualitative survey (individual interviews) was conducted with the participation of 24 respondents during the period of April 2008 until January 2009. In-depth interviews were carried out with the representatives of international organisations who work in the Gal District. Representatives of the Abkhaz political circles and power structures were also interviewed, as well as the secondary school teachers and members of local civil organisations in the Gal district. The data of the expert poll was analysed and summarised.

#### Results of the sociological research

Tables presenting the detailed numerical data of the aforementioned three surveys are given in Annex 2.

In spite of the fact that security is undoubtedly one of the most sensitive issues in the conflict, the participants of each of the surveys mentioned unemployment, economic difficulties and transportation (border crossing) as the major problems in the District alongside other problems such as the difficulties in the acquisition of Abkhaz citizenship, the poor state of roads and of the water supply system and several social problems.

The collective information obtained from the three surveys shows important differences in the evaluation of the security situation which can most likely be explained by the particular periods when they were conducted. In the beginning of June (a relatively calm

period) the majority of the respondents indicated the improvement of the situation in the security sphere (at 74.7 percent). However, after a series of explosions, which took away the lives of 4 young people (representative of the Abkhaz Law enforcement structures, local staff member of UNOMIG, and local residents) the respondents indicated that the situation had not changed (66 percent) or changed for the worse (30 percent). An even lower evaluation was received during the interviews taken at the beginning of December following the events of August 2008 when 65.3 percent considered that the situation had deteriorated and 30.6 percent mentioning that it had not changed at all.

When asked which of the violations are the most widespread amongst the local population, the answers were robbery, banditry, extortion, corruption and racketeering. When asked about security threats, the majority of respondents associated the greatest threat with the possibility of military actions, unresolved conflict, the presence of military and the hostile actions which Georgia, Abkhazia or Russia might undertake. It is an interesting fact that some people mentioned the partisans as security threat whilst previously the Gal population had preferred not to discuss this topic.

It is interesting to trace the dynamics of responses to the question about the structures that people appeal to in case of a threat to their security. The answers received during the first phase of the research gave a rather positive picture since people tended to refer to the administration and law enforcement authorities. The picture changes after the series of terrorist attacks, with the respondents perceiving civil and international organisations as the more reliable providers of help and protection. The work of law enforcement authorities was valued correspondingly with 67.8 percent of the respondents during the first phase having a favourable view of their work. During the second phase, however, those interviewed no longer evaluated the work of law-enforcement authorities as satisfactory.

As far as the work of the District Court was concerned, respondents turned out to be quite unfamiliar with the subject, the most frequent reply being «I do not know». The last question of the survey asked to mark the most essential measures needed for security promotion (in their judgment). It should be noted that most of the interviewees pointed out the necessity of signing the Agreement

on the non-resumption of hostilities (63.2 percent during the first poll and 55.1 percent during the second poll). They also noted the improvement of the professional level of law-enforcement officials, the observance of the rule of law and the struggle against corruption as important measures. Many respondents believed that recruiting local residents for the work in the law-enforcement agencies will promote a better security situation. Furthermore, the acquisition of Abkhaz citizenship and border strengthening were often mentioned (in this case the word “strengthening” implied the rule of law rather than prohibition of cross-border movement). 26.5 percent of those interviewed pointed out the need for the renewal of negotiations and the start of a reconciliation process between Georgians and Abkhazians (although this option was not listed in the questionnaire). Summarising the results of the survey, one can conclude that the local people place security issues related to the unresolved conflict in the first place and only thereafter cite the problems of criminality, racketeering and corruption.

Undoubtedly, significant changes took place after Russia’s recognition of Abkhaz sovereignty and the introduction of the Russian military into the territory of Abkhazia. Under these circumstances, it is interesting that the most urgent concern of the Gal population was associated with the acquisition of Abkhaz citizenship and the functioning regime on the frontier. Until recently many of the security problems of the Gal population to some extent have been caused by the ambiguous status of the Gal residents. Russia’s decisive actions and the recognition of Abkhazia, as well as the strengthening of the border were factors, which helped to more clearly define the political context of the Gal residents and settled new tasks for both the Abkhaz authorities and the population of Gal. At the same time in the opinion of the Gal residents, the introduction of the Russian military contingent into the District in August 2008 put the region in danger since Russia and Georgia were in a state of war. According to respondents, the absence of the resolution of the Georgian-Abkhaz conflict can be another cause for the possible confrontation on the border and, at worst, a reason for the renewal of the military actions between Russia and Georgia. The Gal population is more worried about the possibility of large-scale confrontations between Georgian and Russian troops rather than the possibility of acts of provocation on the border. Unlike the rest of the residents of Abkhazia, who regard Russia’s military presence as a reliable security guarantee,

the Gal residents are disturbed by the fact that part of the Russian military contingent is deployed in the territory of the District. However, in-depth interviews of respondents revealed that the main source for these fears is linked to the information spread by the Georgian mass media.

The results of the quantitative and qualitative surveys show that the number of serious crimes in the Gal District has considerably dropped in recent years. However, this does not mean that the crimes have been eliminated altogether. They have acquired more of a grey colouring by taking the form of illegal business, racketeering, corruption and the merging of some law-enforcement representatives with racketeers. Criminality has become less aggressive but at the same time it tends to penetrate more spheres of everyday life.

Summarising all the proposals for strengthening the safety of the Gal residents, one can conclude that apart from the abovementioned suggestions for Georgian-Abkhazian peace negotiations, nearly all of the respondents agreed that it was important to consolidate the rule of law and to strengthen the work of law-enforcement agencies, including through the participation of the local residents. The acquisition of Abkhaz citizenship as well as the consolidation of relations between the Gal District and the rest of Abkhazia also stands amongst the most urgent issues in the process of providing security guarantees to the Gal residents.

## Conclusions

1. From the point of view of security, the situation in the Gal District of Abkhazia remains complicated. Some threats are connected to the aggravation of the situation as regards the Georgian-Abkhaz conflict, while others are related to criminality in general. It is also clear that the criminal situation is in itself in many ways the result of the unresolved conflict. The Gal District will continue to be a hostage of the situation as long as the threat of renewed military action remains.

2. The policy of destabilisation in the Gal District, conducted over many years by the special service in Georgia, has created a basis for the mistrust of the Abkhaz society towards the Gal population and prevents an effective system of security from being established.

3. Whilst the Gal District continues to be in the zone of contradicting and conflicting political projects, the actions of both sides will have an impact upon the security situation in the District. It will be impossible to promote security measures in the Gal District without mutual agreements and coordinated actions, which could be the subject of bilateral negotiations in the future.

4. Any guarantee of security for the Gal residents will require the solving of general and specific problems. The general post-war problems include economic stagnation, alcoholism, drug addiction and the spread of criminal mentality. General problems for the border areas are related to the possibility for committing crimes by members of criminal groups on one side of the border and being covered up on the other side; illegal business (black market and the so called «grey areas») activities close to the border where representatives of official structures are drawn into corrupt and criminal activities. Other general problems are related to the post-war transition period and the underdevelopment of democratic institutions, which include an imperfect legal framework, the weakness of the judicial system, a poor knowledge of legal procedures, civic rights and obligations, poor professional level of the members of law-enforcement agencies, an undeveloped policy in relation to minority groups and the fragility of civic society, etc. The specific problems facing the Gal District in particular are first of all related to the uncertainty concerning the citizenship issue and the status of the returnees, who have not been registered as persons who have returned to their homes. Each of the abovementioned issues contributes to the problem of human security. To improve the general situation it is essential to consistently strive to bring change in each of these directions.

## Recommendations

### Addressing international organisations:

1. To encourage an agreement between the Georgian authorities and the UNHCR on the necessity to register the Gal residents as returnees.

2. To promote negotiations towards the signing of the Agreement on non-resumption of hostilities between Georgia and Abkhazia, given that only guarantees for peace are able to create a solid basis for trust and security in the Gal District.

3. To influence Georgian political circles to discourage all forms of support for subversive

activities on the territory of Abkhazia, which were used in the past.

4. To find the means to influence the Government of Georgia to renounce its pressure tactics against the Gal population and, in particular, its tactics against those co-operating with the Abkhaz governmental institutions.

5. To contribute towards achieving a compromise on a new mandate for the UN Mission so that the Mission continues its presence in Abkhazia and the work under the auspices of the UN joint working group on security is resumed.

6. To encourage a renewal of co-operation in the security sphere on both sides in the form of multilateral meetings and the exchange of updated information by those responsible for law-enforcement in both countries.

7. To organise a mission consisting of international experts to define the needs of the Gal population.

8. To consider the possibility of organising a donor conference to attract financial resources to provide full-scale assistance to the Gal returnees and to restore the infrastructure in Gal as well as in other districts of Eastern Abkhazia.

9. To encourage the cooperation of the UN members, European Union observers and the Russian representatives within the framework of the Medvedev-Sarkozy initiatives and the Geneva process to work towards promoting security on the Ingur Border and implementing measures to stop criminal groups from crossing the border.

10. To urge the European Commission to announce a competition for the Abkhaz NGOs (including in Gal) and human civil rights organisations to work in the field of advocacy and protection of human rights in the Gal District.

11. To find a way to organise a special training programme for law-enforcement officials on such problems as the observance of human rights, tolerance and work with minority representatives, etc.

12. To include Russian structures into the security promotion programmes of Abkhazia, in light of Russia's recognition of Abkhazia and the close relations which exist between these countries, since this co-operation would be directed towards the promotion of stability in the region as something which is in the interest of all sides.

#### Addressing the State structures of the Republic of Abkhazia:

1. To find opportunities to accelerate the issuing of passports for those of the Gal residents who wish to

acquire Abkhaz citizenship.

2. For the Abkhaz Parliament: To establish standard regulations with regard to residence permit status for the Gal population (and for other residents of Abkhazia who do not wish to acquire Abkhaz citizenship) so as to ensure that the legal rights of the population are guaranteed in all questions of purchase, sale, inheritance and business.

3. To encourage the strengthening of local self-governance, including in the Gal district.

4. To encourage representatives of the Gal population to participate more actively in the structures of the Gal Administration.

5. To organise a large scale inspection of the activities of all district subdivisions of the Gal law-enforcement authorities. To elaborate measures (for example, entry into police-training colleges on preferential terms) in order to recruit local residents for the work in law-enforcement structures.

6. To elaborate a system of measures to improve the professional level of law-enforcement structures in border areas taking into account and using the training resources of the UN police.

7. To promote security and order on the Ingur border so as to provide the Gal residents with proper conditions for crossing the border and to maintain control of border operations so as to prevent corrupt practices and human rights abuse.

8. To find the means to organise a Gal television channel to broadcast in the Georgian language so as to provide the residents of the District with reliable information about current events.

9. To organise investigations upon each report on extortion and other types of crimes committed by administrative officials against the Gal population as a means for putting this practice to an end.

10. To organise the inspection of the current taxation system in the Gal District in order to detect cases of abuse and establish a standard and transparent taxation system.

11. To provide conditions for the work of registered companies purchasing farm products in the Gal District and to ensure that work can be carried out in an uninterrupted fashion in the receiving centres.

#### Addressing the Abkhaz civic organisations:

1. To include representatives of Gal NGOs in their work in different districts of Abkhazia to inform young people and civic activists about the problems and needs facing the Gal population and about the security problem in the border areas.

2. To elaborate measures which would stimulate

the co-operation of activists and civic organisations with the structures of local self-government and the Administration of the Gal District.

3. To encourage citizen participation in campaigns for greater transparency in administration, law enforcement and taxation system, to develop and establish mechanisms for civilian control and to use the options that are open through the Public Chamber and the President's Plenipotentiary Representative on Human Rights.

4. To encourage the creation of reliable television and radio programmes reporting on the problems of security in the Gal District.

## Annex I

### Questionnaire

Place of residence

Sex

Age

Nationality

Place of employment

1. What is the most urgent problem for the people of the Gal District?

2. Do you think that the situation in the region has improved from the point of view of security? Recently (the past three-to-four years)? It has changed for the worse. It has not changed at all.

3. What types of crimes do the people of the Gal District face most often?

4. What or who in your opinion is the major source of safety threat?

5. Which institutions will you address in the case of a situation which threatens your safety?

- a) Village and or region administration
- b) Regional police
- c) International organisations (UN, OSCE)
- d) Public organisations
- e) Central authorities of Abkhazia
- f) Other institutions

6. How do you evaluate the work of the regional law-enforcement authorities in supplying safety?

- a) Satisfactory
- b) Unsatisfactory
- c) I do not know

7. How do you evaluate the work of the Gal District court?

- d) Satisfactory
- e) Unsatisfactory
- f) I do not know

8. What in your opinion can help to strengthen the level of safety for the Gal residents?

- a) Improvement of the professional level of law-enforcement officials
- b) Signing of the agreement on non-resumption of hostilities
- c) Fight against corruption
- d) Strengthening of the Georgian-Abkhaz border
- e) Involvement of District residents in the work of local administration
- f) Acquisition of Abkhaz citizenship
- g) Observing the laws
- h) Other reason

Date

Interviewer's Signature

## Annex 2

### Data from the Sociological Surveys

I – June 2008.

87 people from the Gal District were interviewed. Of these: 79 people from Gal (91%) and 8 people from various villages (9%). Of these: 37 men (42.5%), 50 women (57.5%); 82 Georgians (94.3%); 12 between the ages of 19 - 30 (13.8%), 52 between the ages of 31 - 50 (59.8%), 23 between the ages of 51 to 76 (26.4%). Social position: 37 unemployed (42.5%), 4 housewives (4.6%), workers and clerks comprising the remainder:

II – July 2008.

50 people from the Gal District were interviewed. Of these: 37 people from Gal (74%), and 13 people from various villages (26%). Of these: 24 men (48%), 26 women (52%); 48 Georgians (96%); 7 between the ages of 18 - 30 (14%), 34 between the ages of 31 - 50 (68%), 9 aged 51 and older (18%). Social position: 26 unemployed (52%), 4 housewives (8%), 1 businessman, school teachers and merchants comprising the remainder:

III – December 2008.

49 people from the Gal District were interviewed. Of these: 38 people from Gal (77.6%), 11 people from various villages (22.4%). Of these: 21 men (42.9%), 28 women (57.1%); 44 Georgians (89.8%); 16 between the ages of 18 - 30 (32.7%), 22 between the ages of 31 - 50 (44.9%), 10 aged 51 and older (20.4 %). Social position: 20 unemployed (40.8%), 2 housewives (4.1%), 3 students (6.1%), 23 workers and clerks.

### Perception of Security Problems by the Gal Population

Table 1. Data from three surveys conducted in the Gal District. “The most urgent problem in the District.”

Problem	June 2008 (87 respondents)	July 2008 (50 respondents)	December 2008 (49 respondents)
Economic problems, unemployment	35 (40.2%)	15 (30%)	14 (28.6%)
Security	12 (13.8%)	-	2 (4.1%)
Social problems	9 (10.3%)	-	-
Border crossing	8 (9.2%)	22 (44%)	-
Acquisition of Abkhaz citizenship	7 (8.0%)	-	13 (26.5%)
Fear of war	-	-	8 (16.3%)
Corruption	1	6 (12%)	-
National rights	1	-	4 (8.2%)
Lack of roads and water supply	10 (11.5%)	-	-

Table 2. Assessment of the Security Sphere in the Last 3-4 Years

Respondent's answer	June 2008 (87 respondents)	July 2008 (50 respondents)	December 2008 (49 respondents)
Has improved	65 (74.7%)	-	2 (4.1%)
Has changed for the worse	1	15 (30%)	32 (65.3%)
Has not changed	14 (16.1%)	33 (66%)	15 (30.6%)

Table 3. The Most Frequent Violation of Laws Faced by the Gal Population

	June 2008 (87 respondents)	July 2008 (50 respondents)	December 2008 (49 respondents)
Robbery and banditry	22 (25.3%)	7 (14%)	27 (55%)
Extortion	14 (16.1%)	-	3 (6.1%)
Violation of human rights at border crossing and interaction with representatives of the authorities	12 (13.8%)	2 (4%)	2 (4.1%)
Corruption	3 (3.4%)	20 (40%)	-
Racketeering	3 (3.4%)	19 (38%)	1

Table 4. Sources of Security Threats

	June 2008 (87 respondents)	July 2008 (50 respondents)	December 2008 (49 respondents)
Resumption of the war	17 (19.5%)	-	4 (8.2%)
Russia	15 (17.2%)	-	-
The conflict between Georgia and Abkhazia	20 (23%)	-	-
Crime, organised criminality	7 (8%)	10 (20%)	9 (18.4%)
Drug addiction	4 (4.6%)	1	-
Armed people	-	10 (20%)	-
Military men	-	-	12 (24.5%)
Law-enforcement structures and bureaucracy	-	8 (16%)	-
Partisans	-	-	3 (6.1%)

Table 5. Which Institutions Would You Address for Assistance?

	June 2008 (87 respondents)	July 2008 (50 respondents)	December 2008 (49 respondents)
Administration	47 (54%)	6 (12%)	17 (34.7%)
Law-enforcement structures	40 (46%)	5 (10%)	15 (30.6%)
International organisations	20 (23%)	16 (32%)	14 (28.6%)
Civil organisations	11 (12.6%)	18 (36%)	9 (18.4%)
Central authorities	11 (12.6%)	4 (8%)	6 (12.2%)
None	7 (8%)	-	2 (4.1%)
Friends or relatives	2 (2.3%)	-	2 (4.1%)

Table 6. Assessment of the Work of Law-Enforcement Authorities

	June 2008 (87 respondents)	July 2008 (50 respondents)	December 2008 (49 respondents)
Satisfactory	59 (67.8 %)	0	4 (8.2%)
Unsatisfactory	12 (13.8%)	25 (50%)	22 (44.9%)
I do not know	17 (19.5%)	25 (50%)	23 (46.9%)

Table 7. Assessment of the Work of the District Court

	June 2008 (87 respondents)	July 2008 (50 respondents)	December 2008 (49 respondents)
Satisfactory	10 (11.5%)	0	5 (10.2%)
Unsatisfactory	7 (8%)	15 (30%)	20 (40.8%)
I do not know	69 (84.1%)	35 (70%)	24 (49%)

Table 8. What Can Help to Strengthen the Level of Security of the Gal Population?

	June 2008 (87 respondents)	July 2008 (50 respondents)	December 2008 (49 respondents)
Improvement of professionalism of the officials on the border zone	15 (17.2%)	13 (26%)	8 (16.3%)
Signing of the agreement on non-resumption of hostilities	55 (63.2%)	2 (4%)	27 (55.1%)
Fight against corruption	14 (16.1%)	13 (26%)	7 (14.3%)
Border strengthening	10 (11.5%)	1	13 (26.5%)
Recruitment of local people for the work in the border zone	16 (18.4%)	3 (6%)	12 (24.5%)
Acquisition of Abkhaz citizenship	10 (11.5%)	4 (8%)	12 (24.5%)
Compliance with the law	27 (31%)	14 (28%)	24 (49%)
Renewal of peace negotiations	-	-	13 (26.5%)

## Endnotes

<sup>1</sup> "Abkhazia: The Way Forward," ICG Report No. 179, 2007, p. 16.

<sup>2</sup> N. Akaba, "The Gal District: Confrontation or Cooperation?," Aspects of the Georgian-Abkhaz Conflict, Vol. 14, Istanbul, 2007.

<sup>3</sup> UNOMIG, Report of the Joint Mission on the Situation in the Gal District, 20-24 November 2000, pp. 58.

<sup>4</sup> [www.civil.ge](http://www.civil.ge)

<sup>5</sup> C. Langton, Grassroots Security in the Georgian-Abkhaz Conflict, unpublished report, 2004-2005.

<sup>6</sup> Interviews with representatives of the Gal District Administration.

<sup>7</sup> Interviews with non-governmental organisations in the Gal District.

<sup>8</sup> Report by the UN Secretary General. [www.daccessdds.un.org/doc/UNDOC/GEN/N08](http://www.daccessdds.un.org/doc/UNDOC/GEN/N08)

<sup>9</sup> Report by the UN Secretary General. [www.daccessdds.un.org/doc/UNDOC/GEN/N08](http://www.daccessdds.un.org/doc/UNDOC/GEN/N08)

<sup>10</sup> Interviews with residents of the Gal District, Low Zone, April 2008.

<sup>11</sup> "The Test of Democracy," documentary film by V. Komakhidze, Kavkasia Television, 2008.

<sup>12</sup> "Abkhazia: The Way Forward," ICG Report No. 179, 2007, p. 24.

<sup>13</sup> M. Gurgulia, "The Integration Experience of Refugees and Returnees in Abkhazia," Conference Report.

<sup>14</sup> Interviews with representatives of international organisations.

<sup>15</sup> M. Gurgulia, op. cit.

<sup>16</sup> Interview with leaders of Gal-based NGOs.

<sup>17</sup> C. Langton, op.cit.

<sup>18</sup> Interviews with Gal-based employees of NGOs.

<sup>19</sup> [www.regnum.ru/news/1104493.html](http://www.regnum.ru/news/1104493.html)

<sup>20</sup> [www.abkhaziagov.org](http://www.abkhaziagov.org), 6 February 2007

<sup>21</sup> C. Langton, op. cit.

<sup>22</sup> C. Langton, *ibid.*

<sup>23</sup> UNOMIG, Report of the Joint Mission on the Situation in the Gal District, 20-24 November 2000, p. 49.

<sup>24</sup> Interview with members of the the Gal District Administration.

<sup>25</sup> Interview with the Ministry of Internal Affairs of Abkhazia.

<sup>26</sup> Interview with leaders of Gal-based NGOs.

<sup>27</sup> Interview with Gal-based NGOs.

<sup>28</sup> Interview with Sukhum-based NGOs.

<sup>29</sup> Data from the Information Division of the Ministry of Internal Affairs of Abkhazia, 2008.

<sup>30</sup> UNOMIG, Report of the Joint Mission on the Situation in the Gal District, 20-24 November 2000, p. 56.

<sup>31</sup> [Http://daccessdds.un.org/doc/UNDOC/GEN/N07](http://daccessdds.un.org/doc/UNDOC/GEN/N07)

<sup>32</sup> [Http://daccessdds.un.org/doc/UNDOC/GEN/N08](http://daccessdds.un.org/doc/UNDOC/GEN/N08)

<sup>33</sup> Analytical data on the status of crime control, Legal and Judicial Reform Committee. 2008.

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## WAYS OF RESOLVING THE PROBLEMS OF CRIME AND ENSURING SECURITY OF THE POPULATION IN THE ZUGDIDI DISTRICT OF GEORGIA AND ALONG THE LEFT BANK OF THE RIVER ENGURI

### Introduction

#### Structure of the document

The security of the population residing on the left bank of the River Enguri has been a most acute problem for approximately two decades owing to this area's proximity to the cease-fire line and the continual lack of stability therein. The August 2008 events temporarily disrupted police services and aggravated the security problem of the Georgian population to an even greater degree.

The **Introduction** presents the structure of this document, provides the justification and underlines the significance of the problem under study and highlights its goal, the objectives and methods employed within and offers a hypothesis. **Chapter 1** describes combating corruption and crime in Georgia over the period from 2003 to 2008 and the reforms carried out in Georgia's law enforcement bodies. **Chapter 2** presents an analysis of combating crime in the Zugdidi District and of the role which law enforcement structures played in ensuring the security of Georgian citizens. **Chapter 3** deals with the problems faced by the local administration and law enforcers in providing security for the population in the wake of the August 2008 events. The **Conclusions** summarise the lessons learned and offer recommendations and methods for resolving the abovementioned problems.

#### Substantiation and significance of the problem under study

From 2004 Georgia (including the Zugdidi District) was the scene of large-scale anti-crime, anti-smuggling and anti-corruption operations. Until August 2008, however, smuggling across the cease-fire line between the Zugdidi and the Gali Districts was the main problem since the complete lack of any kind of systematic co-operation between the police forces in these districts turned this "security zone" into a safe haven for professional criminals who were able to seek refuge from police on the other side

of the line. This reality jeopardised the population's security, promoted distrust between Georgian and Abkhaz political and law enforcement structures and undermined the possibilities of the resolution of the conflict whilst weakening stability, stalling economic growth in the area and preventing Georgian-Abkhaz co-operation.

The security of the population became one of the top-priority problems after the August 2008 events in the light of the growing diplomatic role of the EU in the Georgian-Abkhaz negotiations process. Clearly, the co-ordinated work of the Georgian and the Abkhaz law enforcement structures and joint efforts at combating crime on both sides of the cease-fire line are preconditions for the successful implementation of any economic development projects initiated by the EU and the safe return of the returnees to their homes in Abkhazia. Despite the reform of the Georgian police force and a dramatic decrease in the crime rate in the Zugdidi District, criminals, illegal gangs and semi-military formations still exist and remain active in the areas which are beyond control of the relevant law enforcement bodies. Observable in the wake of the August events is the increase in the occurrence of acts of violence alongside the cease-fire line, including the murder of police officers, with the bodies powerless to put this appalling situation under efficient control.

During the course of the Geneva negotiations, all the parties agreed that the improvement of the security in the conflict areas was an urgent necessity and that the return of the returnees to their homes in Abkhazia would be feasible only after the creation of relevant conditions to ensure their security which, in its turn, requires at least a modicum of trust between the conflicting sides. No trust can be built, however, without unbiased international monitoring on both sides of the cease-fire line and without mechanisms for strengthening this trust by way of exchanging

information with a view to preventing any new incidents and reducing tension and violence which, if unattended, has the potential to ultimately bring about a new catastrophe.

#### Goals and objectives of the study

The principal goal of the present study is to explain the reason for the insecurity of Georgian citizens residing in Zugdidi and along the course of the River Enguri and to elaborate recommendations for the EU concerning ways and means for resolving this problem with a view to efficiently ensuring the security of the population and for creating relevant favourable conditions for economic and humanitarian development therein. To this end, two main types of security threats are considered; namely, criminal activity and the Russo-Georgian conflict.

Proceeding from the above, the specific objectives of the study are:

- Reforms of the police force of Georgia and their impact upon the crime rate in the Zugdidi District and along the course of the River Enguri.
- The problem of the security of Georgia's citizens vis-à-vis the criminogenic situation.
- Typical forms of criminal activities across the cease-fire line.
- The state of security of Georgian citizens alongside the cease-fire line.
- The role of the EU in ensuring the security of Georgian citizens in the Zugdidi District and along the course of the River Enguri.
- The role of the EU in connection with the prospects of Georgian-Abkhaz co-operation for the insurance of the security of Georgian citizens residing along either side of the course of the River Enguri.

#### Methods employed

Security, organised crime and smuggling are multi-fold research themes which require a multidisciplinary approach. The present study, while taking into account legal, political, economic, social and other aspects, results in the conclusions and recommendations.

#### Sources

The present study is based upon an analysis on both primary and secondary sources including: circulation of questionnaires and interviewing respondents residing in proximity to the cease-fire line, Georgian

legislation concerning combating crime, publications (electronic and print press), radio and television programmes, dossiers of criminals, documents and materials from government and law enforcement bodies, inquests and investigations undertaken by journalists upon their own initiative and information provided by non-governmental organisations and private individuals (Georgian citizens).

#### Impediments in the course of investigation

Investigation into the sphere of organised crime and smuggling is a precarious venture and requires special care concerning the safety of both the researcher and his respondents. In many aspects, obtaining information from smugglers necessitates putting under restraint the variety of research methods and techniques. The use of sociological questionnaires amongst those who peddle smuggled goods in the market at Zugdidi, for example, is totally ruled out. The researcher, therefore, was required to confine his activities to observation and informal conversations in one-to-one meetings although statistical data also found their place within the current study.

The reliability of the information obtained from both primary and secondary sources is further specific problem in investigating crime. The problem of Abkhazia is over-politicised and, as a rule, the information about this territory remains extremely biased. Regrettably, there are very few unprejudiced investigative studies. The flow of smuggled goods is difficult to trace because of its latent nature and the mistrust which dominates this kind of activity with this mistrust going to its extreme in relations between the police and the political forces on either side of the cease-fire line. Where ever possible, the author of this study resorted to the method of verification by way of a comparative analysis of the information obtained from alternative sources which yielded a rather precise picture showing the stage of combating crime in the Zugdidi District and along the course of the River Enguri.

Contrary to the expectations, however, there was success with the sociological opinion polling regarding the attitude of the population to the major threats to their security although it was not without some restraints owing to a high level of fear and suspicious mistrust on the part of the respondents when they were asked to answer questions concerning their security. This was especially true amongst those who found themselves in the epicentre of warfare in August 2008.

## Hypothesis

Before August 2008, there was hope that conducting joint police operations with a view to ensuring the security of the population on both sides of the cease-fire line would be possible. The events of the conflict, however, seriously undermined any prospects of direct co-operation between Georgian and Abkhaz police forces and continues as an impossibility due to the extreme mistrust, hostility and intolerance in the relations between the law enforcement structures, local administration authorities and the majority of the local population on both sides. From August 2008 onward, the EU emerged as the most important actor which could guarantee the security of Georgian citizens and assume the role of an intermediary in the negotiations between the Georgian and Abkhaz sides. The EU is in a position to elaborate a well substantiated and mutually acceptable action plan for ensuring the security of Georgia's population with the participation of local law enforcement bodies, the central government, the local administration, NGOs, the mass media, the ombudsman's office, the general public and donor organisations. The implementation of this plan through expanding the mandate and the terms of reference of the EU Monitoring Mission (EUMM) could essentially raise the level of security of Georgia's citizens on the left bank of the River Enguri.

## Expected results and their strategic value

Given the political will and favourable circumstances, the present study—including practical recommendations primarily addressed to politicians, policy makers and experts in the EU—can well be used in the elaboration and implementation of practical programmes aimed at ensuring the security of Georgian citizens by way of enhancing the pitch of combating organised crime and the threats that emanate from the after-effects of the August 2008 events in the area of Georgian-Abkhaz confrontation.

## Chapter I. Corruption and Crime in Georgia after the “Rose Revolution”

### Corruption

According to Transparency International, widespread corruption remains a factor stunting Georgia's economic development even though Georgia has made considerable success in moving

from 124th place in 2003 to 67th place in 2008 according to the organisation's corruption perception index.<sup>1</sup>

In poorer countries, such as Georgia, the problem of corruption has two levels; namely, the level of high-ranking officials who inspire corruption, create and establish it as a system and then draw super-profits from it and the level of middle- and low-rank bureaucrats whose salaries are below the subsistence minimum and for whom corruption is a means of eking out a living.

The year 2004 was marked by a series of arrests of the most notoriously corrupted higher state officials who, however, were offered the possibility of buying back their freedom by returning the hundreds of millions of stolen dollars to the state treasury. This method was borrowed from the arsenal of tools for combating the mafia in Italy and the United States. The rationale herein is that it is better for a mafioso to be released from prison in exchange for his financial and material levers by which he exercises control over criminal groups rather than keep him incarcerated and give him the possibility to manage his property from jail and keep his criminal groups engaged. In Georgia, the returned material and financial resources were channelled towards redressing the most acute socio-economic problems in the country.

Arrests of corrupted officials continued at a lower level with members of the law enforcement structures amongst them. This campaign yielded positive results in that bribe-taking has now become a highly risky affair in Georgia. The results, however, came forth from the subjective efforts alone and needed to be further consolidated through institutional reform. As a result, radical reforms were carried out in all sectors of the central and local administration aimed at establishing new institutions and a system of social relations under which every incumbent should be appetent to do his duty as is expected from an honest member of society. Of these, the most successful was the reform in the sphere of education and the transformation of the former traffic police into a patrol police which has resulted in the replacement of the most notoriously corrupted services inherited from the Soviet period with more progressive systems of the Western model.

### Crime

In the 1990s, organised crime in Georgia manifested

itself mostly in the form of politico-criminal clans and gangs fused together with law enforcement structures and dealing mostly in the kidnapping of both foreign and local businessmen or their relatives for ransom with another sphere of their activities engaged in illegal arms trafficking.<sup>2</sup>

From the early 1990s, the region of Ajara was completely under control of the politico-criminal clan of Aslan Abashidze who enjoyed special support from the Kremlin. Having seized power in Ajara, Abashidze and his clan virtually straddled this autonomous republic and cashed in on the illegal money extorted from travellers by customs officers at the border crossing point of Sarpi at the Turkish-Georgian border; at the port of Batumi and from local businesses whilst his cronies controlled drug trafficking. This clan was protected by special military detachments armed with weapons from the arsenals in the local Russian military base with Abashidze having officially subordinated himself to Ajara's Ministry of the Interior and the Ministry of State Security which, together with the customs, had previously been under the Central Government of Georgia.<sup>3</sup>

Another form of organised crime was in the detachments of guerrillas which began smuggling fuel, cigarettes and other goods across the cease-fire line in the Georgian-Abkhaz conflict area immediately after the end of the war in Abkhazia in 1993. Formally, these detachments were detailed to harass Abkhaz side although in actual fact they worked well together and co-operated in the smuggling business. Additionally, there were also a number of Georgian-Ossetian criminal groups which acted on the territory of South Ossetia.<sup>4</sup>

In 2004-2005, all these forms of organised crime were suppressed. The guerrilla formations in the area of Georgian-Abkhaz conflict were disarmed and disbanded, Georgian and, to a certain extent, Ossetian criminal groups were detained and ceased to exist such as, for instance, the criminal group "OOO Express Service" which operated at the Ergneti market in the environs of Tskhinvali. As for the Abashidze's regime in Ajara, it was overthrown on 6 May 2004.

March 2004 saw the liquidation of a large criminal gang in the Svaneti region headed by Omekhi Aprasidze and his two sons. The gang was cornered in the village of Etseri in the Mestia District of Svaneti

with 200 commandos, supported by ten helicopters together with some units of the Georgian State Ministry of the Interior and State Security, seizing over 40 members of this criminal group who had long been terrorising the local population and attacking visiting tourists.

Statistical data of the Ministry of the Interior show the reduction of the crime rate in 2006<sup>6</sup> and of the numbers of petty offences in 2007 and 2008 although drug trafficking remains a serious problem.

#### Reforms in the police force

Combating corruption and crime in other sectors of society, as well as the free movement of people and goods and efficient economic development, are impossible unless the corrupt law enforcement system undergoes radical reforms. These reforms became one of the central components in the process of the optimisation of Georgia's state governance system and involved all administrative structures: the system of public prosecution, the police force, border guards, the courts of justice, the penitentiary system and the financial police under the Ministry of Finance.

The main reform of the police force in Georgia began in the wake of the "Rose Revolution" in 2003 with a total purge and cleansing of the ranks in the law enforcement system. As many as 32 thousand police officers were fired, which constituted approximately 70 percent of all the personnel of the Ministry of the Interior, and which dealt a crushing blow to the long standing corruption and criminal links in the force. The Ministries of the Interior and State Security were merged into one structure with considerable numbers of professional state security officers having joined the ranks of the police which helped to raise the discipline and quality of crime detection. The troops of the Ministry of the Interior were subordinated to the Ministry of Defence and then were also subjected to reforms. Border guards became a part of the Ministry of the Interior and experts were invited from German border police departments and American coast guards to actively participate in reforming this unit from a defence structure into a Border Police Department. On the whole, the structural changes and reshuffling of the personnel of the Ministry of the Interior may be assessed as positive although the reforms also had negative aspects at the implementation stage such as the unemployment of dismissed police officers and the low levels of competence and proficiency of the

newly recruited personnel. Unfortunately, the state never bothered to elaborate programmes of social rehabilitation for the ex-policemen and—given that many of them used to live off of an illegal income and criminal contacts whilst never relinquishing their ID cards as officers of the Ministry of the Interior and presumably still possessed unregistered firearms—there was a danger that some of them could very well be expected to join the criminal world as a means of survival. It bears repeating that the ultimate objective of the abovementioned reforms of the forces was to increase their efficiency in combating corruption and organised crime.

On the one hand, the reduction in the numbers of police officers brought about a temporary increase of the incidence of petty crimes and minor offences in the first years of the reform although, on the other hand, the purge and cleansing of the law enforcement system resulted in an essential weakening of organised crime in Georgia.

The Ministry of the Interior set itself the following tasks in the process of undertaking the reforms:

1. Structural reorganisation and optimisation of the entire Ministry.
2. Creation of an overall system of personnel management.
3. Protection of human rights and a closer interaction between the general public and the police.
4. Technical re-equipment of the Ministry to the level of contemporary standards.

The traffic police (the former State Automobile Inspection) was disbanded in its entirety as the most corrupt structure of the Ministry of the Interior and was replaced by a new patrol police which assumed its duties on 15 August 2004. The patrol police began to function in Tbilisi in October 2004 when approximately 400 additional police officers began patrolling the streets of the city on foot. These patrols quickly won the trust of the population of the capital which is corroborated by the results of sociological opinion pollings. This change was possible due to the recruiting of new personnel who were trained by experts from the United States and Western Europe together with the acquisition of modern new equipment, vehicles, weapons and uniforms, substantially increased salaries, rigid discipline and interior control. The following duties are within the purview of the patrol police in Georgia: patrolling streets and thoroughfares, traffic control, functions of

district police officers, timely arrival at the scene of the crime or accident, prevention of street robbery, pick-pocketing and acts of hooliganism; state registration of vehicles and all kinds of firearms, the prevention of conflicts between people and providing paramedical services.

#### General analysis of crime in Georgia in 2003-2007

Following the “Rose Revolution”, combating organised crime rose to the top of the list of priorities for the new Georgian government. On numerous occasions, President Saakashvili spoke of a total and absolute intolerance to crime and a massive attack against criminal structures as early as 2004 resulted in a considerable reduction of the country’s crime rate. Moreover, the adoption of the Law on Organised Crime and Racket in 2005 enabled the law enforcers not only to arrest dozens of the so-called “godfathers,” also known in street slang as “bigs” or “big shots” (that is, thieves wielding great authority in the criminal underworld) but also to confiscate their property. According to this Law, the very identification of a criminal as a “big” exposes him to imprisonment for a minimum of six years.

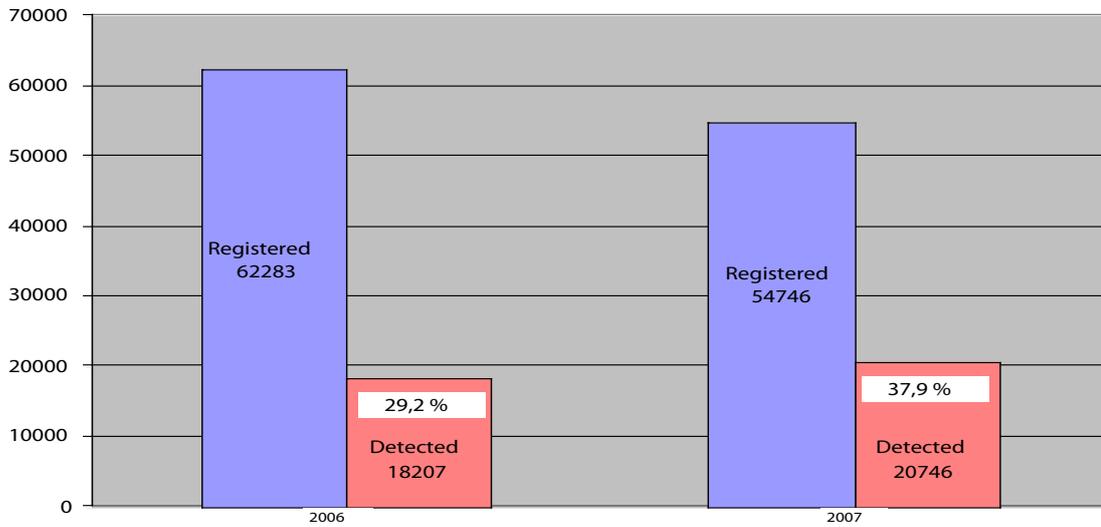
Currently, Georgian “bigs” are either serving their terms in prison or are on the run, often hiding themselves abroad. In actual fact, “bigs” have ceased to exist in Georgia and this particular criminal qualification has been eradicated. The successful reform spearheaded against corruption in the law enforcement structures has stripped the Georgian “bigs” of their former image of omnipotent figures. Moreover, they have lost their authority in prisons wherein they had formerly kept under tight control for the past decades.

In the 1990s, many young men—especially juveniles—dreamed of making themselves “big shots” which they associated with power over other people, influence in society and overall personal affluence. Nowadays, these youngsters know full well that being a “big shot” implies spending a greater part of their life in incarceration. The isolation of “big shots” from society, together with the confiscation of their financial ill-gotten gains, movable property and real estate, has resulted in a loss of their influence both in the criminal underworld (in Georgia and elsewhere in the CIS countries) and amongst the general public, especially within the younger community. Currently, one can safely state that the sway of the Georgian “bigs” at home and abroad (Russia, Ukraine and Western Europe) can be best described as a myth rather than a fact of life.

There continues to be a toughening of legislation for petty crimes. Being found guilty of a minor offence, such as stealing a mobile telephone, for example,

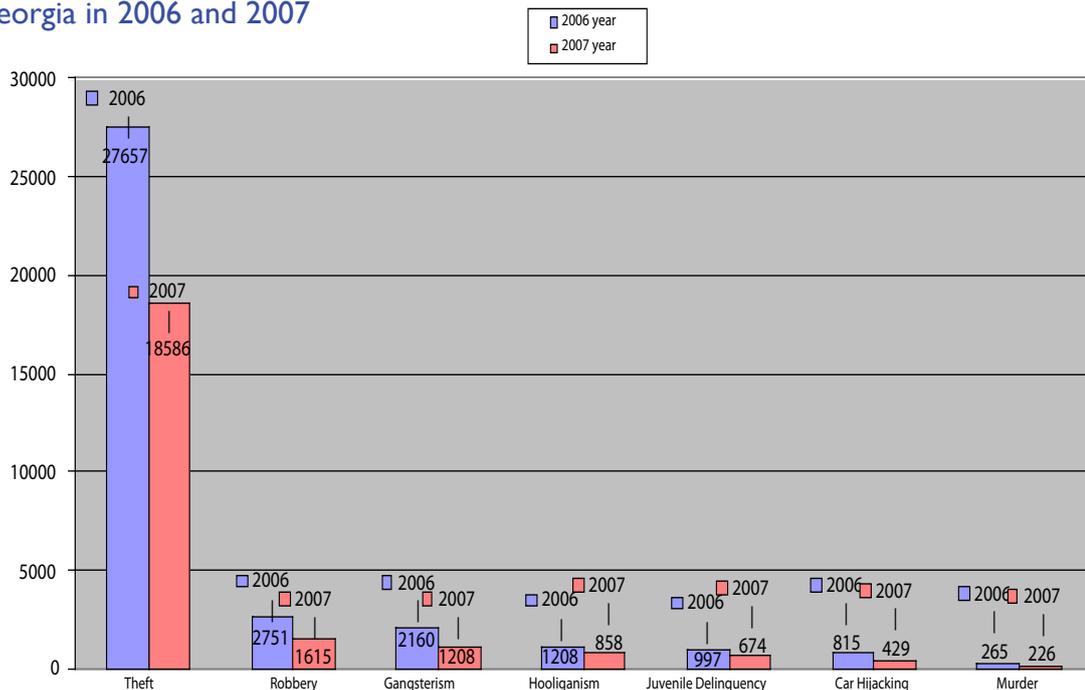
could result in a ten-to-15 year prison sentence. This reality has directly influenced the decrease in the crime rate in Georgia (see Charts 1 and 2).

**Chart 1. Total numbers of registered and detected crimes in Georgia in 2006 and 2007**



Source: Georgian Ministry of the Interior Affairs

**Chart 2. Types of registered crimes in Georgia in 2006 and 2007**



Source: Georgian Ministry of the Interior Affairs

Additionally, Georgian police have also destroyed and liquidated semi-military criminal gangs which were active in the Kodori Gorge in Abkhazia and in Svaneti. In the course of these operations in 2006, the Ministry of the Interior seized a great deal of weaponry including such hazardous items as "Strela" and "Igl'a" rockets. Simultaneously, dozens of criminals who sought refuge in these regions were put under arrest.

## Chapter 2. Combating Organised Crime and Smuggling in the Zugdidi District in 2003-2008

### General analysis of combating organised crime and smuggling in the Zugdidi District

It is quite evident from numerous interviews with police officers from Zugdidi that the crime rate in this area has substantially decreased over the last few years. Nevertheless, the problem of criminality remains exceedingly pressing owing to the proximity of the Zugdidi District to the cease-fire line and the criminogenic tension in the neighbouring Gali District in Abkhazia. According to a high ranking police officer in Zugdidi, "the population of the Gali District, especially that residing in its lower part, is under constant pressure of local criminals and law enforcers of Abkhazia who terrorise these people."<sup>8</sup>

For fear of Georgian military threat and because of the economic dependence upon Russia, the majority of ethnic Abkhaz prefer to live in the western part Abkhazia, particularly in Gagra, Gudauta and Sokhumi. Conversely, ethnic Georgians mostly live in the Ochamchire and Gali Districts with the latter bordering the Zugdidi District. In the lower part of the Gali District, criminal tension tends to mount and becomes particularly explosive at the time of harvesting hazelnuts, tangerines and oranges. Local criminal gangs keep the hazelnut business under their control with many families being robbed of their yield during the harvesting periods.

Additionally, the Gali District has turned into a safe haven for criminals from Georgia, Russia and other CIS countries wherein they are able to keep a low profile and avoid capture. According to a Zugdidi police officer, approximately 80 percent of suspected criminals find a place to hide in the Gali District. Several professional criminals and aforementioned "big shots," amongst them Gia Meporia, Irakli Buliskiria and Kakha Ashilbaia, have also settled there. These

criminals maintain close contacts with Abkhaz law enforcers whilst Abkhazia's authorities turn a blind eye to the crimes perpetrated by these men within the Zugdidi District. Georgian police officers believe that some Abkhaz law enforcers use motorcars which had been hijacked and stolen elsewhere in Georgia.<sup>9</sup>

On the other hand, the de facto Abkhaz authorities blame the Georgian side for aggravating the criminogenic situation in Abkhazia. The head of the anti-terrorist centre of Abkhazia, for example, claims that Georgia carries out terrorist activities on its territory. He also alleges that ethnic Georgians living in Abkhazia receive browbeating telephone calls from Georgia with threats of severe retaliation for collaboration with Abkhaz law enforcement structures.<sup>10</sup>

Conversely, representatives of these structures maintain that the criminogenic situation in the Gali District is even better than in western Abkhazia. According to Constantine Adleiba, the de facto Deputy Minister of the Interior of Abkhazia, the crime rate in Abkhazia has been decreasing on the average by 14.6 percent over the last three years. Interestingly, according to official Abkhaz sources, the crime rate in the Gali and Ochamchire Districts is much lower than elsewhere in Abkhazia.<sup>11</sup>

Despite the fact that Georgian guerrillas who acted in the Zugdidi and the Gali Districts had been disbanded by President Saakashvili in 2004, the flow of smuggled goods from Abkhazia continues across the cease-fire line.<sup>12</sup> The volume of contraband, however, has essentially diminished and smuggling is now carried out mainly by small-time peddlers. The corruption pyramids, which formerly linked Georgian guerrillas with police and state security officers who used to constitute the core of smuggling networks, are no longer there. The police have severed their ties with contraband related activities and are now actively fighting against it.

### Drug trafficking

Georgia does not manufacture heroin<sup>13</sup> but it serves as one of the important transit corridors through which drugs are transported from Asia to Europe. Heroin, produced in Central Asia, Afghanistan and Iran for sale in Europe, is transported across Azerbaijan and Georgia through the crossing point at Sarpi on the Turkish-Georgian border or through the Black Sea ports of Batumi, Poti and Sokhumi. Some

amounts of the drug are transported to Russia and Europe across Samegrelo and Abkhazia. According to police officers combating drug trafficking and fighting drug dealers, the drug also finds its way into eastern Georgia from Abkhazia but it is chiefly cannabis grown in the Gali District and meant for personal use and not for business activities. UN experts, however, are of the opinion that one of the routes by which heroin from Afghanistan reaches Russia and Europe passes across Georgia/Abkhazia.

Obtaining and using operative information is the most efficient way of combating drug trafficking and dealing in drugs in Zugdidi, as well as across the cease-fire line. Additionally, Georgian law enforcers were greatly aided in their work in tracing drug dealers and catching them with the illegal substances with the coming into force of a special "pre-judicial agreement." Presently, undercover agents from the Special Operative Department (SOD) have the right to purchase drug samples from dealers and thereby infiltrate into the ranks of criminal groups trading in drugs.

Unfortunately, there remain numerous problems impeding the efficient and effective fight against drug trafficking. Neither the SOD nor any other structure within the Ministry of the Interior based in Zugdidi has scanners that are necessary for tracing smuggled drugs. There is also a lack of trained sniffer dogs in Zugdidi and on the cease-fire line for checking vehicles, cargo and people for the possession and transport of drugs. Currently, the SOD and the criminal police have been given a mandate for combating drug trafficking and dealing in drugs. The police officers interviewed for this study appeared to have a good experience of co-operation with their colleagues from Western Europe and the United States but their co-operation with counterparts in Abkhazia, as concerns the local national level, has been completely discontinued.<sup>14</sup>

Heroin is trafficked into Abkhazia mainly from Iran, thence from Azerbaijan or Turkey, with its manufacture, for the most part, tracing back to Afghanistan. There is one reported incident of methadone being smuggled into Zugdidi from Russia via Abkhazia from whence Georgian criminals in Zugdidi transported the substance further to Tbilisi.

There have been no registered cases of the smuggling drugs from Abkhazia into the Zugdidi District in recent years except for the locally grown cannabis, which is raised on a mass scale in the Ochamchire and Gali Districts, whilst ethnic Chechens

and Kabardins serving in the ranks of the former Russian peacekeeping force have been users of heavier drugs such as heroin. These addicted servicemen even sought contacts with Georgian criminals with a view to purchasing drugs on the territory of Georgia which illustrates that the heavier drugs are scarce and relatively unavailable in Abkhazia.<sup>15</sup>

#### Radiological and nuclear safety

Over recent years, the frequency of cases of smuggling radioactive materials from Russia via Abkhazia to Zugdidi and thence further to Batumi or from Abkhazia by sea to Turkey has increased.<sup>16</sup>

In 2006 and 2007, the Georgian Ministry of the Interior thwarted six attempts at smuggling radioactive materials or their illegal acquisition. Three of these cases are connected with Abkhazia:

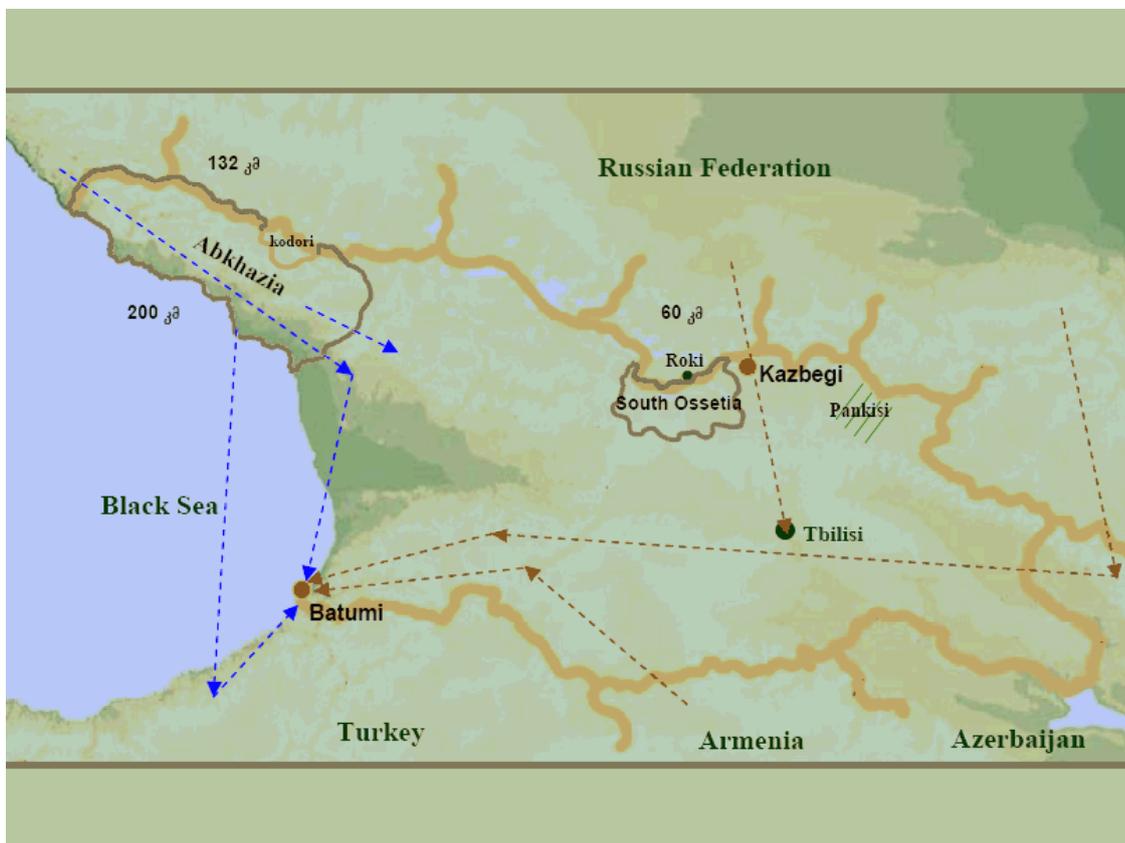
- On 17 July 2006, Kemal Onja, a Turkish national, was detained in Batumi for carrying radioactive Cesium 137 on his person. It transpired during the course of the investigation that he had acquired Cesium 137 in Abkhazia, carried it on board a Turkish ship bound for Turkey with intentions to sell but failed to do so and had to return the substance to its previous owner. He was able to carry the substance from Turkey to Georgia through the border crossing point at Sarpi but was later detained in Batumi by officers of the Georgian Special Services. Currently, Onja is serving his term in a Georgian prison.
- On 1 August 2006, Tamaz Dimetradze, a Georgian national, was detained in Batumi for attempting to smuggle one kilogram of the so-called "yellow cake" (low enriched uranium or LEU) from Russia across Abkhazia/Georgia to Turkey. Russian criminals had brought the substance from Sochi (Russia) to Abkhazia following which it was given to Dimetradze for transport to Turkey wherein it would be sold. Dimetradze was found guilty of possession and intent to transport and is currently serving his sentence in a Georgian prison.
- On 2 November 2007, Ruben Gabisonia, a Georgian national, was detained in Zugdidi whilst carrying radioactive Cesium 137 in his privately owned motorcar from the territory of Abkhazia with the intention to sell it. Dimetradze was found guilty of possession

and intent to transport and is currently serving his sentence in a Georgian prison.

- On 2 November 2007, Ruben Gabisonia, a Georgian national, was detained in Zugdidi whilst carrying radioactive Cesium 137 in his privately owned motorcar from the territory of Abkhazia with the intention to sell it.

According to his sworn evidence, the material was contained in a factory-made capsule which had been given to him by representatives of a criminal group in the Ochamchire District of Abkhazia who told him that a successful sale meant the provision of more of the material.<sup>17</sup>

**Map 1. Cases of smuggling in radioactive materials across Georgia in 2006-2007**



Source: Georgian Ministry of the Interior Affairs

### Chapter 3. Problems of Ensuring Security of Georgian Citizens in the Area of the Georgian-Abkhaz Conflict in the Wake of the August 2008 Events

Opinion polling of the population residing on the left bank of the River Enguri along the cease-fire line

A sociological opinion polling, conducted by the author of the present study in December 2008 with a view to determining the level of the local population's perception of their personal security and the main threats thereto after the August 2008 events, produced some interesting results. A further objective of this polling was to elucidate the attitude of the respondents to any possible forms of co-operation between the Georgian and the Abkhaz sides through the mediation of the EU. This polling was carried out using a random selection of respondents (100 persons altogether) in towns and villages along the cease-fire line which follows the course of the River Enguri.

When asked whether or not the level of security of the population residing on the left bank of the River Enguri along the cease-fire line suffered any changes after the August 2008 events, 5 percent of the respondents replied that it had improved, 78 percent said it had deteriorated and 16 percent saw no changes.

In this context, 80 percent of the respondents see the Russian armed forces deployed in the neighbouring territory of the Gali District as major threat to their security followed by 53 percent who see their insecurity in the Abkhaz criminals, 41 percent in the Abkhaz armed formations and 17 percent in the activities of Georgian criminals. The total sum of these figures exceeds 100 percent because most of the respondents see threats to their security from all the abovementioned armed groups.

When asked wherein they saw the ability to ensure their personal security, 90 percent of the respondents relied upon the Georgian police force, 87 percent upon the EUMM, 61 percent upon the special troops of the Georgian State Ministry of the Interior, 60 percent upon the United Nations Observer Mission in Georgia (UNOMIG), 59 percent upon the armed forces of Georgia, 58 percent upon the diplomacy of the central government, another 58 percent upon the United States and their armed forces, 20 percent upon

regional and local government authorities, 12 percent upon the Georgian ombudsman's representative in Zugdidi, 10 percent upon local non-governmental organisations and people's diplomacy and only 10 percent upon their own devices and abilities. In this polling, the same respondent could simultaneously refer to several structures which, therefore, enables the total percentage to exceed 100 percent.

When asked wherein they saw the greatest ability for insuring their personal security, 41 percent of respondents said it was the Georgian police, 17 percent indicated Tbilisi's diplomacy, 15 percent stated the special troops of the Georgian State Ministry of the Interior; 8 percent said it was the Georgian armed forces, 6 percent said the EUMM, 5 percent indicated the UNOMIG, 5 percent said the United States and their armed forces, 3 percent cited their own devices and abilities and 1 percent indicated local non-governmental organisations and people's diplomacy. Within, none of the respondents places hope in regional and local governmental authorities or in the Georgian ombudsman's representative in Zugdidi.

As regards the role which the EU could play in improving the level of security of Georgian citizens, 79 percent of the respondents believed that EU experts should train Georgian police officers in the issues of exercising police surveillance and the protection of human rights in the conflict areas whilst 21 percent indicated that they were not certain if the role of the EU could improve their security.

75 percent of the respondents were in favour of systematic Georgian-Abkhaz meetings (with EU mediation) aimed at ensuring the security of the population whilst the remaining 25 percent believed that it would not serve its purpose.

Finally, 55 percent of the respondents were optimistic in their assessment of the possibilities of the EU's mediation in arranging co-operation between ombudsmen in the Zugdidi and Gali Districts in the sphere of protection of human rights whilst 45 percent were sceptical that it would contribute to the security of the people in any way.

### After-effects of Russian military intervention in Zugdidi and other towns and villages on the left bank of the River Enguri

The military intervention of the Russian troops on the territory of Georgia in August 2008, their disarmament of the Georgian police in the city of Zugdidi and the looting of police stations and other offices within seriously jeopardised the security of Georgia but, however, did not cause any noticeable upsurge of the criminogenic situation in the Zugdidi District and adjacent areas on the left bank of the River Enguri. The Georgian mafia has been dwindling over recent years and its mythical omnipotence has long become history with the level of crime-related threats in Western Georgia never being as low as it in 2008. The original supposition that this success story would not be sustainable and irreversible failed to come to expectation. Balancing upon the brink of war in Georgian-Russian relations concerning Abkhazia and South Ossetia ultimately brought about military confrontation and clashes but did not cause the revival of organised crime and the institution of the aforementioned “big shots” in the criminal underworld. This may be accounted for by the emergence of new psychological factors such as the eradication of the criminal mentality resulting from the anti-criminal strategy pursued by the State and the fact that the younger generation of Georgians has chosen to distance itself from criminal “romanticism.

With the military confrontation between Russian and the Georgian troops that led to full-scale warfare followed by Moscow’s official recognition of Abkhazia’s independence, Russian troops began intensive work to construct a fortified borderline along the River Enguri wherein they destroyed bridges and laid landmines along routes where people would cross from the Zugdidi to the Gali District and back whilst the government of Abkhazia ordered the full closure of the border. Confrontation between the special troops of the Georgian Ministry of the Interior together with the Georgian police force on the one side and the Russian and the Abkhazian armies on the other continues with the situation teetering upon the brink of another war and the resumption of hostilities. Georgian law enforcement units are constantly on the alert to expect a new invasion on the territory of the Zugdidi District following continued military and political threats made by the most senior officials of the Russian Federation. On 18 November 2008, for example, after negotiations with the Minister of National Defence of Turkey in Ankara, the Russian Minister of Defence, Anatoli Serdyukov, stated that

drawing Georgia into NATO might provoke a more serious conflict than the August 2008 events in South Ossetia which indicated that it was this political tendency which was at the bottom of the Russian intervention in Georgia in August 2008.

The abrupt mounting of tensions along the cease-fire line resulted, on one hand, in the full cessation of smuggling and professional crime but, on the other, in a further threat to the safety of the people with mine fields now in place along the course of the River Enguri and the chance for injury or death by a stray bullet fired during constant skirmishes between Georgian, Abkhaz and Russian armed units. The lack of any information exchange between the conflicting sides concerning the state of the security of the local population constitutes another serious problem with local residents, who habitually cross the Enguri as they previously did without hindrance, now being exposed to mortal danger. The resolution of this problem might be greatly assisted by international organisations (such as UNOMIG or EUMM). The local population, at the same time, remains in an informational vacuum. According to representatives of a NGO in Zugdidi, one of the impediments to a broader availability of information is that neither the local governmental authorities, the police, the procurator’s office nor the general population has a clear-cut strategic vision of the way to ensure the security of the people and yet these are precisely the ideas which could be obtained from the EU in the course of the implementation of its projects (training programmes, workshops, educational courses and institutional changes).<sup>21</sup>

This region is scene to a wide proliferation of disinformation from Georgian, Abkhaz and Russian sources which renders the situation therein even more tense and dangerous. Both the Georgian and Abkhaz law enforcement structures are extremely politicised with the media from both sides spreading mostly negative information about each other. Moreover, representatives of Georgian NGOs in Zugdidi and some representatives of the Georgian police are of the view that individuals from Georgian organisations are nothing less than traitors or spies if they maintain contact with the Abkhaz side which is fact that points to the necessity of carrying out training of police officers on the issues of tolerance and protection of human rights.<sup>22</sup> It is imperative, therefore, to create a system of the dissemination of unbiased information and imposing democratic control over the activities of the police in which the role of the EU programmes would indeed be invaluable.

Under the conditions of the continuing military confrontation wherein politics have a dominating influence upon the activities of the Georgian and Abkhaz law enforcement structures, any exchange of information—let alone co-operation between the Georgian and Abkhaz law enforcement structures in the sphere of combating crime in the Zugdidi and the Gali Districts—has become utterly impossible. Concurrently, the EUMM, which has only just assumed its duties, is not only denied access to the territory of the Gali District but its terms of reference—even on the Georgian side—are curtailed and confined only to the registration of incidents and the drafting of reports.<sup>23</sup>

Interviews with the commanding officers of the law enforcement units in the Samegrelo-Zemo-Svaneti region and members of the local authorities reveal that their assessment of the activities of the EUMM in the region is positive and coincides with that of the local population. They are all of the opinion, however, that the mandate of this mission is exceedingly limited and needs to be expanded. The police command in the region would welcome the introduction of a European police force herein such as it is in Kosovo with training programmes for police officers under the direction of EU experts and with its future mediation in arranging Georgian-Abkhaz meetings in order to discuss the insurance of the security of the population in the conflict area and for combating crime. On the whole, it would contribute to a more efficient form of co-operation between the EU and Georgia and to building trust between the Georgian and Abkhaz sides.

## Conclusions

The August 2008 events have led to a dramatic deterioration of the security of Georgia's citizens residing along the course of the River Enguri. The apperception of the local population and their assessment of the threat to their security have also changed. Whereas the main threat to their security before the August 2008 events was in the form of criminal activity, it is the existence of Russian troops deployed in Abkhazia which emerged thereafter:

The activities of the EUMM are confined only to the left bank of the River Enguri which renders this mission devoid of the possibility of carrying out full-scale investigations of the incidents that take place in this area. Moreover, the EUMM mandate on the Georgian side is further confined to making

observations, registering incidents and drafting reports and does not allow for the undertaking of active work with local authorities, law enforcers and the general public with a view to the raising of the level of security in the zone of this mission's responsibility.

There is no direct dialogue between the conflicting sides concerning a joint effort aimed at the insurance of the security of the population residing in this area although such a dialogue would be feasible at the level of NGOs and with the support of the EU.

Russian and Abkhaz troops on the Abkhaz side of the conflict area have turned the territory along the course of the River Enguri into mine fields which means certain death or serious injury for local residents. Abkhazia-controlled right bank shellings of the territories on the left bank constitute another serious threat to the life and well-being of the local population.

Georgian law enforcers deployed along the River Enguri close to the cease-fire line are in need of special training for insuring the security of their own ranks and local residents.<sup>24</sup>

Georgian law enforcers are full of profound mistrust towards their Abkhaz counterparts and still more so towards the Russian troops with a new Russian intervention expected at any time.<sup>25</sup>

Relations between the Georgian law enforcement structures and Georgian civil society with respect to the protection of human rights fail to meet international standards with a further absence of dialogue between members of the local administration, law enforcement structures and civil society regarding the security of the population.

Despite the exceeding tension between the conflicting sides along the cease-fire line, representatives of the local administration and law enforcement structures, together with NGOs and the population residing in Zugdidi and along the cease-fire line, are generally in favour of re-establishing Georgian-Abkhaz relations through multilateral meetings aimed at exchanging information and through other forms of co-operation.

The abovementioned actors are also of the view that the EU should expand the mandate of its monitoring mission (EUMM) on the territory under Georgian control without waiting for permission to

start monitoring on the territory of Abkhazia or develop new projects that would involve the presence of international police forces from the EU, the training of Georgian police officers and the implementation of other measures aimed at improving the level of security in the region under study. Such an approach is especially relevant in the light of the possible discontinuation of the UNOMIG activities.

## Recommendations to the European Union

Based upon the foregoing, three options of the role which the EUMM can play in the area of the Georgian-Abkhaz conflict are presented as follows:

### Option I

In the case wherein the UN Mission continues its work in the conflict area and the EUMM is not admitted to the territory of Abkhazia:

1. The EUMM continues training Georgian police in exercising police surveillance and protection of human rights in the conflict area and co-ordinates its activities with the UNOMIG that simultaneously trains Abkhaz police in the same line.

2. The EUMM and the UNOMIG co-ordinate their activities aimed at the organisation of Georgian-Abkhaz meetings upon a regular basis for insuring security in the conflict area, the protection of its population and combating crime.

3. The EUMM and the UNOMIG co-ordinate their activities aimed at the organisation of co-operation between representatives of non-governmental organisations and ombudsmen in the cities of Zugdidi and Gali and the promotion of people's diplomacy.

### Option II

In the case wherein the UN mission discontinues its work in the conflict area, the EUMM offers the Abkhaz side its services as mediator in the abovementioned three points of Georgian-Abkhaz co-operation outlined in Option I.

### Option III

In the case wherein the Abkhaz side rejects the mediation of the EUMM (that is, in the case of Option II), the latter offers similar services to the Georgian side, where it.

- Creates a model of participation of the mission

in insuring security in the conflict area which could later be extended over other regions of Georgia and used therein.

- Promotes a rapprochement between the police, the local administrative structures and the non-governmental organisations of Georgia and the EUMM regarding the issues of security which would meet the EU strategic tasks of its European Neighbourhood Policy (ENP) and promote the democratisation of Georgia proper.

In the case of the adoption of Option III, co-operation between the EUMM and Georgia could be extended in the following two directions

*Increase the role of the EUMM in the professional training of Georgian police*

1. The mandate of the EUMM should include the protection of human rights and the security of the local population by way of the introduction of European police forces.

2. It is imperative to carry out professional training programmes for Georgian police officers and special troops acting in the Zugdidi District and along the course of the River Enguri with a view to upgrading their efficiency in ensuring their personal security and that of the local population.

3. Assessment of the needs and logistic support of the law enforcement structures acting in the Zugdidi District and along the course of the River Enguri.

4. Co-ordination of activities between the EUMM and the Georgian law enforcement structures in exercising anti-criminal operations.

5. In the remote future, mutually acceptable forms of co-operation should be sought between the Georgian and the Abkhaz law enforcement structures with the mediation of the EUMM. There should be an exchange of information concerning crime and meetings between representatives of the law enforcement structures of both sides.

*Democratic control over the police forces acting in the Zugdidi District and along the course of the River Enguri.*

1. Establishment of efficient control over the activities of the police by the ombudsman's office in Zugdidi in the protection of human rights.

2. Organisation of training programmes for police officers in the issues of tolerance with the participation of international and Georgian NGOs.

3. Dissemination of information amongst the local

population concerning the problems of security, combating crime and the violation of human rights.

4. Arrangement of meetings upon a regular basis between representatives of Georgian law enforcement structures and local administration authorities with the general public for discussing problems of security, combating crime and the violation of human rights. Such meetings should be arranged by the non-governmental sector:

5. Given appropriate political conditions and with the mediation of the EUMM, an exchange of experience could be organised between the Georgian and the Abkhaz sides in the remote future as regards the issues of democratic control over the police, relations between the law enforcement structures and representatives of the civil society with a view to jointly discussing the problems of security, crime and the protection of human rights of the population residing along the course of the River Enguri.

## Endnotes

<sup>1</sup>See: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2008](http://www.transparency.org/policy_research/surveys_indices/cpi/2008)

<sup>2</sup>Kidnapper Kingpin Cleared of British Banker Auction Charges. See: <http://www.civil.ge/eng/article.php?id=8869>

<sup>3</sup>These data are based upon the results of a field study carried out by a group from the Centre for Studies of International Crime and Corruption (TraCCC – Caucasus Office) in Ajara, 16-24 May 2004.

<sup>4</sup>See Alexandre Kukhianidze, Alexandre Kupatadze. (2004). Smuggling through Abkhazia and the Tskhinvali Region of Georgia. See: <http://www.traccc.cdn.ge/publications/index.html>

<sup>5</sup>Ibid.

<sup>6</sup>Statisticheskiye dannyye MVD Gruzii (Statistical Data of the Ministry of the Interior of Georgia) See: [http://traccc.cdn.ge/statistics/crimes\\_07\\_2006.html](http://traccc.cdn.ge/statistics/crimes_07_2006.html)

<sup>7</sup>For instance, the results of sociological opinion polling carried out by the BCG.

See: [http://www.police.ge/\\_downloads/BCG\\_kvleva.pdf](http://www.police.ge/_downloads/BCG_kvleva.pdf)

<sup>8</sup>Interview with a police officer from Zugdidi.

<sup>9</sup>Interview with a police officer from Zugdidi.

<sup>10</sup>Apsnypress, 11 January 2007. See: <http://www.apsnypress.info/archiv.htm>

<sup>11</sup>Apsnypress, 7 February 2008. See: <http://www.apsnypress.info/archiv.htm>

<sup>12</sup>Interview with Irakli Siradze, Deputy Head of the Incomes Department, Georgian State Ministry of

Finance, 13 August 2007. This fact is also corroborated by the availability of smuggled cigarettes for sale at the market in Zugdidi with Russian excise tax stamps on the packets.

<sup>13</sup>Only small amounts of cannabis are cultivated for local use.

<sup>14</sup>Interview with a police officer from the SOD.

<sup>15</sup>Interview with a police officer from the regional department at Samegrelo-Zemo-Svaneti.

<sup>16</sup>Interview with a police officer investigating cases of smuggling radioactive materials.

<sup>17</sup>Interview with a police officer from the regional department at Samegrelo-Zemo-Svaneti.

<sup>18</sup>Vladimir Tskhvediani. Gruzinskaya Mafia: Mify I Realnost' (21 August 2007). See: <http://tema.in.us/article/2225.html>

<sup>19</sup>Interview with a high ranking officer of the procurator's office at Samegrelo-Zemo-Svaneti.

<sup>20</sup>Head of Russia's Ministry of Defence: Dragging Georgia into NATO May Trigger a More Serious Conflict. See: <http://nregion.com/txt.php?i=27870>

<sup>21</sup>Interview with a representative of a NGO in Zugdidi.

<sup>22</sup>Ibid.

<sup>23</sup>Interview with members of the EUMM.

<sup>24</sup>Interview with an officer of the procurator's office at Samegrelo-Zemo-Svaneti.

<sup>25</sup>Ibid.

Natella Akaba

## PROBLEMS OF REINTEGRATION OF RETURNEES TO THE GAL DISTRICT OF ABKHAZIA THROUGH THE PERSPECTIVE OF HUMAN RIGHTS

### Introduction

Until August 2008, many observers were inclined to consider the situation as regards the state of Georgian-Abkhaz relations as being a frozen conflict. The August 2008 crisis and its after-effects destroyed the fragile stability in the region and demonstrated with full clarity that lack of serious security guarantees may affect the entire Caucasus region with disastrous consequences in the shortest period of time. One cannot help mentioning, however, that the apparently inert and frozen conflict had been “unfrozen” on more than one occasion in earlier years. This happened, in particular, in 1998 and 2001 when attempts were made at invading Abkhazia from the territory of Georgia and which resulted in violent armed clashes.<sup>1</sup> At the same time, during the whole of the post-war period the lower reaches of the Gal District in the immediate vicinity of the zone of confrontation have been the scene of regular acts of violence and criminal attempts at taking people’s life and property, the victims being civilians and officers of the Abkhaz law enforcement structures. It has now become abundantly clear that the logic of the events was unfailingly directed towards a return to large-scale violence. This has been especially evident against the background of the unrestrained militarisation of the Upper Kodor Gorge by official Tbilisi during the last two years which has turned this area into a well fortified point from which to attack Abkhazia. The escalation of the tension in July-August 2008, which covered the Gal District and the Upper Kodor Gorge almost in their entirety, exerted an extremely negative impact upon the life of the local population residing in the immediate proximity of the cease-fire line. This included the 6 July incident of the detonation of an explosive device in a café in the centre of Gal which killed three and injured two persons. Another explosion in the village of Taglan (formerly known as Tagiloni) in the lower part of the Gal District, killed an officer of the Abkhaz security force on 20 July. The Abkhaz side reacted to these and other subversive attacks by introducing limitations for crossing the Ingur border which created a number of problems for the local population.

The events of 8-12 August 2008 in South Ossetia produced an immediate impact upon the situation in

Abkhazia as a whole. As is justly observed in the report of the UN Secretary-General to the Security Council of 3 October 2008, these events convinced the Abkhaz population that their republic would be the target of the next blow. The situation became particularly tense in Eastern Abkhazia wherein the fears of the local population that there would be a return of large-scale violence became a tangible threat. Their apprehension was aggravated by the declaration of martial law in the Gal, Ochamchira and Tqvarchal Districts wherein partial mobilisation was carried out.

One of the negative consequences of the August crisis was the disruption of agreements which had been achieved as a result of lengthy negotiations with international mediation as well as the destruction of the very format of the peacekeeping operation. In particular, by denouncing the Moscow agreement of 1994, the Georgian leadership also annulled, inter alia, the legal commitments assumed by the Abkhaz side regarding the return of the displaced persons. This all gives one grounds to state that an absolutely new situation has arisen which is able to bring about new prospects for the settling of the conflict as well as new challenges for those residing in close proximity to the cease-fire line and other political actors involved in the political process.

### Rationale for the research

The process of the return of ethnic Georgians (Megrelians) to their abandoned homes in the Gal District of Abkhazia is one of the most discussed and politicised issues in Abkhaz-Georgian relations. The interested sides, as well as the intermediating states and international organisations, repeatedly declared their preparedness to do their utmost in promoting the normalisation of the situation in the Gal District and arranging for normal living conditions for the people who came back to their homes. In reality, however, this area has become a point of discord between the conflicting sides in that each—both at the official level and at the level of attitudes in the society—displays an extreme polarisation of opinions in this respect. This all impedes overall

decisions regarding the stabilisation of the situation and the elaboration of a common strategy for the rehabilitation of the District and the improvement of the quality of life of the returnees in that any attempt thereto faces political differences.

Such a polarisation of views regarding the return of the displaced persons may be accounted for in part by the fact that 14 months of the fierce war in 1992-93 divided the Georgians and the Abkhaz. The serious mass violations of human rights of this period -with ethnically motivated murders, civilians among them- extremely aggravated the "enemy image" and mutual intolerance. In practically all the issues connected with this problem, be they the numbers of returnees, their legal status, the acquisition of passports, their security or even their access to education in their mother tongue, there are wide differences between the views of the conflicting sides. Even the very fact of the return of the displaced persons to the Gal District is viewed by Tbilisi and Sukhum from diametrically opposite positions. The Abkhaz side, as mentioned earlier, views this step as a manifestation of her good will whilst official Tbilisi denies the very fact of the return on the grounds that it happened as a "spontaneous return" and not in an organised way.

The diametrical views and assessment of the situation together with the absence of mutually acceptable approaches prevent the establishment of stability in the region and hamper any improvement of the social and psychological atmosphere for the people living there. The experience drawn from other conflicts confirms the necessity of a rapprochement of the positions of all the interested parties with a view to elaborating a common strategy and decisions based upon a consensus regarding the rehabilitation of the Gal District and its residents.

#### Objectives and framework of the research

One of the goals of the current research was to analyse the situation in the Gal District from the perspective of the observation of human rights and to identify the most acute problems within this sphere. It is common knowledge that the information published in Abkhaz, Georgian, Russian and other mass media regarding the situation in the Gal District and that of the returnees is not always unbiased and often serves propaganda purposes. The reports of international organisations and of special fact finding missions on the situation in the Gal District, although sometimes more balanced, are

also not without political undertones, and they fail to provide a clear-cut idea about the day-to-day life of an average person and the problems which s/he faces. In this regard, the author recognised the importance of obtaining to the maximum possible extent first-hand and unbiased information. In earlier years, a number of representatives of Abkhaz civil society made steps to obtain true and reliable information regarding the situation in the Gal District through the means of on site visits in order to meet with activists of Gal-based NGOs and respected local leaders and to conduct public opinion polls, amongst other activities. In different areas of Abkhazia, including the Gal District, studies were undertaken at various times which were aimed at scanning the spectrum of public opinion regarding the problems of returnees and at researching various aspects of their life. The results of these studies formed the basis for the current research and analysis of the situation and the identification of the most serious issues.

A further objective of this study was the search for solutions to the existing problems which would primarily meet the fundamental human needs and day-to-day requirements of the returnees whilst at the same time being depoliticised to the maximum extent possible and focused upon establishing a lasting peace and stability in the region. It is also important to study the intensions and interests of both conflicting sides regarding this problem and suggest new approaches and steps forward towards a normalisation of the situation and an improvement of the environment for those residing in the Gal District.

#### Research methods

The author is in possession of the data obtained by the missions of various international organisations (UN, OSCE, International Crisis Group), reports on the situation of returnees as well as academic publications on various aspects of the Georgian-Abkhaz conflict. Additionally, the results of the above mentioned qualitative sociological study conducted earlier within the framework of the project Promoting Civic Initiatives in the Sphere of Human Security, supported by the British NGO International Alert, have also been made available to the author. This study focused upon an investigation of Abkhaz public opinion as regards the return of the displaced persons and was based upon the results of focus-group discussions and individual interviews with representatives of civil society, local administration

and individual officials in the Gal District. To a certain degree this information allowed us to reconstruct a picture of living conditions of residents in the District, their access to education and health care system, the provision of their political and other rights. To achieve a better understanding of the official positions in this respect and the approaches exercised by the relevant international agencies and states involved in the process of the settlement of the conflict, individual interviews were conducted with top officials of the Ministry of Foreign Affairs of Abkhazia and members of other official structures. In the course of the research, the author utilised publications in Abkhaz, Georgian, Russian and other mass media sources.

## Chapter I. Return to the Gal District

### Beginning of the process

Before the war, the Gal District was the only area in Abkhazia wherein ethnic Georgians (96 percent of the entire population of the district) lived homogeneously in one district. During the Georgian-Abkhaz war of 1992-93, this area did not experience large-scale military operations unlike the neighbouring Oчамчыра and Тқуарчал Districts which suffered serious damage and losses during the course of the confrontation. The fact that the majority of the Georgian population herein remained neutral in the clashes is used by some radically-minded Georgians as a base for accusing Gal residents of a lack of national loyalty and patriotism. Understandably, this fact was appreciated by Abkhaz society which helped the refugees to return to their abandoned homes.

The Geneva talks of December 1993 and of January 1994 were an important stage in the creation of a legal basis and conditions for the return of displaced persons to the Gal District with these meetings culminating in the signing of a Memorandum and a Communiqué wherein the sides committed themselves to refraining from the use of force against each other and expressed their mutual consent to deploying a Russian military contingent in the conflict zone. It was precisely at this point that Sukhum and Tbilisi expressed their consent to begin the process of the return of displaced persons to Abkhazia in which the Gal District would figure as the first point of return. At this juncture, great importance was attached to the problem of economic rehabilitation of those areas of Abkhazia which were damaged by the military operations in that both sides and their intermediaries clearly understood that it was impossible to promote

a political settlement and return of the displaced persons (implying not only ethnic Georgians) without any economic rehabilitation and reconstruction. It should also be remembered that the Quadripartite Agreement on the Voluntary Return of the Refugees and Displaced Persons, which was signed in Moscow in April 1994, contains a reservation concerning "persons who have perpetrated military crimes or crimes against humanity or who are indictable criminal offenders."<sup>2</sup> This reservation also concerns those who participated in the hostilities and who were in the ranks of the armed formations gearing up for military operations in Abkhazia at the time of the signing of the abovementioned Agreement. In line with Item 5 of the Quadripartite Agreement on the Voluntary Return of the Refugees and Displaced Persons, a working group of experts was set up in order to "carry out an assessment of the damage inflicted upon the economic and social infrastructure in Abkhazia, the existence of houses and the degree of the need of their rehabilitation and restoration in the area of return and with all the ensuing financial implications. These assessments and studies shall be carried out area by area in line with the Plan of Return of the Refugees agreed upon and adopted by the Sides with due account of the consent of both Sides that repatriation should begin from the Gal District."<sup>3</sup>

The refusal of the Georgian side to apply to the returnees the procedure of the UNHCR (registration of the returnees), however, resulted in a failure to implement the plan of the socio-economic rehabilitation of the Gal District. Additionally, the situation in the District was constantly destabilised by the so-called "Georgian guerrillas" paramilitary groups manned by the most radically-minded displaced persons. In his report to the Security Council of 20 January 1997 the UN Secretary-General makes a direct reference to these groups: "...The situation in the Gal sector has not improved. Acts of violence continue to take place there with some of them presumably organised by armed groups operating in the area to the south of the River Inguri whose activities are beyond the control of the Georgian Government. Of further great concern are the ever more sophisticated methods of inflicting violence being recently used by the armed groups. If this situation persists, it will inevitably impede the efforts of the UN Group of Observers in Georgia towards creating conditions which would contribute to the safe and organised return of the refugees as and when this process is finally resumed."<sup>4</sup>

Despite the difficulties and the persisting instability, however, people began to return to the Gal District. According to the assessments made by the UNHCR, some 50,000 people returned there in early 1998 with the return having proceeded in an organised manner according to the opinion of this authoritative agency. It was interrupted in May 1998, when illegal Georgian paramilitary groups attacked several areas in the Gal District to which the Abkhaz militia responded by forcing out not only the paramilitaries but also tens of thousands of the peaceful population.<sup>5</sup> There is a view that it was an attempt of the Georgian side to take the Gal District from the rest of Abkhazia and make it the seat of the so-called Abkhaz Government- in- Exile. Here again, the ranks of these military formations were manned mainly by former residents of Abkhazia; that is, those who did not have a single chance of returning to Abkhazia in a peaceful manner according to the Quadripartite Agreement. As mentioned in the Report quoted above, many local residents said that “crimes were committed by their former fellow-villagers who knew the area quite well.”<sup>6</sup> Regrettably, there are many indicators that Georgian forces continue to use these people to achieve their goals in the Gal District even today.<sup>7</sup>

The second stage of the return began on 15 December 1998 when the President of Abkhazia, V. Ardzinba, forwarded a letter to the UN Secretary-General saying that the Abkhaz side would unilaterally organise the return of refugees to the Gal District and would set up a special commission for refugees. This decision of the Abkhaz leadership aroused criticism in some sections of Abkhaz society. Interestingly, too, Georgia reacted to this initiative in a hostile manner although official Tbilisi had been repeatedly calling for the immediate return of the Georgian refugees to the former places of their permanent residence. Following Ardzinba’s initiative, the Georgian leadership came up with a demand that displaced persons could only return after the re-establishment of Georgia’s jurisdiction over Abkhazia. This approach could scarcely be regarded as a productive one especially when some international experts consider the return of the displaced persons to the Gal District as “one of the spheres of the resolution of the conflict in which some progress had been achieved over the recent years”<sup>8</sup> although, of course, there remains a plethora of problems connected thereto which are still waiting to be resolved.

### The strategies and approaches applied

The world has not witnessed many cases wherein refugees have returned to the places of their former residence after bloody wars and, moreover, this is something, which usually happens under serious international pressure if it happens at all. It is regretful that the Abkhaz initiative to aid in the return of the Georgian population to the Gal District in a unilateral way—without any preliminary conditions and before a political settlement of the conflict—was never appreciated by official Tbilisi and failed to gain wide-scale international support. This step on the side of Abkhazia could have very well become a base for rebuilding trust and for the resolution of a number of humanitarian problems. Tbilisi’s position in favour of an organised pattern of return of the displaced persons as opposed to their spontaneous return (although supported, at a certain stage, by the UNHCR) is quite arguable. A number of European experts are inclined to believe that a spontaneous return has some advantages over an organised one in that it is based upon the mutual consent of the returnees and the host population.

In our view, a further flaw herein is the unwillingness of Georgia, the UN and the group of countries—the Friends of the Secretary-General—to contribute to the economic rehabilitation of Abkhazia as a whole, and of its eastern areas, in particular. The existing experience in peacemaking and transformation of conflicts attests to the fact that the economic and social development of a post-conflict region should be a task of the first priority. In his 1992 report, entitled *Agenda for Peace*, Boutros Boutros-Ghali, the UN Secretary-General at the time, pointed out that the world community must be ready to contribute to the construction of peace in its various aspects, including the rehabilitation of institutes and infrastructures in the countries torn apart by wars and conflicts. In his view, all of these measures should be spearheaded at “instilling a feeling of assuredness and well-being” in the people without which the real security of fundamental human rights is impossible.<sup>9</sup>

As mentioned earlier, no serious programmes of rehabilitation and development were ever implemented in Abkhazia despite its territory having been ravaged by a destructive war. Moreover, a 1996 summit of the CIS countries imposed political and economic sanctions against Abkhazia at the request of the Georgian side. The UNDP Needs Assessment

Mission, that visited Sukhum in March 1998, made a number of fact-finding tours throughout the entire territory of the republic and produced a fundamental report and concrete recommendations. Unfortunately, however, not a single project for the rehabilitation of the social and transport infrastructure, agriculture or the development of civil society proposed by this Mission was ever implemented due to Georgian demands that any economic project should be conditioned by the return of the ethnic Georgian population. In our view, the fallacy of this approach is perfectly obvious in that it is impossible to return people to an area in which war and subsequent devastation ravaged almost the entire infrastructure to include schools, roads, hospitals and the like.

Before the war of 1992-93, the Gal District was one of the most prosperous agricultural areas of Abkhazia with a well developed infrastructure. It produced vegetables, tea, citrus fruits and different varieties of nuts. Very little of this former prosperity, however, remains today. The above mentioned 20-24 October 2000 Report of the Joint UN Fact Finding Mission to the Gal District states, inter alia: "...The physical condition of the infrastructure of the Gal District, including public buildings and residential houses, like that of the social infrastructure, is in an appalling state." The Report indicates that the existing state of the District's infrastructure is a consequence of the armed conflict of 1992-93 and also of the subsequent flare-up of hostilities in 1998.<sup>10</sup> Despite the promises of the UNHCR and a number of international agencies to rehabilitate the Gal District and restore its infrastructure, however, very little, if anything, has been done in this respect. Understandably, the Abkhaz authorities are primarily responsible for the situation of the returnees but the current resources of the Republic to rehabilitate roads, residential buildings and medical and educational facilities remain extremely limited. On the other hand, the lack of reliable guarantees that hostilities will not flare up again makes one feel uncertain about the future and one's security. These apprehensions materialised again in August 2008 when the population of the Gal District found themselves in immediate proximity to the military operations.

Co-ordinated and well conceptualised and elaborated efforts for the rehabilitation of the Gal District could become an important part of the peace process and contribute not only to creation of normal conditions for the returnees but also towards

the improvement of the general atmosphere of the negotiations. It should be borne in mind that the ultimate objective of the talks is creating good living conditions not only for the returnees but also for the entire population of Abkhazia. It does not seem justified to focus exclusively upon the rights of the returnees in that securing the rights and freedoms of human beings should be of a symmetric character seeing that the rights of one group of the population cannot be secured at the expense of another.

## Chapter 2. The Situation in the Sphere of Human Rights

According to existing international norms, the Abkhaz leadership assumed very serious obligations through its decision to return the population to the Gal District by making itself responsible for securing the physical safety of the people and for observing their fundamental rights in various spheres. No one can deny the difficulty of such a task under the conditions of an unresolved conflict and the lack of reliable guarantees that hostilities would not flare up again. For apparent political reasons, official Tbilisi has never displayed an interest in the normalisation of the situation in the Gal District which is under Abkhazia's jurisdiction. In line with this strategy, Tbilisi has not recognised the fact of the return of displaced persons to the Gal District of Abkhazia. This results, then, in a paradoxical situation where tens of thousands of returnees to this District are considered to be staying on the territory of Georgia as displaced persons, they get in Georgia their allowances as displaced persons, while actually residing on the territory of Abkhazia in which it is the Abkhaz authorities who are responsible for their safety and well-being. Under such conditions, it is obvious that those in the Georgian leadership favouring a military solution to the conflict have serious levers of influence upon the situation in the Gal District - especially if we take into account the fact that crossing the border along the River Ingur is not a problem.

The improvement of the situation of the returnees from the perspective of the protection of human rights is a top-priority task which requires constant attention and a clear-cut strategy from the Abkhaz leadership and society at large. One cannot fail to observe that there has been a tendency over the last three years towards some consensus between the leadership and the society in Abkhazia based upon the understanding of the extreme importance of

this area for the political future of Abkhazia. In this context, we can quote the statement of B. Arshba, Head of Administration of the Gal District who said: "It will be impossible to reanimate the Gal District without the participation of the State. The Gal District is part of Abkhazia and its population are citizens of our republic. That is why our attention thereto should be more rapt. We need to constantly communicate with the local people. Sometimes it is sufficient just to talk to them for them to believe that they are remembered and are not regarded as aliens."<sup>11</sup>

The escalation of violence which took place in July and then August-September 2008 and the consequences of these events affected the population of the Gal District in a most direct manner. Bombing incidents and killings of members of Abkhaz security agencies, military operations in South Ossetia and on parts of the territory of Georgia as well as the discontinuation of the peacekeeping operation initiated by the Georgian leadership alarmed the people and instilled in them the fear that large-scale military operations may be resumed. Apprehensive of the spread of instability over the rest of the republic, the Abkhaz authorities were compelled to temporarily suspend any crossing of the border along the River Ingur except in emergencies (ambulance vehicles, first medical aid, etc.). This limited the freedom of movement for residents in the border areas and made it more difficult for them to purchase essential goods on the Georgian territory and to remain in contact with their relatives. Recent information indicates that some officers from amongst the Abkhaz border guards took advantage of the closure of the border and demanded to be paid for allowing the people to cross. These facts were vehemently condemned by the President of Abkhazia, S. Bagapsh, in his television appearance in December 2008 in which he promised to deliver severe punishment to the corrupt officials. It is expected that a clear-cut procedure for crossing the border will be elaborated in the near future and brought to the knowledge of the population thereby putting an end to extortion practices.

#### Socio-economic and cultural rights

Considering the situation in this sphere, it is impossible to abstract oneself from the situation in Abkhazia as a whole. The dissatisfaction of the people living in the Gal District with the insufficient professionalism of law enforcement officers, a high level of unemployment and poor levels of health care and education are overall well justified. It

should be admitted, however; that similar problems also exist elsewhere in Abkhazia with the generally ineffective law enforcement system, dilapidated hospitals and schools and a shortage of doctors and teachers, medicines and textbooks. Although these problems together are connected with the all too slow reforms of the old Soviet system, as well as with the consequences of the war and the socio-economic sanctions imposed upon Abkhazia which were not lifted for a period of 12 years, it is evident that each of these problems acquires a more acute character in the Gal District. Given that this is a high risk zone, law enforcement structures have to work under extreme conditions in which the insufficient level of their technical equipment and of their professional training add to the difficulties. Against the background of these and other problems, the reproaches from official Tbilisi that local residents are not allowed to serve in the internal affairs structures look far-fetched. In reality, the Abkhaz leadership is extremely interested in having residents of Gal serve in the law enforcement bodies in that these structures are chronically understaffed. As mentioned in the Report of the Joint Mission of UN Observers, "although some local Georgians began to work in the law enforcement structures, the Georgian population is still insufficiently represented in these bodies". It is observed at the same time, however; that the local population treats these Georgians with "a great measure of mistrust".<sup>12</sup> It is also necessary to remember that law enforcement officers in the Gal District often become a target for criminals and members of Georgian paramilitary groups with those ethnic Georgians who join Abkhaz militia running a double risk in that they are regarded as "collaborators" by many people in Georgia. According to R. Kishmaria, Representative of the Abkhaz President in the Gal District, at his meeting with representatives of the Georgian authorities in 2006 the latter quite strongly pointed out that it was inadmissible to allow the recruiting of local (Gal) Georgians to serve in the police or in the Abkhaz army because "they live in Georgia and there is no Abkhazia as such."<sup>13</sup>

One should not forget that the returnees to the Gal District have never received any essential international relief or aid which is mentioned in the report of the International Crisis Group.<sup>14</sup> The same report states that the European Commission finances the implementation of projects in the Gal District, but the amount of aid is not sufficient. Further, one can only agree with UNHCR that "issues connected with the ensuring of the well-being of the returnees

need to be resolved in an apolitical manner.<sup>15</sup>

Within the course of the focused discussions and individual interviews with representatives of various groups and sections of the population of the Gal District, the author concluded that it was precisely the socio-economic problems together with those concerning security which alarmed the population most of all. Amongst these are:

- Shortage of jobs. The majority of residents in the District are engaged in agricultural production, petty trade or "shuttle business" (shop tourism). Remarkably, many men from Gal started to migrate to other areas of Abkhazia which are economically better off where they found work, mostly in the sphere of construction.

- Poor equipment of medical centres and insufficient qualification of the medical personnel as a result of many specialists seeking employment elsewhere due to the war and devastation. For this reason, the local people prefer to seek professional medical help in Zugdidi, which has a better equipped hospital, than in Gal or even in Sukhum.

- Professional refresher courses are conducted from time to time for local health care personnel but the efforts remain insufficient.

- Shortage of first aid centres staffed with medical assistants and obstetricians (only six such centres in the whole district) and rural outpatient clinics (four such centres in the whole district) with the existence of only one hospital in the village of Nabakevi. This situation creates difficulties for villagers living in the remote corners of the district to get access to medical help because there is no public transport and the roads are in a poor state.

- There are problems with children's health care and, in particular, the vaccination of children is not always performed in time.

- The overall dissatisfaction of Gal dwellers with the state of school education is largely connected with the inconsistency between the old school system and new post-Soviet and post-conflict realities. The absence of a new concept of education and the slow progress of school reform all over Abkhazia aggravates the problems in the Gal District (these problems are also typical elsewhere in the republic).

- Poor repair of school buildings (especially so in the villages of Saberio and Otobaya) and a shortage of teachers. With the perceived degradation of the prestige of a school teacher in the entire post-Soviet space, young people are reluctant to work at school whilst the older teachers continue to work "in the

old style" which hampers the introduction and use of new approaches and methods of teaching.

- School programmes and curricula arouse criticism. Teachers in Gal, for example, believe that Russian language and literature must be taught according to the programmes compiled for national schools and not according to those drawn for Russian schools, as is the case today.

- There is an acute shortage of textbooks and teaching aids.

- There is shortage of vacancies in the kindergartens which prevents mothers with small children from taking a job.

The problem of teaching languages in the Gal District should be mentioned specifically. For a number of years this problem attracted the attention of Georgian and international experts and human rights organizations who sharply criticised the Abkhaz leadership for its unwillingness or inability to create favourable conditions for the learning of the Georgian language in the Gal District. One should admit that in a number of cases this criticism was justified. Today, there are two schools in the town of Gal, both of which are Russian schools. Those located in the upper zone villages are also Russian schools. Gal also has a state humanitarian college and a music and sports schools. At the same time, ten Georgian schools are functioning in the lower zone of the district. The Georgian language is taught as a separate subject in the Russian schools. According to the respondents from Gal, the teaching medium is Georgian in the rural areas because of the lack of teachers who are sufficiently proficient in Russian. Generally speaking, teaching languages is connected with specific difficulties. In many Megrelian families, Megrelian is the only spoken language, and children often come to school not knowing Georgian, Russian or Abkhaz which creates many difficulties especially against the background of shortage of textbooks, teaching aids and qualified teachers. Many residents are of the view that the problem may be solved by increasing the number of kindergartens in the district and setting up groups of pre-school training featuring an intensive language programme which could reduce the acuity of this problem. The problem therein is that this initiative requires significant financial resources which the Abkhaz budget currently lacks. Additionally, such training groups are also necessary elsewhere in Abkhazia in which there are similar problems related to learning the Abkhaz language. At the same time, it should be mentioned that having no knowledge of any other language but Georgian

may cause certain problems for residents of the Gal District in that communication with those from other areas of Abkhazia, who typically do not know Georgian, will be difficult. Besides they will only be able to obtain further (higher) education in Georgia. Taken altogether, this may become a barrier on the way towards integration of the residents in the Gal District.

Other difficulties about teaching in the Georgian language are connected with school curricula and textbooks in history and geography. It is a widely held opinion in Abkhazia that the Georgian textbooks in these subjects are overloaded with national ideology and, therefore, are “bad” for Gal children. A number of Abkhaz and Georgian civil society activists had several bilateral meetings wherein the question of producing quality history and geography textbooks in Georgian, specifically for schools in the Gal District, was repeatedly raised. It was also planned to involve the EUROCLIO organisation which specialises in the implementation of such projects within the framework of the European Union’s development programmes. This problem is well understood at the highest level of Abkhazia’s leadership.<sup>16</sup>

Despite the difficulties and obstacles, however, some positive tendencies are also noticeable. The Gal NGOs have organised several clubs for young people in which various courses and training programmes for children are carried out. The Government of Abkhazia has also recently taken some steps towards the rehabilitation of the Gal District with all teachers receiving salaries from the republic’s budget on a regular basis dating to 2006. A number of vacancies are reserved at the State University of Abkhazia specifically for candidates from the Gal District with approximately of its 90 students currently studying there. The District’s residents are further satisfied by the full renovation and modernisation of City School No.1 with additional work ongoing towards the refurbishment of a kindergarten and a first aid centre. The Gal “House of Culture” has been fully repaired and a number of folklore groups are functioning therein amongst which is Samurzakan, a folk dance group which has been quite successful in performing at festivals of folk art in Sukhum. According to the media reports, A. Ankvab, Abkhazia’s Prime Minister, had a working meeting with B. Kubrava, the Vice Prime Minister, the Ministers of Justice, Health and Education, the Chairman of the State Committee for Youth and Sports and the Head of the Gal District Administration and its subsidiary divisions

wherein the issues regarding the ongoing repairs and renovation of public buildings, hospitals, courtrooms and sports facilities in the District were discussed. Within the framework of a three-year programme, a number of school buildings and cultural and sport centres as well as the District Law Court will be fully rehabilitated and equipped with computers. As the Prime Minister stated: “We must do everything so that the people in this District should, at last, feel that they are remembered and that they are full-fledged citizens of our republic. A system is required and we will establish it.”

#### Access to information

In our view, the isolation of the Gal District and its location being a long distance from the capital of the republic and other districts of Abkhazia is a serious problem. Owing to its geographic position and language status, it is largely within the information space of Georgia and so the population receives biased information about what is going on around them. According to some members of the focus group discussions in the Gal District, information about local developments as broadcast by the Georgian Rustavi 2 television channel is often shocking. Subsequently, the people learn that there was no truth in what the channel reported but they nonetheless remain incensed. As one of the respondents from the Gal District pointed out, “you watch television and see hair-raising pictures that never happen in reality.” Another stated: “There [in Georgia,] people were very upset and sympathised with us but they didn’t know what was happening. They said the news was full of information about unrest in our district. We said they need not worry because it’s a pack of lies. Everything is quiet here.”<sup>17</sup>

The fact that the problem of access to information indeed exists is corroborated by the report of the UN Secretary-General of 23 January 2008 which states that the almost daily spread of misinformation, which was sometimes abetted by Georgian authorities, has aggravated uncertainty and created a feeling of uneasiness and anxiety in the Gal District of Abkhazia. In particular, the report indicates that information disseminated by the Georgian media about Abkhaz authorities allegedly arresting Gal District residents en masse, the alleged torching of Georgian books and clashes between ethnic Russian and ethnic Chechen servicemen in the peacekeeping force, amongst other issues, turned out to be wholly incorrect. The report further stated that such spurious “news” contributes to a strengthening the

“image of the enemy” amongst the people on either side of the cease-fire line and considerably hampers the process of restoration of mutual trust.<sup>18</sup>

It should be noted the people in the Gal District have grievances against the Abkhaz media as well, especially as concerns electronic sources of information. Gal residents almost never read Abkhaz newspapers and do not watch Abkhaz television because these media sources generally do not highlight the problems of the District. Furthermore, the Abkhaz media are practically inaccessible for the residents in Gal and throughout the District owing to the fact that the system of delivering newspapers to the doorstep of the subscriber is quite poor and that the signal of Abkhaz television can only be received in a few locations in the District. For these reasons our respondents indicated that basically the news was spread from person to person and that there was no true and reliable information. “One side says one thing, the other says something quite different,” said one of the participants of a focus group discussion in the Gal District and the opinion was supported by the others. “People are confused, they don’t know what to do... We are sick and tired of all this mess and uncertainty.”<sup>19</sup> It is perfectly clear that the authorities of Abkhazia should encourage the media’s efforts at highlighting the problems of the Gal District as a means of expanding access of information to the population.

The ignorance of the people in the Gal District about their legal rights and the absence of access to the legal documents of Abkhazia constitute another grave problem. Although these problems are typical of the entire population of Abkhazia, it is clear that those in Gal find themselves in a particularly serious situation. The people’s access to professional legal help is a further acute issue because Abkhazia’s legal protection institutions continue to be underdeveloped. It is true, however, that there is some positive movement in this direction. A ceremony marking the official opening of a Human Rights Centre in Gal, in the presence of representatives of the UN Mission of Observers in Georgia (UNMOG) and the Group of Friends, took place on 10 December 2007, which is acclaimed as the International Day of the Protection of Human Rights. As mentioned in the report of the UN Secretary-General of 23 January 2008, the repair work of the building of the Centre was carried out at the expense of the UNOMIG’s target fund. Today, this Centre is fully functional and renders legal assistance to the local population free of charge. A number

of Abkhaz NGOs are actively co-operating with this Centre in exercising the monitoring of the human rights situation and advocacy of the interests of the local people at various levels of decision-making. On the initiative of some NGOs in Sukhum and with financial support from the British NGO International Alert, a special reception desk was set up at the Centre, which renders legal and informational assistance to the population.

### Participatory rights

According to international standards, the efficient participation of national minorities in social and political life is one of the most important components of a democratic society. The Georgian authorities often seriously accuse their Abkhaz counterparts of what they describe as a discriminatory policy with regards to the population of the Gal District. In practice, however, they are disinterested in having returnees involved in Abkhazia’s socio-economic life whilst conversely pursuing a policy of intimidation of those who co-operate with Abkhaz authorities as attested to by a well-known incident that took place with regard to Fridon Chakaberia. Chakaberia is Head of administration of one of the villages in the Gal District and a thoroughly respected person. He was arrested and convicted on the territory of the Zugdidi District of Georgia on a trumped-up charge for which he was later amnestied due to the interference of international organizations. More tragic was the fate of David Sigua, a respected Gal resident, who was kidnapped after speaking at a rally in Sukhum and in the wake of being appointed the head of the Gal election committee during the last parliamentary election campaign in Abkhazia. Despite the particular attention paid to this case by the UN Secretary-General, Sigua’s whereabouts remain unknown. According to confidential statements of some activists from Gal NGOs, these two cases became a clear indication to the people in Gal of how far Tbilisi was prepared to go with regard to “pro-Abkhazia” Gal residents.

At the same time, there are other problems, which impede a full-scale integration and rehabilitation of the returnees. One of the most serious points which results in all sorts of speculation in both Georgian and Abkhaz societies is the issuance of passports to the residents of the Gal District. According to the legislation of Abkhazia with regard to the right to dual citizenship, only Abkhaz-Russian dual citizenship is allowed. Therefore those Georgian citizens who

desire to obtain an Abkhaz passport must relinquish their Georgian citizenship. In principle, this approach may be justified by the fact that Georgia does not recognise Abkhaz passports, not to mention the fact that in the absence of a Peace Agreement Georgia and Abkhazia in fact continue to be in a state of war. The Georgian media often disseminate information that Gal residents are forced to relinquish their Georgian citizenship and take up Abkhaz passports. In reality, however, the situation is quite different with many of the Gal residents we interviewed having said that they were incensed by the fact that they never received an Abkhaz passport despite having applied for one. An investigation of cases such as these showed that bureaucratic inefficiency was largely responsible for the problems. As for the official position of Abkhazia on this matter, S. Shamba, the Minister of Foreign Affairs of Abkhazia, stated in an official interview that: "Internal Abkhaz passports will be issued to all those who wish to hold them. We understand that the Gal District presents a problem connected with unsettled political issues and many people simply cannot identify their status upon their own free will. With this in mind, we are not going to impose Abkhaz citizenship and passports upon anyone... We would like to approach this question with a due account of the difficulties, which exist in today's reality. We do not intend, therefore, to create any problems for those who are unwilling to take up Abkhaz citizenship. Simply, according to international practice, they will not have the right to vote because one has to present some sort of identification document in order to cast a ballot. In our case, this is an internal passport without which they cannot vote or serve in our army. Apart from that, their fundamental rights, including the right for security, will doubtlessly be protected. We view it like this. The time will come when those from the Gal District will be able to freely express their will and then they will decide for themselves which option is better for them."<sup>20</sup> Following the statement by S. Shamba, the UN Secretary-General, Ban Ki-moon, pointed out in his report to the UN Security Council that this issue was left to the discretion of the Abkhaz side.<sup>21</sup>

European and international experiences corroborate the importance of the election process in securing the participation of national minorities in political life. It bares mention that the population of the Gal District becomes noticeably more active during election campaigns although tension within mounts during election periods in Georgia and Abkhazia. The last parliamentary and local elections

in Abkhazia in 2007 were not an exception to this phenomenon when many Gal residents received calls from Georgia on their mobile telephones (the Gal District is covered by Georgia's telecommunications network with mobile telephones being quite popular there) from unknown callers speaking in Georgian who demanded that the person stay away from the polls and was told that he was being watched at every step. The same callers advised the recipients to think about their relatives in Georgia who "may now have serious problems." This harassment notwithstanding, many Gal residents still came to the polling stations and voted for one of the contesting candidates. Afterwards, the voters assessed these elections as having been more democratic than the previous ones.

Contrary to some statements from Tbilisi, Gal residents have the possibility to participate in the work of the local administrative structures. According to the UN data, Abkhaz authorities encourage villagers to elect heads of their administration from amongst themselves. This happens at gatherings of all villagers who, as a rule, elect the most respected members of their community. True, a number of key economic positions are filled by appointment with ethnic Abkhaz even if ethnic Georgians are in majority. In this context, we point out the immaturity of the local administration over the entire territory of Abkhazia and the low level of development of civil society in the Gal District as amongst the key impediments towards creating efficient mechanisms, which would ensure the wider political participation of the population. At the same time, both the Abkhaz authorities and the international organizations should do their best to encourage Gal residents to return to a normal life, which, inter alia, also implies the right to elect and to be elected as well as the possibility to participate in governance.

### Chapter 3. Prospects of Reintegration

In the course of the polling undertaken in this study, many respondents of non-Georgian ethnicity spoke about the necessity of the integration of the returnees to the Gal District. The majority of the respondents view this issue as follows: those who return to the Gal District will integrate into Abkhaz society and those who opt for staying in Georgia will integrate into Georgian society. One of our respondents maintains "...As we have brought the Georgian refugees back to the Gal District, we must do everything to integrate them into our society..."

and, as the first step, their registration is necessary.”<sup>24</sup> Those who share this approach believe that Abkhazia will be in a position to block Georgia’s political manipulations if they possess precise statistical figures. “They are our citizens and they have the same rights as we have,” said another of the respondents. “I never divide people by their ethnicity. Since our state has decided that these people have the right to live here and they have returned, it means that they have equal rights with us. As for stability, it is necessary to have [international] recognition [of Abkhazia].” Another respondent added: “Our state needs to pursue a well thought-out, sensible and profound policy concerning the Gal District... It is necessary to take care of their [Gal returnees] security and, at the same time, to think of our own security, too.”<sup>25</sup>

It should be noted that not all the respondents in this study share this view. Some are apprehensive and disinclined to fully trust all Gal residents because some of the latter are connected with those working against Abkhazia. One respondent, a government official, believes that Abkhazia’s unilateral steps towards the return of the displaced people were a mistake because they gave Georgia levers for manipulations. There is also another view according to which the discussion of steps connected with the return is premature. Those who hold this view believe that nothing threatens Georgia from the Abkhazian side. Conversely, it is Georgia, which should undertake positive steps with regards to its compatriots although “it is Georgia which organises endless provocations and pushes the resolution of this issue away.”<sup>26</sup>

The fact that a rather considerable part of the population of Abkhazia is aware of the importance of the integration of the returnees may be regarded as a positive sign although it refers only to those Gal residents who truly desire to integrate. Recently, too, the idea of the Samurzakans as a separate identity has been gaining in popularity. The Samurzakans have lived in Abkhazia for centuries and have never acted against other Abkhaz. The media also report on the topic of integration. On 27 February 2007, *Nuzhnaya Gazeta* published the opinion of T. Gumba, a civil activist, who wrote: “We should treat this district as lovingly as we can. When we adopt new laws, we cannot afford to sidestep the Gal residents.” At the same time, there are a number of Abkhaz public activists, especially those who are in opposition to today’s authorities, who discern a threat in the formation of the “fifth column” if Gal residents were issued with Abkhaz

passports. They regard as utterly inadmissible that “someone who goes to Tbilisi and elects Saakashvili should participate in Abkhaz elections” whilst others assert that the issuance of passports to Gal residents has nothing to do with their integration into Abkhaz society: “We can finally get the reverse effect; that is, integration of Abkhazia into Georgia. If you issue 60,000 Georgians with Abkhaz passports (and the Gal residents, are in support of the integration of Abkhazia into Georgia), it will promote the further integration of Abkhazia into Georgia.” Other politicians, however, disagree with this whilst holding that the Gal residents “are our people and they must be integrated into our economic, social and political life.”<sup>27</sup>

According to local Georgian (Megrelian) residents and to the reports of international organisations, the situation in the Gal District is in reality steadily improving although not as quickly as one would desire. As a high-ranking official of the UNHCR stated: “Upon the basis of the information which we and other UN agencies have, I can say that over the recent few years the situation in the Gali District has considerably improved. Regrettably, many people in Georgia do not know about this and are under the delusion that the Gali District is a realm for criminals wherein every human right is violated. This is not true.”<sup>28</sup> Similar conclusions are in the Report of the UN Secretary-General of 11 January 2007: “Until very recently, considerable improvement was discernible which international and local observers ascribed to the improvement of interrelations between the Georgian and Abkhaz law enforcement bodies and the expansion of their possibilities.”<sup>29</sup> One should also take into account, however, that the August 2008 events brought about dramatic change of the situation which call for an adequate reaction of all those who are interested in stability and in the increase in the level of security both in the Gal District and in Eastern Abkhazia on the whole.

## Conclusions and Recommendations

### Conclusions

1. The events in South Ossetia in August 2008 and the subsequent escalation of violence in the border areas of Abkhazia and Georgia produced a destabilising impact upon the situation in the Gal District. Owing to ever more frequent terrorist attacks on the territory of the District, as well as the steps made by Tbilisi which factually destroyed the hitherto existing format of the peacekeeping

operation, the regime at the check-points on the Ingur border, including the one on the bridge over the River Ingur, has become more rigid. Understandably, this creates new difficulties for the population of the adjacent territories thereby curtailing their freedom of cross-border movement.

2. The official recognition of independence of Abkhazia by Russia increases the responsibility of the Abkhaz leadership for an unflinching observation of the most important international principles and standards in the sphere of human rights and the rights of ethnic minorities.

3. The refusal of the Georgian leadership and a number of international organisations to recognise and put on record the fact of the return of the Georgian population to the Gal District renders this category of people particularly vulnerable and raises serious obstacles as to the determination of their legal status as well as to the implementation of wide-scale programmes of social, economic and psychological rehabilitation.

4. The returnees to the Gal District are extremely sensitive about the uncertainty of their status and, as such, desire to concretely identify themselves. Some wish to take an Abkhaz passport whilst others prefer to obtain a residence permit in Abkhazia and continue to hold their Georgian passport while enjoying guarantees of their property rights.

5. In addition to security, the most acute problems in the District are: the need for a better health care system, modern education and access to more impartial and varied information. Equally pressing are the problems of providing schools with high quality textbooks and programmes (including those in the Georgian language elaborated specifically for the Gal District). There is acute shortage of qualified teachers, especially in language teaching.

6. Although the Abkhaz authorities take definite steps towards the rehabilitation of the social and transport infrastructure (repair of hospitals, schools, kindergartens, roads and the like), it is impossible to overcome the consequences of the war and attain a real increase in the quality of life of the population without the participation of international donor organisations.

7. There are real pre-requisites for the reintegration of the returnees into local society owing to the specificity of this district, its geographic position and its ethnic composition which allow the host population not to regard the returnees as a threat to their security and identity or to their fundamental rights and needs.

## Recommendations

### *To the State structures of Abkhazia:*

1. With due account of the new political context, it is necessary to exercise greater responsibility with regards to the needs and requirements of the returnees to the Gal District and to do so in conformity with the international standards in the sphere of human rights and the rights of ethnic minorities upon the basis of respect for human dignity, equality of rights and non-discrimination. Further thereto, it is necessary, in particular, to expedite the elaboration and adoption of the Law of the Republic of Abkhazia on Residential Permit which would meet democratic norms. At the same time, those residents of the Gal District wishing to be issued with Abkhaz passports should receive them in a most expeditious manner.

2. It is necessary to determine and promulgate the order and corresponding legal procedures for the Gal residents to cross the border across the River Ingur with due account of the interests of national security and the legal rights and interests of the returnees.

3. It is necessary to promote the creation of feedback mechanisms between various levels of Abkhaz authorities and returnees to the Gal District so as to take into account their interests and ensure their participation in the decision-making process. To that end, a new position may be created in the district administration in the form of an officer responsible for co-operation with NGOs and village communities.

4. It is necessary to expedite the reform of school education in Abkhazia and devote more attention to increasing its quality in the Gal District. To that end, co-operation should be established with the relevant organisations and agencies of the United Nations, the European Union, the Council of Europe, etc., for the implementation of programmes for refresher courses for school teachers, the renovation of facilities and the technical equipment of schools, kindergartens, etc.

### *To the Government of Abkhazia and international organisations:*

1. It is necessary to start the elaboration and implementation of large-scale programmes of social rehabilitation in the Gal District, which would include its infrastructure, communications and roads. This will help to improve the day-to-day life of the people and contribute to their integration. Alongside, special attention should be devoted to the most vulnerable categories of the population; that is, retired persons and pensioners,

women with children, disabled people, etc.

2. It is necessary to take steps towards supporting civil society institutions, particularly systems of local self-government in the Gal District. Equally important is the rallying of support for the Gal Centre for the Protection of Human Rights and expanding the network of legal services operating free of charge (the so-called reception centres for the population). The implementation of projects in this sphere with the participation of civil society leaders from other regions of Abkhazia will help to overcome the consequences of the war, promote an improvement of the situation in the sphere of human rights and the establishment of civil control over the activities of the law enforcement bodies.

3. It is necessary to expand the participation in the training programmes and workshops for the protection of human rights, conducted by the UN Mission of Observers, by including not only officers of the law enforcement bodies but also representatives of local administrations.

#### *To the European Union:*

1. Support needs to be given to the civil society initiative aimed at the preparation and publishing of modern textbooks in history and geography for the schools in the Gal District of Abkhazia with the help of experts from the EUROCLIO. These materials should be devoid of any ideologically-biased content.

2. In consideration of the difficult socio-economic situation facing the residents of the Gal District, it is necessary to implement small business projects with the participation of both returnees and other citizens of Abkhazia. To that end, a special fund should be set up and managed by authoritative leaders of Abkhazian civil society (including returnees).

#### *To the leaderships of Abkhazia and Georgia and international organisations:*

1. It is necessary to reach a mutually agreed decision regarding the registration of the returnees within the framework of the legal procedures of the UNHCR which will stabilise the situation in the Gal District and create conditions for the greater involvement of donor organisations in the implementation of a number of projects aimed at the economic rehabilitation and the development of local communities, civil society, health care, education, etc.

#### *To the leadership of Georgia:*

1. It is most urgent to discontinue regarding returnees to the Gal District and those wishing to integrate into Abkhaz society as “collaborators” but, rather, to give all-round support and encouragement to the large-scale participation of the returnees in the socio-political life and activities of the local administration which will contribute the further democratisation of society and expedite the rehabilitation of the population of the Gal District.

2. It is necessary to discontinue the use of the mass media for spreading premeditated misinformation and ideological clichés that strengthen the «enemy image» and impede the overcoming of ethnic hostility and mutual intolerance between the conflicting sides. It is necessary to contribute to the dissemination of true and unbiased information about the events taking place in Abkhazia and Georgia.

#### Endnotes

<sup>1</sup>Georgian paramilitary formations invaded the territory of the Gal District in May 1998 with the aim of cutting it away from the rest of Abkhazia, which brought about a new flare-up of violence and flight of the Georgian population. Subsequently, there was another attempt of armed Georgian gangs at breaking through to the territory of Abkhazia from the Upper Kodor Gorge in autumn 2001.

<sup>2</sup>Quadrupartite Agreement on the Voluntary Return of the Refugees and Displaced Persons, Moscow, 1994.

<sup>3</sup>Ibid.

<sup>4</sup>For details see the Report of the Joint Commission of the UNOMIG on studying the situation in the Gal District, 20-24 November 2000, p. 9.

<sup>5</sup>Ibid., p. 17, item 5.

<sup>6</sup>Ibid.

<sup>7</sup>Indirect corroborations of this are to be found in the speeches of semi-criminal leaders of these formations and the coverage of their press conferences, widely disseminated in the Georgian media.

<sup>8</sup>“Abkhazia: Ways Forward,” Report of the International Crisis Group, No. 179, p. 23.

<sup>9</sup>Boutros Boutros-Ghali, Agenda for Peace, 1992.

<sup>10</sup>See Report of the Joint Commission of UNOMIG on the fact-finding mission to the Gal District, 20-24 November 2000, pp. 18-19.

<sup>11</sup>Respublika Abkhazia, 28 March 2008.

<sup>12</sup>Report of the Joint Commission of UNOMIG on the fact-finding mission to the Gal District, 20-24

November 2000, p. 16.

<sup>13</sup>Interview with R. Kishmaria to the Association of Women of Abkhazia, July 2006.

<sup>14</sup>“Abkhazia: Ways Forward,” Report of the International Crisis Group, No. 179, p. 27.

<sup>15</sup>Ibid., p. 28.

<sup>16</sup>At his meeting with the High Commissioner of the Council of Europe on 13 February 2007, dedicated to the protection of human rights, President Bagapsh stated that Abkhaz authorities did not impede using the Georgian language as the instruction medium at schools of the Gal District. “However,” he specified, “the education process will follow programmes and curricula approved in our country.”

(<http://www.abkhaziagov.org/ru/president/press/news/detail.php?>).

<sup>17</sup>Focus-group discussion with women from the Gal District, 15 June 2008.

<sup>18</sup>See Report of the UN Secretary-General of 23 January 2008.

<sup>19</sup>Focus-group discussion with women from the Gal District, 15 June 2008.

<sup>20</sup>Interview with S. Shamba to the “Regnum” information agency on 10 January 2006.

<sup>21</sup>Quoted from the interview given by P. Nicolaus, Head of the UNHCR Representative Office, to *Abkhazskiy Meridian*, No. 4(72), April 2008.

<sup>22</sup>Quoted from the statements of several civil society activists and citizens of Gal Districts during the round table discussion in Gal (10 April 2007).

<sup>23</sup>See Report of the Joint Commission of the UNMOG on the fact finding mission to the Gal District, pp. 13, 14, 17.

<sup>24</sup>For details see *The Problem of Refugees in the Context of Abkhaz-Georgian Relations*, Sukhum, 2008, p. 29.

<sup>25</sup>Ibid., p. 30.

<sup>26</sup>Ibid., pp. 30-31.

<sup>27</sup>*Chegemskaya Pravda*, 29 April 2008.

<sup>28</sup>Quoted from the interview given by P. Nicolaus, Head of the UNHCR Representative Office, to *Abkhazskiy Meridian*, No. 4(72), April 2008.

<sup>29</sup>See Report of the UN Secretary-General of 11 January 2007.

Shalva Pichkhadze

## SETTLEMENT OF THE GEORGIAN-ABKHAZ CONFLICT: THE PROBLEM OF DISPLACED PERSONS

### Introduction

The process of settlement of the Georgian-Abkhaz conflict has many components amongst which the situation of the displaced persons (DP) is one of the most topical.

Without delving deeply into the history of the conflict, let us state at the outset that there was no considerable friction between the Abkhaz and the Georgians during the Soviet period when serious issues within the USSR would invariably have been handled in Moscow. Today, a great deal of Georgians and Abkhaz who reside in other countries are known to coexist quite well and, moreover, they successfully run joint businesses and enter into other formalised partnerships. The conflict took shape after the collapse of the Soviet Union and around the issue of who was going to rule over the territory of Abkhazia. This paper seeks to discuss the problem of the DPs in light of this situation.

The problem of the DPs is one of the major impediments on the way to a full-scale settlement of the conflict. Ignoring it or only resorting to half-hearted measures without an overall approach renders all settlement attempts as doomed to failure.

### Structure of the document

The **Introduction** contains the structure of the paper, the substantiation of the problem under study and its importance, an identification of the goal, the objectives of the study and the methodology applied therein whilst also containing the definition of the working hypothesis. **Chapter 1** describes the state of affairs connected with the DPs prior to the events that took place in August 2008, the goals held by the conflicting sides before and after these events and the new realities which are faced by the DPs. In **Chapter 2** the author, jointly with his counterpart from the Abkhaz side, determines the main lines and dimensions of co-operation between the conflicting sides as concerns the return of the DPs to their

homes and their subsequent social and economic rehabilitation. **Chapter 3** studies the attitude of the DPs towards the possibility of co-operation between the sides in resolving the issues agreed upon in the previous chapter as well as the preparedness of these persons to social, political and economic rehabilitation after their return. The research method of the study involved opinion polling amongst a selection of DPs. The **Conclusions** provide common findings and offer joint recommendations of counterpart researchers.

### Substantiation and significance of the problem under study

DPs began to feature as such at the very outset of the armed confrontation between the Georgian and the Abkhaz sides dating to the summer of 1992 when the peaceful civilian population had to flee their homes in the combat operational zone. The bulk of the population, however, (numbering in the thousands) had to abandon their homes in the concluding stage of the warfare after 27 September 1993 with ethnic Georgians comprising the majority of the DPs.

The problem of Abkhazia is extremely politicised and almost every seemingly non-political problem acquired a political undertone within the course of attempts to settle the conflict. This is self-explanatory, seeing that the conflict is a political one, with its ethnic component being skilfully manipulated in order to achieve political ends.

This is fully reflected in what prima facie is a purely humanitarian problem dealing with the return of the DPs to their homes and it is precisely this problem which has become the most politicised. It invariably arises as a stumbling block in practically all lines of the negotiation process, be that regarding the definition of the status, the protection of human rights, the opening of transport and communications through the territory of Abkhazia (including reopening the railway), joint economic projects, trans-boundary

trade, combating illegal migration and smuggling, etc.

Simultaneously, the issue of the DPs is the rock upon which the two sides split. On the one hand, Sokhumi understands that it will be quite difficult to gain international recognition and acquire the image of a democratic state (which implies an operating system of democratic elections to representative bodies of government) without a civilised resolution of the problem of the DPs. At the same time, the Abkhaz authorities and society as a whole, on the one hand, are fully aware that, given the free expression of the people's will and taking into account the considerable tip of the balance towards ethnic Georgians, the final answer as to "who will govern the territory" will not be in their favour. On the other hand, it is worth the while to pay greater heed to, perhaps, the rather justified apprehensions of Sokhumi that if the return of the DPs goes out of the control of the Abkhaz side, it may trigger a comeback of large-scale violence.

The Georgian side, therefore, continues in its refusal to consider any forms of settlement without the prior solution of the problem of the return of the DPs whilst the Abkhaz side has been equally opposed to discuss, in any foreseeable future, return of the DPs to Abkhazia either under the aegis of the United Nations or with the participation or in co-operation with the Georgian side. Furthermore, there hitherto remains no joint efforts at finding the ways and means for settling the conflict in the context of the problem of the DPs with due account of the fundamental interests of both sides nor is there any joint analysis of a solution of this problem in the light of possible scenarios of the developments.

Several studies of the issue have been made under the aegis of International Alert, UNDP and International Crisis Group in the aspects of consolidating the personal safety of the DPs, their integration at the places of their temporary settlement, the rights of the DPs and an assessment of the situation in the areas of their expected return.

#### Goals and objectives of the study

This study seeks to determine how the conflicting sides can co-operate so as to remove the DPs issue as the major stumbling block impeding a full-scale resolution of the conflict. We intend to determine the spheres of possible co-operation between the conflicting sides with a view to reducing the tension created by the problem of the return of the DPs.

#### Research methods applied

The research employed the technique of polling the DPs so as to disclose their attitude towards the spheres of possible co-operation between the conflicting sides in the resolution of these serious and protracted problems, analysing them and finding the ways and means of their resolution. With due account of the representativeness of the polled community of the DPs in our polling campaign, the analysis of the results of the polling gives an idea of how this community regards the possibilities for co-operation between the conflicting sides and to what extent this community is prepared to participate within.

#### Hypothesis

The joint and harmonised determination by both sides of the conflict and the dimensions of possible co-operation in effecting the return of the DPs and their subsequent social, economic and political rehabilitation may help depoliticise this issue and contribute, in a certain measure, to a relaxation of the tension in this vital aspect of a full-scale settlement of the conflict. The desire of the DPs and their preparedness to participate in the process of rehabilitation will also abate the tension in the areas of the return and improve the degree of their personal safety therein. The participation of the European Union (EU) in this process will contribute to the settlement of the conflict.

#### Expected results and their strategic significance.

Given the political will and favourable circumstances, this paper, containing practical recommendations and being addressed to both the political leadership of the conflicting sides and official experts of the EU, may be used for the elaboration and implementation of practical programmes aimed at depoliticising the issue of the return of the DPs, the insurance of their safety and, ultimately, at the promotion of a full-scale settlement of the conflict.

### Chapter I. The State of Affairs Prior to the Events of August 2008 and Thereafter

#### The erstwhile "Geneva Format"

The state of affairs after the notorious August 2008 events would be difficult to comprehend without a short overview of the preceding situation. The erstwhile "Geneva Format" of negotiations (so

called because the first negotiations in this format took place in Geneva in November-December 1993) implied negotiations between the conflicting sides under the aegis of the United Nations with the assistance of the Russian Federation and in the presence of the OSCE as an observer. At the end of the 1990s, the "Group of Friends of the UN Secretary-General," a.k.a. Friends of Georgia (hereinafter FoG), composed of the US, the UK, France, Germany and Russia, joined the process. An important aspect that greatly influenced the situation was the Peacekeeping Operation (PKO) implemented by the Joint Peacekeeping Force (JPKF) under the aegis of the CIS. In actual fact, this Force was entirely manned by Russian servicemen. Many meetings at various levels were held within this format. As is often the case in settling such a complicated problem as the conflict in Abkhazia, several concrete lines and dimensions were identified in the framework of which similar negotiations continued in the same format but by more "specialised" delegations. Conspicuous amongst the topics of these sessions were the issues of the status, the problems of the DPs, the sittings of the so-called Co-ordination Council or the less regular meetings of the local authorities in the front-line village of Chuburkhandji, etc. On every such occasion, however, the main items on the agenda were:

- The status of Abkhazia
- The problems of the DPs.

#### State of affairs before August 2008

According to different assessments made by both the Georgian and the Abkhaz sides, there are now about 55,000 ethnic Georgians in the Gali District of Abkhazia who have returned there on their own. Before the start of the military operations, the population of this District was about 85,000-90,000 with a predominant ethnic Georgian base. These people are commonly referred to as "spontaneous returnees" because their return to the place of their former residence was not under the aegis of the UNHCR nor was it organised by the official authorities of Georgia or the self-proclaimed Republic of Abkhazia. It should be mentioned in this context that the Abkhaz side came up with an appeal addressed to all those willing to return to the Gali District to do so and fall under the jurisdiction of the self-proclaimed Republic of Abkhazia as early as the Presidency of Mr Ardzinba. The majority of ethnic Georgians were unwilling to become Abkhaz nationals and returned to Gali on their own. Of these,

approximately 30,000-35,000 reside permanently in the Gali District whilst others shuttle to and fro across the River Enguri that divides the conflicting sides. Practically all of them still hold documents attesting their Georgian citizenship. The "spontaneous returnees" are registered by the authorities of the unrecognised Republic of Abkhazia who issue them with certificates of Abkhazian "citizenship." As of today, the Abkhaz side tries to persuade the spontaneous ethnic Georgian returnees to take either Abkhaz citizenship and, consequently, Abkhaz passports, or Russian citizenship and passports of the Russian Federation.

Before the August 2008 events, both conflicting sides tried to achieve their quite transparent aims with some of them remaining quite relevant.

For the Georgian side these are:

- The re-establishment of the pre-conflict demographic advantage and guaranteed resolution of the status problem of the territory as an integral part of Georgia.
- The presence, in Abkhazia, of a Georgian population (although not yet properly organised) as a force which may be relied upon in case of necessity.

For the Abkhaz side these are:

- The prevention of a correction of the results of the "ethnic cleansing" and a guaranteed resolution of the status problem of the territory in favour of its independence.
- The prevention of the formation of "the fifth column" in the Gali District and all over Abkhazia.

To these ends, the conflicting sides use the following tactics: The Georgian side presents this problem as a purely humanitarian one that has nothing to do with the negotiations concerning the political status of the territory in question. Proceeding from this position, the DPs have an unconditional right to return to the places of their permanent residence all over the territory of Abkhazia irrespective of the tempo and format of the resolution of other issues. Along with that, the Georgian side shares the opinion that the return of the DPs could begin from Gali, provided that:

- It is exercised under the aegis of the UNHCR.
- It should proceed on a wide-scale pattern and cover the entire territory of Abkhazia within one or two years.
- Joint mechanisms of security of the returnees should be elaborated by Sokhumi, Tbilisi and the

international community.

The Abkhaz side agrees that the DPs do have this right but argues that its total and unconditional implementation will disrupt stability in Abkhaz society which is fraught with triggering a new flare-up of ethnic violence. The Abkhaz side is of the view that the return of the DPs should start with the Gali District, wherein:

- They would have minimum contacts with ethnic Abkhaz.
- There have practically been no military operations and property losses were insignificant.
- There is a minimum number of houses commandeered and appropriated by other people (by ethnic Abkhaz, by militants from the North Caucasus and the like).

As regards guarantees of personal safety, the Abkhaz side, as an “independent state,” does not intend to involve any outsiders for the protection of its citizens.

The de facto authorities of Abkhazia are interested in the preservation of the status quo with regards to the DPs for several reasons, as under:

- A few tens of thousands of returnees will help the Abkhaz side to maintain that the process of return of the DPs goes on successfully.
- The ethnic Georgians who have returned to the Gali District live in compact communities and can be easily kept under control.
- The Gali District remains a major producer of agricultural goods and has a large share in the total volume of agricultural produce of Abkhazia and so it is in the interests of Sokhumi that it should have the necessary numbers of farmers to keep this source of revenue going and provide maximum yield.
- The ethnic Georgian spontaneous returnees are, in some measure, regarded by Sokhumi as a sort of hostage which creates a definite guarantee against resolute activities on the part of the central government of Georgia.
- The security and personal safety of the spontaneous returnees depend entirely upon their aptitude to “get in the good books” of the Abkhaz authorities. This makes them more loyal or, at least, law abiding people. At the same time, those who refuse the so-called Abkhaz citizenship are shorn of many rights which makes them more dependent and controllable.

In this situation the issue of restitution never arises.

### Changes in the situation of the DPs after August 2008

In the wake of the well known events of August 2008, the context of the return of the DPs underwent some changes. As mentioned earlier, it has become a political issue rather than a humanitarian one. New developments have now come to the fore from which the following can have an impact on the further destiny of the DPs:

- The Abkhaz side, for whom the prospect of international recognition even by a limited number of foreign powers has become a tangible prospect, may lose interest in the return of the DPs.
- So far, it remains unclear whether or not Russia's influence in Abkhazia has increased and, if so, to what extent it may curtail the freedom of Abkhaz authorities in making decisions including those concerning the return of the DPs and those regarding the attitude of the Abkhaz authorities to those ethnic Georgians who have returned to the Gali District on their own.
- There is now a new flow of DPs from the Kodori Gorge.
- The Peacekeeping Operation (PKO) in its present format have come to an end which will also impact the state of those who have returned to the Gali District;
- Also questioned has become the further format of the United Nations Observation Mission in Georgia (UNOMIG)

## Chapter 2. Determination of Basic Lines and Dimensions of Co-operation

As has been mentioned above, no attempts have hitherto been made to jointly seek ways and means for the resolution of the conflict with due account of the fundamental interests of its sides within the context of the problem of the DPs. Determining the issues wherein the sides could co-operate with a view to resolving at least some of them, therefore, has become a delicate issue in its own right. The lines of possible co-operation described below may not appear to be the most topical today but, this notwithstanding, they are the trends wherein agreement on joint work has been reached with the Abkhaz counterpart in the project.

At the present stage, the author reached an agreement with his Abkhaz counterpart that co-operation could be possible along the following lines:

- I. Commencement of polling and registration of returnees to the Gali District. In this respect,

the UNHCR follows definite principles that do not always coincide with the wishes of the conflicting sides. Both the UNHCR and the Georgian side, for instance, do not accept the Abkhaz practice according to which the returnees who have come back to the Gali District of their own free will are to sign a document on their loyalty to the constitution of the self-proclaimed Republic of Abkhazia and pledge to observe its legislation. Co-operation between the sides in this issue and the elaboration of agreed positions, however, could help persuade the UNHCR to display a certain degree of flexibility for the benefit of the returnees themselves.

2. In our view, the attitude to the returnees as collaborationists will not contribute to their social, economic and political integration. This is specifically true of those groups of Georgian society who are confrontationally minded with regards to the Abkhaz and are most sceptical regarding the prospects for peaceful settlement. The returnees, however, need to have the possibility to freely and fully participate in the life of their village and their district, inclusive of membership in the local administrative structures, which does not necessarily imply their de jure recognition of the independence of the Abkhaz state. It is a problem which needs to be depoliticised as much as possible. The problems of the returnees' social and political rehabilitation and integration may become a sphere of joint work of the conflicting sides.

3. Development of civil society in the Gali District is a further sphere of promising contacts that are likely to bear fruit, possibly with participation of international institutions. International governmental and non-governmental organisations have experience in fostering the development of local NGOs including women's and youth associations. Georgian civil society has accumulated a relatively wide experience in this respect.

4. Economic rehabilitation of the Gali District. This, in our view, is the most promising sphere. This could involve the co-operation of the sides with the participation of international organisations aimed at economic rehabilitation and with the involvement of the population living in the District into the implementation of economic projects, however small, for a start. Some economically disadvantaged districts have already accumulated vast experience in this respect. In some of these districts, these issues are being successfully dealt with by the EU which encourages small business and promotes their development. For the returnees to the Gali District, there can scarcely be a better way towards

integration and social rehabilitation than involving them into business activities and thusly turning them into property owners. This trend of co-operation can turn out to be even more promising in the case of the successful implementation of the project of establishing special economic zones in the area of conflict and on adjacent territories.

5. Prevention of discrimination of the people on any grounds in the conflict zone. Seeing that the Georgian side wields greater political and moral influence over the returnees to the Gali District, the co-operation of the sides in this respect could help the eradication of possible discrimination at the place of their return.

### Chapter 3. Opinion Poll Amongst Displaced Persons

The previous chapter determined the spheres of possible co-operation between the conflicting sides with a view of: a) depoliticising the issue of the DPs and b) promoting the social, economic and political integration of the returnees to the Gali district. In our research, we polled some of the DPs to elucidate their approaches and attitude to the abovementioned trends of possible co-operation between the conflicting sides. The purpose of this polling and the subsequent analysis of its results was to study the attitude of the DPs towards their return to Abkhazia, the possibilities of their social, economic and political integration after their return and also to what extent they were prepared to co-operate with the Abkhaz authorities and the forms that this co-operation could take. We also queried our respondents as to whose interests should be taken into account upon their return to Abkhazia. Throughout, we have studied the attitude of the DPs towards international organisations in the process of rehabilitation and reconciliation and tried to reveal the level of their trust in the EU as in a possible stimulator and promoter of joint projects.

#### Research methods

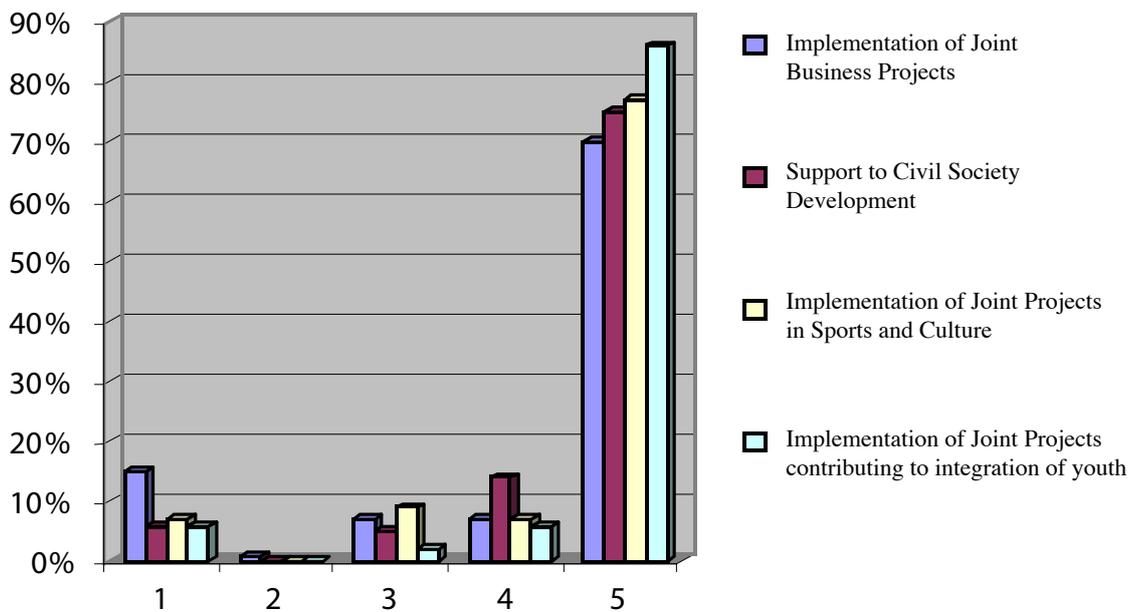
We created a special questionnaire containing six questions as a means for studying the issues we intended to highlight herein including the problems that had been determined within the course of preliminary consultations with the Abkhaz side as possible spheres of co-operation between the sides together with the possible participation of international organisations (see Annex 1). Our research methods were based upon quantitative polling and upon a random selection of respondents

from amongst the community of DPs (400 persons were selected) comprising 100 respondents. Within the polling process, we avoided selecting two or more persons from the same family so as to obtain a more unbiased overall final picture of the review. The ages of our respondents ranged from 20 to 60 years wherein 54 percent were female and 46 percent were male. Each respondent was briefed on the tasks and objectives of the research. The polling was not anonymous and the respondents participated with interest.

### Results of the polling

We polled DPs from Sokhumi, Gagra, the Gali District and Gulripsh as well as from villages in their environs. Four areas of compact settlement were selected. It is noteworthy that the majority of our respondents displayed a particular interest in our study. When asked whose interests should be taken into account in the case of a large-scale return of the DPs within a short time (one year), 86 percent of the respondents replied that it must be the interests of both sides. The most critical was the DPs' reaction to the registration and polling of returnees carried out by the Abkhaz authorities. 40 percent of the respondents, of whom 8 percent had participated in the hostilities, displayed a negative attitude towards this process due to the lack of a guarantee of their personal safety and integrity. At the same time, only 15 percent of the respondents held that the returnees should not participate in the work of local administrative structures of Abkhazia whilst the remaining 85 percent were prepared to assist them in their activities. The questionnaire proposed four possible spheres of co-operation between both the Georgian and the Abkhaz sides and between the Georgian returnees and the Abkhaz population. The questions were to be evaluated using a five-point system addressing: the implementation of joint business projects, the joint promotion of the development of civil society, the implementation of projects in the sphere of culture and sports and the implementation of projects promoting the integration of young people. The survey showed that over 70 percent of the respondents were highly favourable towards these spheres of co-operation. Of these spheres, the lowest grade of appreciation was received by the issue of joint business projects (70 percent) whilst the highest grade was received by projects promoting the integration of young people (86 percent). (See Chart 1).

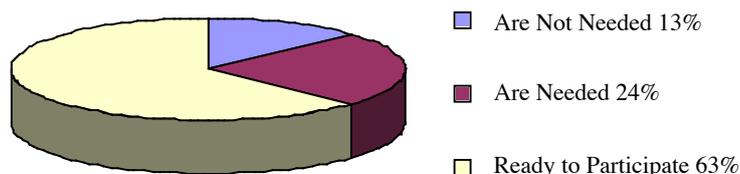
Chart 1. Four Possible Spheres of Co-operation



The study reveals that 8 percent of the IDPs from each ethnic group place equal hopes on the representatives of legal authorities and international organisations in the process of rapprochement between the Georgians and the Abkhaz whilst only 4 percent believe that the process of rapprochement depends upon representatives of the societies themselves. The remaining 80 percent believes that this is an issue which concerns all sides. In the course of the polling, several respondents added that Russia, too, could play a major role in this process.

It was made clear to the respondents that the EU has experience in stimulating small business projects and further promoting them in depressed areas on condition that the projects would involve Georgians and Abkhaz together should they be implemented in Abkhazia. According to this study, the majority of the IDPs (63 percent) are prepared to participate in these joint projects whilst 24 percent believe that such projects are needed and only 13 percent there are doubtful as to their necessity. (See Chart 2.).

**Chart 2. Attitude of DPs Towards Joint Business Projects**



## Chapter 4. The European Union Factor

This study does not aim to answer the question “why the EU is getting more actively engaged in the process of conflict settlement?” A special representative of the EU in South Caucasus is, inter alia, dealing with the settling of the Georgian-Abkhaz conflict as a part of his mandate. Moreover, the EU features as a more active stakeholder in this issue than some separate European countries.

The EU is attractive for Sokhumi for a number of reasons:

- The EU is not a military-political bloc and, consequently, does not threaten Sokhumi with aggression.
- The EU's forte is welfare and stability which is something Sokhumi desires most.

Under these conditions, the activation of the EU in the form of political initiatives and humanitarian economic projects could give a new and long-term pragmatic dimension to the issue of settlement including the problem of both voluntary returnees to Abkhazia and those who still remain DPs, because:

- Regardless of where economic projects may begin, their initial stage will extend over the Gali District as it will quite likely be in the interests of both the Georgian side and the EU.

- It will also be in the interests of the Abkhaz side, because:

- a) it will enable the Abkhaz side to begin concrete contact with the EU.

- b) it will enable the Abkhaz side to demonstrate that it is now an independent state in the full sense of the word and a state which cares for its subjects irrespective of their ethnicity.

- c) it will enable the Abkhaz side to show its concern for the Georgians who have returned to the Gali District.

- Economic projects will create a stimulus for both of the conflicting sides to take effective measures for improving the criminogenic situation in the Gali District.

- The DPs who shuttle to and fro across the River Enguri will thereby have a greater opportunity to return to the place of their permanent residence.

- Implementation of economic projects will improve the psychological state of the DPs who seek to return to other areas of Abkhazia and will inspire them with hope to do so.

## Recommendations and Conclusions

### Recommendations to the European Union:

1. Render support to researchers and activists from the Georgian and Abkhazian civil societies in their efforts to prepare for the press and publish up-to-date and completely de-ideologised textbooks and instruction aids in history and geography which would be distributed in Georgian schools in the Gali District. To that end, it is desirable to involve European experts such as, for instance, those from the EUROCLIO, in the project.

2. With due account of the complicated socio-economic situation of the returnees and proceeding from the experience of EU activities in disadvantaged areas, it is recommended that the EU begins to stimulate and promote business initiatives in which returnees would take active part. To that end, it is proposed that an international business fund be established in order to promote small businesses in the Gali District. It is desirable that the abovementioned fund be managed with participation of the representatives of civil society, including the returnees.

### Recommendations to the conflicting sides and international organisations:

1. Co-operation should immediately start for the polling and registration of the returnees to the Gali District. This co-operation between the conflicting sides in this matter could convince the UNHCR to display greater flexibility for the benefit of the returnees. This would improve the situation regarding the personal safety of the returnees at their place of residence and promote the protection of human rights.

2. International organisations should spare no effort in involving the conflicting sides, both on the official level and on the level of civil society, in intensifying the support of civil society institutes by the returnees.

### Recommendations to representatives of civil societies of the conflicting sides and to international organisations:

1. Owing to the paucity of reliable information from the Gali District, a programme or project should be elaborated for raising the awareness of the returnees

regarding the events taking place on either side of the confrontation. This can be achieved through training journalists, organising logistical support for the local independent press and electronic media and establishing contacts with a view to exchanging information between and amongst journalists from other regions.

### Final conclusions

This study allows one to conclude that the politicising of the issue of the return of the DPs and their social, economic and political integration can only impede and harm the entire process of the peaceful settlement of the conflict. At the same time, with reference to the issue of the DPs the sides must:

1. Refrain, ad maximum, from further politicising the issue of DPs.
2. Make a clear-cut determination of their reasonable interests in the issue of the DPs and bring it to the knowledge and understanding of the other side.
3. Refrain from handling the issue of the DPs "from scratch" and try to comprehend and take on board the interests of the other side.

Although no polling was done amongst representatives of official authorities of the conflicting sides, and being aware of the general tendencies in approaching the issue of settlement of the conflict, one can conclude that the IDP community displays better preparedness for co-operation with the other side than do the representatives of the governing powers.

## References

1. Quadripartite agreement on the voluntary return of the refugees and internally displaced persons, 4 April 1994.
2. "Some Aspects of Human Security," No. 1. Sokhumi, 2008.
3. "Some Aspects of Human Security," No. 2. Sokhumi, 2008.
4. "Georgia Refugee Recount" IWPR Report, 28 April 2004.
5. "Abkhazia: Ways Forward," ICG Europe Report No. 179, 18 January 2007.

## Endnote

<sup>1</sup>Refugees and internally displaced persons from Abkhazia

## Annex I

### QUESTIONNAIRE

1. A large-scale return of DPs within a short period of time (presumably within one year) all over the territory of Abkhazia causes concern to the authorities of Abkhazia and its society. Whose interests should be taken into account in the case of a large-scale return of DPs within a short period of time?

- a) only those of the DPs
- b) only those of the Abkhaz side
- c) both

2. The Abkhaz side carries out registration and polling of the returnees. Should the returnees:

- a) undergo registration and polling
- b) refuse to undergo registration and polling

3. What is your view regarding whether or not the returnees should participate in the work of the local administrative authorities of Abkhazia?

- a) they should participate
- b) they should not participate

4. In your opinion, which spheres of co-operation are necessary for the social and political rehabilitation of the returnees? Check number 1 (unimportant) to number 5 (very important) as an assessment of your opinion concerning:

- a) implementation of joint business projects

1	2	3	4	5
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- b) contribution to development of civil society

1	2	3	4	5
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- c) implementation of projects in culture and sport

1	2	3	4	5
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- d) implementation of projects contributing to integration of youth

1	2	3	4	5
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5. In your opinion, upon whom does the process of rapprochement of the Georgians and Abkhaz depend:

- a) representatives of society
- b) representatives of official authorities
- c) international organisations
- d) all of the above

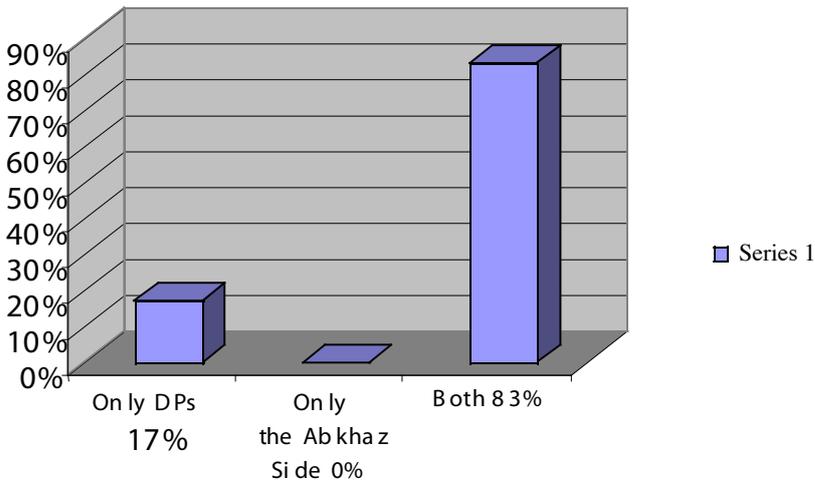
6. The EU has ample experience in the implementation of joint projects (i.e., those between conflicting sides) in the sphere of small business. Do you think that such projects:

- a) are not needed
- b) are needed
- c) I am prepared to participate in them

### Annex 2

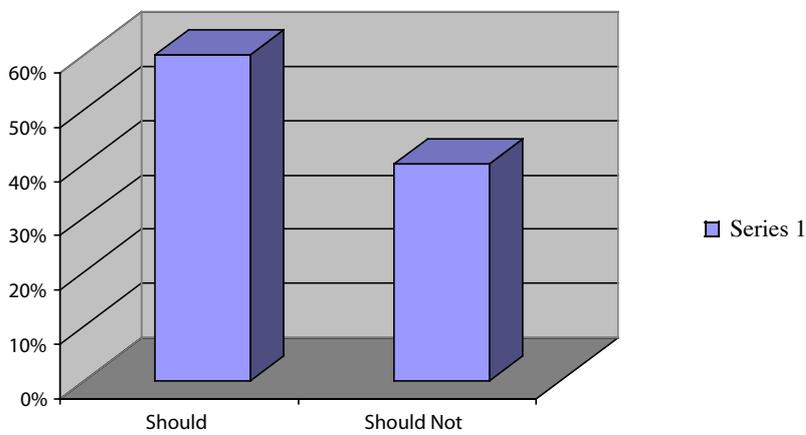
#### Results of the Opinion Polling in Diagrams

Question 1 - Whose interests should be taken into account in the case of a large-scale return of DPs within a short period of time?

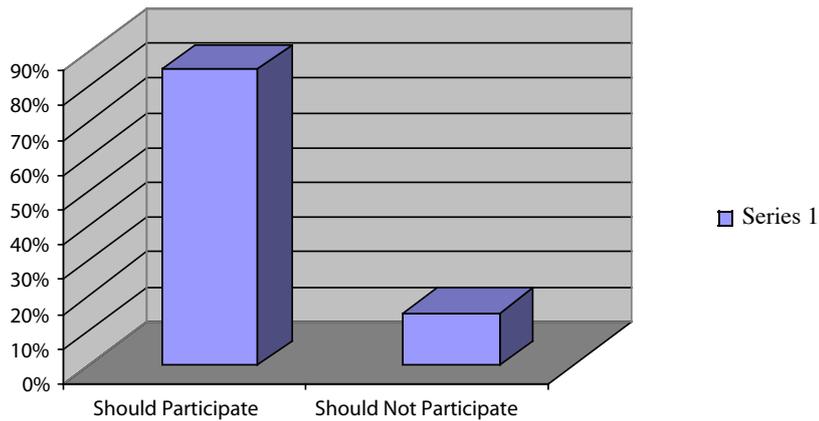


Question 2 - Should the returnees undergo registration and polling?

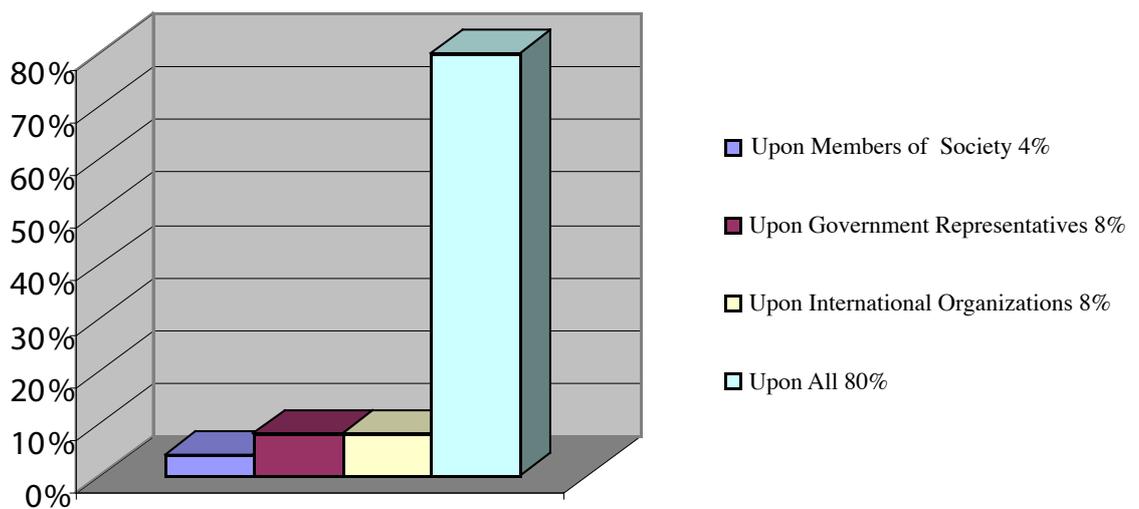
See Diagram 2.



Question 3 - What is your view regarding whether or not the returnees should participate in the work of the local administrative authorities of Abkhazia?



Question 4 - In your opinion, upon whom does the process of rapprochement of the Georgians and Abkhaz depend?



Beslan Baratelia

## ECONOMIC DEVELOPMENT OF DISADVANTAGED AREAS OF ABKHAZIA

### Introduction

The processes of transformation in the economy of Abkhazia, which started in the early 1990s, were essentially aggravated by the Georgian-Abkhaz military conflict and its consequences. The “frozen” state of the conflict, international sanctions against Abkhazia, the inactive transport infrastructure of the republic and the lack of access to the resources of the world financial market have collectively exercised a negative impact upon the economic development of Abkhazia. Under these conditions, the Russian Federation remains Abkhazia’s chief economic partner which results in a more vigorous development of the areas bordering Russia whilst Eastern Abkhazia, which shares a border with Georgia, noticeably lags behind in the rate of its economic growth.

The ravages of war, the proximity of Abkhazia’s eastern regions to the conflict area with Georgia and the lack of adequate economic spheres as concerns the current political and economic realities shape the rather unique place which the republic’s eastern areas occupy in the socio-economic context of Abkhazia as a whole. These regions are marked by the highest level of unemployment and the lowest level of living standards in Abkhazia as a result of the almost complete destruction of their economic potential during the war of August 2008 and wherein a utilisation of remaining resources has become impossible within the reality of the new economic conditions, particularly at the time of sanctions.

The consequence of the economic collapse is the continual outflow of the population in the course of all the post-war years that has left many areas deserted and, consequently, devoid of necessary human potential for future development.

For a number of reasons, the area in question remains isolated even from the type of economic development which currently characterises other districts of Abkhazia. The ensuing degradation of the republic’s eastern areas vis-à-vis its central and western parts can potentially become an immediate cause for social tension. Eastern Abkhazia needs ad hoc legal and financial preferences in the form of a relevant State programme, at the very least, which would provide a so-called “breath of fresh air” which

is so vital for this area in order to advance its further development.

As previously mentioned, the growing imbalance in the development of the republic’s different areas entails social tension owing to the steadily increasing differences between the economic opportunities for the population in Eastern districts and in the rest of the country. This situation requires the undertaking of special studies in order to assist in the elaboration of a programme which would be instrumental for the State as well as for local and foreign donors and investors.

The development of Abkhazia’s eastern regions occupies a particular place on the agenda of governmental institutions and features prominently at the level of the country’s civil society. The low level of socio-economic development in these areas causes a growth in the crime rate and other socio-economic problems which are typical to a disadvantaged territory such as it is. It is hoped that this study will prove useful for those institutions that will be elaborating and implementing the overall rehabilitation programs in the areas in question.

Unfortunately, however, no such projects have been elaborated specifically for the districts in question and this limits the possibilities for any organisations to take up a targeted course of activities for the socio-economic revival of the region. Instead, there are only sporadic projects which are implemented rather chaotically and outside of any large-scale programme and which serve only narrow local purposes whilst not contributing to the resolution of major problems nor creating the necessary conditions for the general development of the area. This study, in addressing a full set of problems faced by the region, seeks to provide an integrated picture of the situation which, in its turn, will enable the elaboration of a strategy for incorporating local projects into an overall programme in order to begin the forward process. A further result will be the increased apperception of the local population as regards the general tendencies towards improving the overall situation in Abkhazia whilst becoming active participants in the region’s economic development and taking benefit from the results.

### The main target and objectives of the study

The main target of the study is to research the state of the economy of the disadvantaged areas of Eastern Abkhazia, to identify the reasons for this economic disadvantage and to seek ways and means with which to overcome them.

The author has set himself the following tasks within the study:

- To make an analysis of the state of the economy of Abkhazia in the post-conflict period, especially its eastern areas.
- To make an assessment of the impact of the sanctions imposed upon Abkhazia in the mid-1990s as concerns the growth of the gap in the economic development between the eastern areas and the rest of the country.
- To make a calculation of the financial resources needed for the development of the area in question coming from the State, private investments and from international aid baskets.

### Hypothesis of the study

The basic hypothesis of the study is the assertion that overcoming the economic disadvantage of the eastern regions of Abkhazia will aid in achieving stability in the region.

### Methods of research

In the course of this study the author employed the use of official statistics of the Ministry of Economy of the Republic of Abkhazia, the Ministry of Finance, the State Customs Committee, the local administrations in the districts of Eastern Abkhazia and of the Abkhaz State Statistics Administration.

Owing to the insufficient character of statistical information concerning the socio-economic situation in the disadvantaged regions of Abkhazia, it was necessary to employ and utilise the results of sociological opinion polling exercises in the region under study. Questionnaires, which were formulated and distributed to a wide section of respondents, posed the following questions:

- Is the standard of living in your district higher or lower in your opinion than elsewhere in Abkhazia?
- How has the socio-economic situation in your

opinion changed in your district over the last two-to-three years?

- Do you have a permanent source of income?
- Upon which basic sources of income does your family subsist?
- What are your family's average monthly expenditures and how do you spend your money?
- In what sphere would you prefer to be employed?
- If you came into some money, which business would you take up?
- Do you have any experience in running a business of your own? If so, what type of business?
- Suppose you decided to go into business, what kind of assistance would you require?
- What is the minimum amount of financial investment you would need to start a business of your own?
- Are you prepared to relocate to other areas of Abkhazia if there was a good chance of getting a well paid job there?
- Do you expect the living standard in your district to change in the next two-to-three years and, if so, in what direction is it likely to change?
- Please enumerate five basic problems which your district is facing and which, in your view, are those in need of immediate address.
- Do you feel that there would be any assistance from the State in starting your business? If so, what would it be?
- What particular kind of assistance would you like to get from the State in order to start a business of your own?

The following research methods were utilised in the process of conducting this study:

- working with questionnaires
- interviews

- collection, processing and analysis of official statistics
- use of existing studies undertaken on the territory of Abkhazia by national and international organisations
- drafting charts, tables and diagrams

The following two points were taken into consideration during the course of conducting the questionnaires and interviews:

Firstly, given the fact that over two-thirds of the population of the area under study lived outside urban centres, the research was mindful of the fact that the overwhelming majority of the respondents were villagers.

Secondly, since the Gal District is mainly populated by ethnic Georgians, the Ochamchyra District by ethnic Abkhaz and the Tquarchal district by a mixed population, the completed questionnaires were processed separately for each district. This enabled us to take into account both the shared problems and those specific to the peculiarities of each district.

### The context and the geographic coverage of the study

The following basic contexts were taken into account during the course of this study:

- The destructive consequences of the Georgian-Abkhaz armed conflict.
- The regime of sanctions imposed upon Abkhazia by the international community.
- Abkhazia's lack of access to the world financial resources.

In terms of geographical coverage, the study extends over three districts in Eastern Abkhazia; namely, the Gal, Ochamchyra and Tquarchal districts which border with Georgia. The sociological polling of the population was carried out in the towns of Gal, Ochamchyra and Tquarchal together with a number of villages in their environs.

## Results of the Research

### Abkhazia's economy in the post-conflict period

Transformation processes in the entire post-Soviet space after the collapse of the USSR greatly harmed Abkhazia's economy and caused a disruption

of economic ties between and amongst different regions and industries of what used to be one whole country whilst the transition to a market economy exacerbated the problems of deficit and short supply to a critical point. The most detrimental factor therein, however, was the armed conflict between Georgia and Abkhazia whose after-effects continue to hamper the development of the Abkhazian economy.

According to the assessment conducted by a special committee created by the Cabinet of Ministers of the Republic of Abkhazia, the overall material damage it suffered as a result of the armed conflict with Georgia amounted to approximately USD 11.3 bln (as of 1 January 1995). In this, the share of the transport infrastructure is USD 2.15 bln, that of agriculture and industry is USD 0.6 bln whilst that of civil engineering and construction is USD 0.5 bln. The very fact that the accumulated State budget (despite its constant growth) over the post-war period failed to exceed USD 200 mln is proof enough of the serious damage which the Georgian-Abkhaz conflict has caused to the economy of Abkhazia<sup>1</sup>.

As a cumulative result of the abovementioned problems, the basic foundations of Abkhazia's economy have been seriously undermined with the agricultural sector, in particular, having suffered considerably. The production of citrus fruit, for example, dropped from 100,000-120,000 tons per year to a mere 30,000-33,000 whilst that of tea fell from 80,000-100,000 tons to 6,000-7,000 and that of tobacco from 7,000-10,000 tons a year to the complete disappearance of this sector.

A similar situation is observable in industry. Before the Georgian-Abkhaz conflict, as many as 500 industrial enterprises functioned on the territory of Abkhazia which employed over 30,000 persons. For various reasons, after the armed conflict Abkhazia was torn away from the raw material and finished product markets with its economy having lost its competitiveness and its industrial sector practically having ceased to exist. As a result, the number of industrial enterprises was reduced by more than five times with the volume of industrial production in comparable prices having fallen to less than 5 percent of the pre-war level.

Further problems were seen in the tourism industry. In the pre-war years the number of sanatoria, rest homes and other tourist facilities amounted to 120, accommodating 30,000 guests with over 1.5 mln

tourists visiting Abkhazia every year. The collapse of the Soviet Union and the Georgian-Abkhaz conflict suspended this sector of the economy almost in its entirety until the end of the 1990s and it was only after the easing of the procedures for crossing the Russian-Abkhazian border that development of tourism was revitalised. Today, 15 years after the start of the conflict, Abkhazia has 67 sanatoria, rest homes and hotels functioning and they can accommodate 12,000 guests.<sup>2</sup>

With the election of Vladimir Putin as the President of the Russian Federation, the situation on the Russian-Abkhazian border showed a tendency towards improving. Firstly, the limitations upon crossing the border were lifted which allowed tourists from Russia to easily travel to Abkhazia and commercial structures to carry out export-import transactions.

Present-day Abkhazia is one of the least developed countries in the post-Soviet space as regards both the level of the economy and the quality of life of its population. According to experts, the per capita share of the gross domestic product is approximately USD 1,500 a year.

At the same time, Abkhazia differs from other post-Soviet republics by a high rate of its economic growth caused by the so-called "low starting level" effect. Even an insignificant boost in the economy gives a good percentage of growth even though the amount of production remains modest in absolute terms.

Abkhazia possesses considerable economic resources which characterise and determine its comparative advantages: namely, sub-tropical agriculture and tourism. A boost in the activities of small businesses and the growth of demand for export commodities from Abkhazia has been observed over the last years.

Given that Abkhazia only recently began the process of transition to the system of national accounts (SNA), there is no information as concerns the basic macroeconomic indices in the categories of a market economy. Nevertheless, one can assess the dynamics of the development of the Abkhazian economy by resorting to some indirect indices.

In the first place, it is the index of gross output in the economy which has grown from USD 36 mln in 1999 to USD 375 mln in 2008<sup>3</sup>.

Another indirect evidence of the growth of Abkhazia's economy is an increase of the average monthly salary which has grown from USD 8.7 to USD 127.5 over the abovementioned period although the amount remains exceedingly small. Salaries of employees in the organisations financed from the State budget were raised by 50 percent in 2006 as compared to the previous year when the increase was 30 percent, in 2007, 30 percent in 2008 and by 40 percent from 1 January 2009<sup>4</sup>.

In reality, the official amount of the average monthly salaries of the population does not allow us to speak of the factual living standard of the people owing to the presence and high share of the so-called "shadow economy", which is the result of frequent evasion of taxpaying. According to expert assessments, Abkhazia's "shadow economy" exceeds the legal one, two or threefold amount which accounts for the population's considerably higher real income than what is reported by official statistics.

The growth of the republic's GDP is also corroborated by increasing the State revenues that come to its budget. Annual budget revenues grew by 13 times from USD 5.5 mln in 2000 to USD 65 mln in 2008 which constituted 23 percent in real terms<sup>5</sup>.

Positive changes in Abkhazia's economy are attested to by the rate of employment therein which has been growing steadily from year to year. The number of officially registered employees in the economy has grown almost twofold from 1996 to 2006; that is, from 17,700 to 33,600<sup>6</sup>.

Other indirect arguments in favour of the revival of economic activities in Abkhazia are the increase of the total amount of electricity consumed therein, which rose from 381.5 mln kWh to 640.0 mln kWh and a growth in the number of imported vehicles from 104 in 1999 to over 3,527 in 2008<sup>7</sup>.

Despite the lack of macroeconomic indices in the categories of the market economy, however, an analysis of the existing statistics allows us to speak about a growth of economy which is accompanied by an increase of the standard of living in Abkhazia. This notwithstanding, however, the republic's economy remains weak even in light of the abovementioned improvements.

A number of events have taken place in Abkhazia's economy in recent years which collectively have

increased its attractiveness for investors. In the first place, there is Russia and Nicaragua's official recognition of Abkhazia's independent political status, the slackening of the rigorous regime on the Russian-Abkhazian border and the selection of the Russian city of Sochi as the Olympic capital in 2014. There is no doubt that these circumstances will arouse and enhance the world community's interest in Abkhazia which, in its turn, will promote an inflow of investments which will primarily be channelled into the sphere of services; namely, tourism, the promotion of mobile telephone communications networks and in various other branches of industry.

#### General characteristics of the disadvantaged areas of Abkhazia

Despite a modicum of revival in Abkhazia's economy dating to 2000, the results of this revival are not seen in all districts within the Republic. The rather uneven development of various areas of Abkhazia has caused some of them to lag behind in socio-economic development in comparison with others due to the uneven levels of investor attractiveness of both the territories and the branches of economy.

The Gagra District and Sukhum, as the capital city of the republic and home to many enterprises and organisations, are developing most vigorously as a result of the rapidly developing tourist industry in Abkhazia. Conversely, the republic's eastern areas on the border with Georgia are lacking in stability due to the threat of a possible exacerbation of the Georgian-Abkhaz conflict. Moreover, these particular areas have no developed tourist infrastructure and continue to fall behind Abkhazia's western and central regions in their economic growth with this gap steadily increasing from year to year.

Several basic reasons hampering the recovery and rehabilitation of Abkhazia's disadvantaged areas can be identified:

- Firstly, the disadvantaged areas are those which were most seriously affected by the Georgian-Abkhaz armed conflict in 1992-1993. These include the cities of Tqvarchal and Ochamchira together with their environs wherein the local infrastructure was seriously destroyed together with numerous industrial enterprises and privately owned houses and apartments. The population of these districts was reduced considerably with many people having moved to central and western Abkhazia.

- Secondly, the possibilities of economic growth have been hampered by a greater distance from Russia which has served as practically the only retail market for small-scale entrepreneurs and farmers (excluding those living in the Gal District who were able to engage in trade with their counterparts in Georgia).

- Thirdly, unlike elsewhere in Abkhazia, many of the damaged and destroyed industrial enterprises found in these areas remain in shambles. The majority of those living in Tqvarchal, for example, used to work in collieries and in Soviet military enterprises. The collapse of the Soviet Union and the armed conflict between Abkhazia and Georgia put an end to the work of the urban enterprises which has resulted in an almost complete discontinuation of the economic development of Tqvarchal.

- Fourthly, the proximity of the areas to the Georgian border creates insecurity and instability with an ever-present risk of an escalation of the conflict with Georgia and which further decreases the attractiveness of the eastern areas of Abkhazia for any type of investment, especially foreign. The share of foreign investment capital allocated to the disadvantaged areas is less than 5 percent.

- Fifthly, there is the further factor of a lack of a State programme for the recovery and rehabilitation of the disadvantaged areas. Abkhazia's current legislation does not identify these areas as such and, consequently, its national laws do not envisage any mechanisms aimed at stimulating their economic development. In particular, there are no tax preferences for entrepreneurs who begin their business enterprises in the disadvantaged areas.

All this reflected upon the poor rate of the socio-economic development of Eastern Abkhazia which thereby certainly qualified for the status of a disadvantaged area.

Thus, as of 1 January 2008, the population of the three disadvantaged districts amounted to 69,037 persons or 32.26 percent of the entire population of Abkhazia.

**Table 1. Population of the Republic of Abkhazia as of 1 January 2008<sup>8</sup>**

Region	Number of people	Share in percentage
Abkhazia's entire population, including:	214016	100
Ochamchyra District	25161	11,76
Tquarchal District	14654	6,85
Gal District	29222	13,65
<b>Total in these districts</b>	<b>69037</b>	<b>32,26</b>

It is of particular note that these districts produce only 18.8 percent of Abkhazia's industrial output with tourism playing only a rudimentary role within their economy.

According to official statistics, Eastern Abkhazia is allocated only 7-8 percent of the expenditures

for capital construction in the entire republic which accounts for only 5-6 percent of the total commodities turnover and for only 3 percent of all paid services rendered to the population even though approximately one-third of the republic's entire population lives in these areas.

**Table 2. Volume of Industrial Production as of 1 January 2008<sup>9</sup>**

Region	Mln RUB	Share in percentage
Entire territory of Abkhazia	483,5	100
Ochamchyra District	18,8	3,89
Tquarchal District	60,8	12,57
Gal District	10,5	2,17
<b>Total in these districts</b>	<b>90,1</b>	<b>18,63</b>

**Table 3. Volume of Capital Construction as of 1 January 2008<sup>10</sup>**

Region	Thousand RUB	Share in percentage
<b>Entire territory of Abkhazia</b>	<b>583956,7</b>	<b>100</b>
Ochamchyra District	21354,8	3,66
<b>Tquarchal District</b>	<b>13937,7</b>	<b>2,39</b>
Gal District	1260,0	0,22
<b>Total in these districts</b>	<b>36552,5</b>	<b>6,26</b>

**Table 4. Volume of Paid Services Rendered to the Population as of 1 January 2008<sup>11</sup>**

Region	Thousand RUB	Share in percentage
<b>Entire territory of Abkhazia</b>	<b>2172779,9</b>	<b>100</b>
Ochamchyra District	18551,6	0,85
<b>Tquarchal District</b>	<b>9474,9</b>	<b>0,44</b>
Gal District	22664,5	1,04
<b>Total in these districts</b>	<b>50691</b>	<b>2,33</b>

The disadvantaged state of these areas is also corroborated by the collected revenues coming into Abkhazia's budget over a nine month period in 2008. The share of total revenues collected in Eastern Abkhazia (from the Ochamchyra, Tquarchal and Gal Districts) amounted to 9,5 percent.<sup>12</sup>

The difficult economic situation, a damaged and destroyed infrastructure and a lack of dynamism in the development of production facilities are reflected

in the low level of employment of the population. Only 2,168 (or 8 percent) of the 25,000 official residents of the Ochamchyra District are locally employed whilst only 1,500 (or 10 percent) of the 14,000 official residents of the Tquarchal District and only 1,000 (or 3 percent) of the 29,000 official residents of the Gal District have local jobs. In actual fact, the official statistics fail to take into account the considerable numbers of those who are self-employed in the "shadow economy."

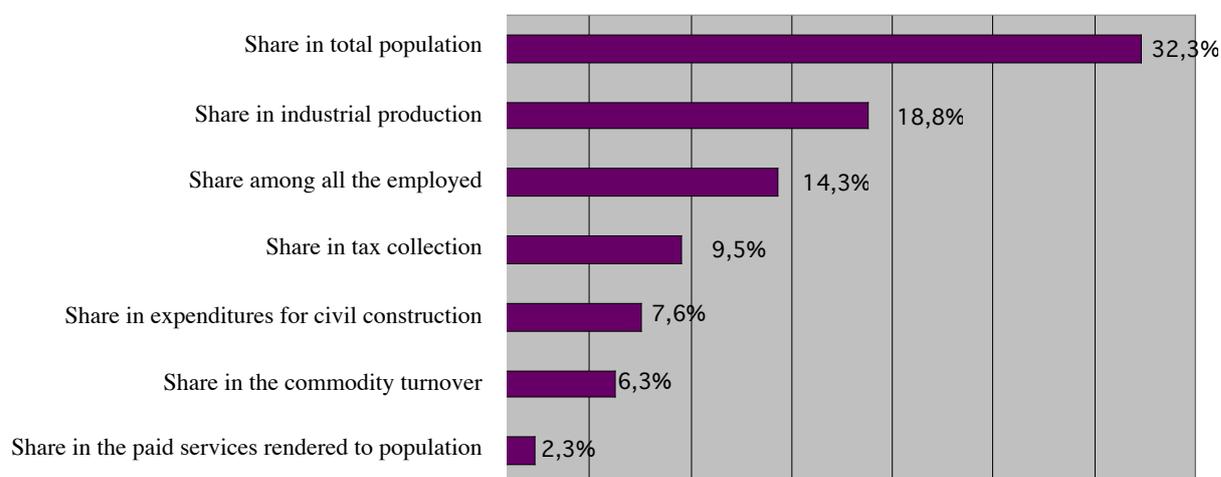
The disadvantaged character of the region under study is also reflected in the low average monthly salaries as compared to the same figures for Abkhazia as a whole. Whilst it amounted to RUB 3,489.1 in the Gagra District in 2007 as compared to the average figure for the whole of the republic standing at RUB

2,706.9, it was only RUB 1,937 in the Ochamchyra District, RUB 2,201.1 in the Tquarchal District and RUB 1,975.5 in the Gal District. At the same time, the average monthly cost of living for the period under review was RUB 3,100<sup>13</sup>.

**Table 5. Average Monthly Salaries Paid to Those Employed at State and Municipal Bodies as of 1 January 2008<sup>14</sup>**

Region	RUB	Share in percentage from Abkhazia average	Deviation
<b>Entire territory of Abkhazia</b>	<b>2706,9</b>	<b>100</b>	<b>0</b>
Ochamchyra District	1937,0	71,56	-28,44
<b>Tquarchal District</b>	<b>2201,5</b>	<b>81,33</b>	<b>-18,67</b>
Gal District	1975,5	72,98	-27,02
<b>Gagra District</b>	<b>3489,1</b>	<b>128,90</b>	<b>+28,90</b>

### Eastern Abkhazia in the Republic's Economy in 2007



Owing to the incomplete body of statistics about the socio-economic development of Abkhazia as a whole—and that of Eastern Abkhazia, in particular—it is difficult to make valid conclusions about the population's standard of living and their accompanying needs. Throughout the course of this study, the author interviewed 150 respondents (50 in each district) of whom 120 persons reside in rural locales (8 percent of the population of these districts are villagers) and within which 56 percent of the respondents were male and 44 percent were female.

According to the results of survey, the average income per household (4.74 persons) is RUB 18,368 of which 27 percent is spent on traditional ritual events such as wedding gifts,

contributions to a bereaved family's funeral costs, wakes and the arrangements for funerary feasts, amongst other rituals; 23 percent is spent on food, 18 percent on clothing and footwear, 14 percent on household goods and 11 percent on medical treatment. Only 2 percent of the respondents indicated that their income met their needs whilst 58 percent regarded their income as insufficient and 48 percent indicated that their income was so low that they were often forced to borrow money to support their needs.

It is important to note that agriculture is a major advantage for each of these districts in that the share of Eastern Abkhazia in arable fields comprises 50 percent of the entire republic's arable land.

**Table 6. Land Used in Agricultural Turnover as of 1 January 2008<sup>15</sup>**

Region	Hectares	Share in percentage
<b>Entire territory of Abkhazia</b>	<b>39,5339</b>	<b>100</b>
Ochamchyra District	110,859	28,04
<b>Tquarchal District</b>	<b>34,109</b>	<b>8,63</b>
Gal District	45,815	11,59
<b>Total in these districts</b>	<b>190,783</b>	<b>48,26</b>

Whilst once numbering over 200, the State and collective farms and the other agricultural enterprises of the former Soviet period no longer exist on the territory of Abkhazia. Today, the republic has approximately 80 agricultural companies with the majority of them in the form of small businesses. Over 80 percent of the population of these areas are rural residents who earn their livelihoods from subsistence farming and selling their produce at the markets in Gal, Ochamchyra and Sukhum. Moreover, many farmers also sell their produce over the Russian-Abkhazian border along the River Psou especially during the hazelnut and citrus harvests given that there are good prospects for better returns in

this area than in selling the fruit and nuts at lower prices in the local markets. The villagers' income is also connected with the climatic peculiarities of agricultural production and the seasonal factor. Of additional note is the approximately 5 percent of local villagers who took up farming with the support of various projects implemented through the financial assistance of international NGOs as well as from the State Privatisation Fund of the Republic of Abkhazia. The acute shortage of funds and the exceedingly high banking interest rates on loans (36-48 percent per annum) is a further factor for the overall low level of agricultural development in Abkhazia.

Currently, the main impediment for agro-industrial development in Eastern Abkhazia is the shortage of funds although experts indicate that this area has enormous economic potential with the most advantageous trends foreseen as growing

vegetables, tea, hazelnuts and persimmons and also for promoting viticulture and the canning industry. In this context it should be mentioned that each district has its own peculiarities and comparative advantages in generating agricultural output.

**Table 7. Priority Trends in Developing Agricultural Production in Eastern Abkhazia**

Tquarchal District	Ochamchyra District	Gal District
<ul style="list-style-type: none"> <li>• Sub-tropical fruit growing</li> <li>• Industrial crops</li> <li>• Growing/processing of different varieties of nuts</li> <li>• Cattle-breeding</li> </ul>	<ul style="list-style-type: none"> <li>• Sub-tropical fruit growing</li> <li>• Industrial crops</li> <li>• Volatile oil-bearing plants</li> <li>• Vegetable growing</li> <li>• Cattle-breeding</li> <li>• Poultry farming</li> <li>• Growing/processing of different varieties of nuts</li> <li>• Cereals</li> <li>• Apiculture</li> </ul>	<ul style="list-style-type: none"> <li>• Sub-tropical fruit growing</li> <li>• Various nut trees/shrubs</li> <li>• Cereals</li> <li>• Vegetable growing</li> <li>• Cattle-breeding</li> <li>• Poultry farming</li> </ul>

Recent years have witnessed some changes in the priorities and Abkhazia lost some comparative advantages in tobacco growing (from 6,000-7,000 tons of tobacco in Soviet times to the current disappearance of this agricultural sector). On the other hand, the cultivation of the kiwi fruit is gaining increased popularity as a local cultivar.

The urban population of Eastern Abkhazia is in a particularly difficult situation given that they are generally less mobile than the rural residents and are not in the position to take up subsistence farming to support themselves. The serious crisis in the economy of urban areas in Eastern Abkhazia has led to mass unemployment. According to indirect assessments, the level of unemployment therein remains high: 30 percent in Tquarchal, 20 percent in Ochamchyra and 25 percent in Gal. The majority of those who have no permanent job often engage in seasonal employment or find work in the "shadow economy," mostly in trade.

This is particularly typical of those living in the Gal District which borders Georgia. Owing to trans-boundary trade, the volume of retail turnover in the

Gal District is four times greater than in Tquarchal and Ochamchyra together. Only 67.3 percent of the respondents to the polls undertaken in this study indicated that they had a permanent source of income whilst 32.7 percent reported irregular earnings. Herein, the respondents tended to refer to their low salaries as their source of regular income whilst their main income was said to be derived from subsistence farming and the occasional sale of their produce. This is particularly true for the residents of Gal who are engaged in trade across the River Ingur.

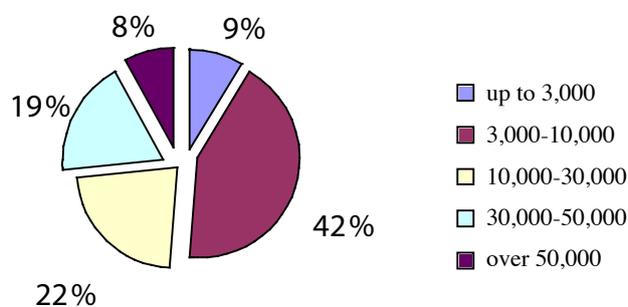
As a direct result of the low salaries, 57 percent of the respondents reported that they wanted to run a business of their own, however small, or get a permanent job preferably within a private commercial enterprise. At the same time only 3.2 percent indicated that they derived their main income from entrepreneurial activities, mostly in the sphere of small business.

On the whole, the urban respondents reported that they would like to be employed in trade, the hotel business and restaurants whilst the rural respondents preferred to remain in farming. At this junction, 92.3 percent of respondents indicated that they had no experience in running a business of their own although they expressed a desire to run one. Of these, only 38.8 percent needed organisational and managerial assistance in addition to loans and other forms of funding.

With the absence of a special State programme for the development of small- and medium-business in the disadvantaged areas of Abkhazia, the residents of

Eastern Abkhazia face numerous serious problems—financial in the first instance—in wanting to take up a business of their own. The exceedingly high interest rate for bank loans (up to 36 percent per annum) and the short term of these loans (mostly up to one year) make this source of financing exceedingly disadvantageous. Moreover, even the most credible budding entrepreneur will not qualify for a loan without property or other adequate collateral to guarantee the security of his loan. For this reason, 98.7 percent of the respondents reported that the main condition for the implementation of their initiative was the availability of a low cost long-term loan.

### Structure of investments needed by respondents to start a business (in USD)



The increase of prices in Abkhazia over the recent years creates further difficulties, if not impossibilities, to start a development project with only minimum funds. In light of this reality, 42 percent of the respondents indicated that they needed a loan from between USD 3,000-10,000, 22 percent reported that they needed from between USD 10,000-30,000 and only 9 percent said they could start a project of their own with a loan of up to USD 3,000.

The gap between the development of Abkhazia's disadvantaged areas and that of the rest of the

republic has also resulted in an outflow of people from these areas (mostly from Tqurchal and Ochamchyra) whose populations have decreased by almost 20 percent (from 4,786 to 4,132 persons in Tqurchal) over the last five years (2003-2008) and by 10 percent (from 4,702 to 4,457 persons in Ochamchyra). To compare the situation with the rest of the country, the population of Gagra in Western Abkhazia increased by almost 30 percent (from 10,717 to 13,698 persons) over the same period. 63.5 percent of the respondents from Eastern Abkhazia are of the view that the cost of living there is lower than

elsewhere in the republic whilst 45 percent did not notice any practical increase and another 53 percent said that the situation had become somewhat better.

Those living in the disadvantaged areas maintain that the policy of the State concerning the resolution of the problems of Eastern Abkhazia should be more vigorous in light of the widely held belief that these areas alone cannot improve the situation. The respondents assert that the State should take up the following problems with immediate urgency:

- Rehabilitation of roads (68 percent)
- Upgrading the quality of health care (38 percent)
- Increase of salaries (34 percent)
- Increased support for rural areas (33 percent)
- Unemployment and the creation of new jobs (32 percent)
- Introducing recreational facilities for young people to prevent their
- Migration to other areas of Abkhazia (32 percent)
- Upgrading the quality of education at schools (18 percent)

Overall, the residents of Eastern Abkhazia were not optimistic regarding their economic success in the future. Of those polled, 54.1 percent expect only insignificant improvements in their standard of living whilst only 18 percent anticipate considerable improvement. At the same time, 47.7 percent of the residents in Eastern Abkhazia are prepared to leave their homes should the opportunity to find a well paid job elsewhere transpire. This percentage is much higher amongst those under the age of 35.

## Conclusions

- Despite a noticeable revival of economic development in Abkhazia over the recent years, three of the republic's eastern districts (Tqurchal, Ochamchyra and Gal) remain mostly outside of this process. Moreover, the accelerated rate of economic growth in Central and Western Abkhazia increases the gap between these areas and the eastern regions as concerns the socio-economic situation and standard of living. Migration, especially of the younger members of the population, is an observable and increasing trend in Eastern Abkhazia.

- The overwhelming majority of the population of

Eastern Abkhazia lives in the rural areas and is engaged in subsistence farming of which some produce is sold at local markets and provides the villagers with a small amount of financial income. The towns and cities in Eastern Abkhazia exhibit a high level of unemployment with many people being forced to migrate to other areas of the republic in search of a job or shuttle between their home place and other areas whilst engaged in petty trade. According to the results of various sociological studies, the problem of obtaining a good job and a stable income is the most pressing for residents of Eastern Abkhazia.

- There are several reasons to account for the hampered recovery and rehabilitation of the republic's disadvantaged areas. Firstly, these territories were the worst affected during the military conflict in 1992-1993. Secondly, unlike other parts of Abkhazia, these areas are further away from the Russian border where agricultural produce is sold and from where tourists come. Thirdly, unlike elsewhere in Abkhazia, many industrial enterprises destroyed in Eastern Abkhazia remain in ruins and without functionality. Fourthly, there is a very low level of attractiveness for investors given the proximity of these areas to the border with Georgia wherein the conflict remains unresolved. Fifthly, there is no State programme for the recovery and rehabilitation of the disadvantaged areas of Abkhazia without which the eastern territories will scarcely be able to bridge the gap between their economic development and that of the rest of the republic.

- The economic rehabilitation of Eastern Abkhazia and the creation of new industries and new jobs require considerable financial investments. High risks impede the attraction of the necessary funds from foreign investors whilst Abkhazia's internal funds are too small vis-à-vis the needs of the economic development of its eastern areas. These needs, however, can only be met with considerable external assistance.

- The analysis of the results of the sociological opinion polling gives us grounds to conclude that the population of the disadvantaged areas of Eastern Abkhazia is highly interested in setting up farms of their own (in the rural areas) and small enterprises, mainly in the sphere of local services. To that end, the majority are prepared to take cheap loans for a three-to-five year period. In addition to economic assistance in the form of grants, therefore, a system of credits for financing the implementation of economic

projects should become an important means in this sense. Further necessary is the establishment of a State agrarian commercial bank whose sole purpose would be the financing of small business enterprises in the sphere of agriculture.

- Eastern Abkhazia possesses enormous economic potential within the agricultural sector. In this context, and taking the various climatic and soil conditions in the disadvantaged areas into account, experts have identified the following trends for agricultural production: the growing of sub-tropical fruit and the cultivation of technical crops, nuts and cattle-breeding would be most advantageous for the Tquarchal District. Furthermore, the growing of sub-tropical fruit, vegetables, technical crops and volatile oil-bearing plants, apiculture and cereals would be most advantageous for the Ochamchyra District. The growing of sub-tropical fruit, the cultivation of different varieties of nuts, cereals, vegetables, cattle-breeding and poultry farming would be most advantageous for the Gal District.

## Recommendations

1. Given that the standard of living in Eastern areas of Abkhazia is noticeably lower than that elsewhere in the republic and, therefore, that these areas lack in attractiveness for investors, the resolution of their socio-economic problems with the financial, human and other resources which are currently available on site is scarcely feasible. In this connection, the Government of Abkhazia needs to elaborate a special programme of development for Eastern Abkhazia which implies substantial State support. This programme should identify the priority trends in the development of the disadvantaged areas, envisage the elaboration of concrete economic projects and determine the amount of funds required for their implementation together with sources and terms of financing.

2. The leadership of Abkhazia needs to amend the tax legislation of the republic so as to grant entrepreneurs working in Eastern areas of Abkhazia with a preferential tax treatment. (Farmers are recommended to be fully exempted from the tax on land for a ten-year period and from income tax from their farm for a five-year period. For budding entrepreneurs who start their business in urban centres, a full exemption from all taxes is recommended for a three-year period from the beginning of the implementation of the business

project). Furthermore, it is recommended that the republic should establish a State agrarian commercial bank of Abkhazia with the main objective of offering State credits on the terms of preferential treatment for up to five years with the annual banking interest rate not exceeding 10 percent.

3. The Ministry of Economy of Abkhazia should elaborate a packet of investment proposals for Eastern Abkhazia and promote the condition that foreign investors would be given additional preferential treatment regarding taxation if they put their money into the agro-industrial development of the in the disadvantaged areas. It is imperative that foreign investors putting over USD 500,000 into agricultural projects in Abkhazia should be fully exempted from the corporate tax for a ten-year period from the moment of official incorporation of the business enterprise.

4. Conditions and possibilities should be created for co-operation between and amongst entrepreneurs in Western and Eastern Abkhazia with a view to a greater integration of these areas and liquidating the gap in the standards of living in both parts of the republic. The burgeoning tourist sector in Western Abkhazia increases the demand for agricultural produce which, as of today, is largely imported from Russia. A redirection of the vector of this growing demand towards Eastern Abkhazia will help stimulate the agro-industrial sector in the eastern part of the republic, increase employment of the people and raise their income. The Ministry of Economy of Abkhazia can play a special role herein by establishing an intermediary agency which would operate in this capacity between customers and suppliers.

5. The European Union could consider the possibility of establishing a special fund for supporting the development of the disadvantaged areas on either side of the River Ingur whose chief function would be the provision of financing for business projects in the small and medium enterprises sector (granting cheap short- and medium-term loans and non-returnable grants). The establishment of such a fund and the further elaboration of the mechanisms of its operation could well be promoted by dialogue amongst the European Union member states and various international organisations (including NGOs) as well as other stakeholders.

6. The European Union and international organisations could provide funds for educational

programmes on the principles of management and entrepreneurship both for budding businessmen and for those who have already accumulated some experience in this sphere.

7. The European Union and international organisations could finance the activities of business incubators for supporting budding entrepreneurs in the disadvantaged areas. Agricultural projects should be given first priority therein. The main objective of business incubators should be providing overall support to farmers and individual entrepreneurs beginning from the elaboration of the project and up to three years of its operation. Special support should be given to the development of farms growing sub-tropical fruit, various nuts, cereals and vegetables as well as those engaged in cattle and poultry breeding, bee- and fish farming.

8. The Governments of Abkhazia and Georgia could study the possibilities of creating in future conditions for the trans-boundary movement of agricultural products across the River Ingur with due account of the needs and demands of national markets in the disadvantaged areas, which will contribute to a greater transparency of the situation along the border and will also add to the revenues going into the State budgets of both Georgia and Abkhazia.

## Annex

Questionnaire No. \_\_\_\_\_

Age \_\_\_\_\_

Sex: M      F (underscore)

Education \_\_\_\_\_

Nationality \_\_\_\_\_

Place of residence \_\_\_\_\_

Number of family members \_\_\_\_\_

Out of them: have a job \_\_\_\_\_ persons

retired on pension \_\_\_\_\_ persons

children and students \_\_\_\_\_ persons

unemployed \_\_\_\_\_ persons

1. Living standard in your district as compared with that in other districts of Abkhazia.

- much higher
- a little higher
- the same
- a little lower
- much lower

2. How did the socio-economic situation in your district change over the last two-to-three years?

- has become much better
- has become a little better
- there have been no changes
- has become a little worse
- has become much worse

3. Do you have a regular source of income?

Yes              No

4. What are the main sources of your family's sustenance?

- salary
- returns from your entrepreneurial activities
- returns from subsistence farming
- other sources of income (mention which in particular) \_\_\_\_\_

5. What are the average monthly expenditures your family incurs for...?

- food and household goods \_\_\_\_\_
- clothing \_\_\_\_\_
- purchasing household utilities \_\_\_\_\_
- transport \_\_\_\_\_
- medical treatment and medicines \_\_\_\_\_
- ritual costs (wedding, funeral and the like) \_\_\_\_\_
- education (kindergarten, school, university) \_\_\_\_\_
- other purposes \_\_\_\_\_

6. In your view, to what extent does your family's income meet your needs and demands?

- quite sufficiently
- insufficiently
- absolutely insufficiently

7. In which sphere of activities would you like to be employed?

- in the budget (State) sphere
- in private business as a hired-hand
- to have a business of my own
- to work in a non-governmental non-profit organisation

8. Should you have financial possibilities, in which business would you like to engage yourself?

\_\_\_\_\_

9. Do you have any experience of running a business of your own? If so, which?

\_\_\_\_\_

10. Should you go into business, what would you need to achieve its success?

- monetary loan
- property or premises
- consultations with specialists
- market for the sale of my produce
- assistance in acquiring and delivery, special equipment
- other needs

11. What is the minimum amount of funds you need for starting a business of your own?

- from USD 100 to 3,000
- from USD 3,000 to 10,000
- from USD 10,000 to 30,000
- from USD 30,000 to 50,000
- from USD 50,000 and more

12. Should you not succeed in business, would you consider moving elsewhere in Abkhazia in order to earn a higher salary?

\_\_\_\_\_

13. How do you expect the standard of living in your district to change within the next two-to-three years?

- it will become much better
- it will become a little better
- it will stay unchanged
- it will become a little worse
- it will become much worse

14. Name five major problems in your district which, in your view, must be resolved immediately.

1) \_\_\_\_\_

\_\_\_\_\_

2) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3) \_\_\_\_\_

\_\_\_\_\_

4) \_\_\_\_\_

\_\_\_\_\_

5) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

15. In your opinion, who is mainly responsible for resolving these problems?

- the State
- private business
- international organisations
- the people themselves

16. Do you feel that the State is helping you in the implementation of your business initiatives?

\_\_\_\_\_

\_\_\_\_\_

17. What particular help would you seek from the State in starting your business?

\_\_\_\_\_

\_\_\_\_\_

## Endnotes

<sup>1</sup>Official data of the Cabinet of Ministers of the Republic of Abkhazia.

<sup>2</sup>Data of the Ministry of Economy of the Republic of Abkhazia.

<sup>3</sup>Ibid.

<sup>4</sup>Data of the Ministry of Finance of the Republic of Abkhazia.

<sup>5</sup>Data of the Ministry of Finance of the Republic of Abkhazia.

<sup>6</sup>Collection of Statistics, "Abkhazia in Figures – 2007," Sukhum, 2008, p. 28.

<sup>7</sup>Report of the State Customs Committee of the Republic of Abkhazia for 2007.

<sup>8</sup>Official Data of the State Statistics Administration of the Republic of Abkhazia.

<sup>9</sup>Ibid.

<sup>10</sup>Ibid.

<sup>11</sup>Ibid.

<sup>12</sup>Official Data of the Ministry of Taxation of the Republic of Abkhazia

<sup>13</sup>Official Data of the Ministry of Finance of the Republic of Abkhazia.

<sup>14</sup>Official Data of the State Statistics Administration of the Republic of Abkhazia.

<sup>15</sup>Data of the Ministry of Economy of the Republic of Abkhazia.

Lasha Tughushi

## SOCIAL AND ECONOMIC DEVELOPMENT OF THE CONFLICT AFFECTED REGIONS

### Introduction

#### Structure of the document

This study begins with an **Introduction** which provides a description and substantiation of the problem under review. An analysis of the economic problems is found in **Chapter 1** wherein the results of the opinion polling of local and other entrepreneurs are presented and which highlight the essence and nature characterising the entrepreneurial activities and elucidate the expectations, needs and inclinations of the individual entrepreneurs. **Chapter 2** presents the conditions and prerequisites for socio-economic development in the near, medium and future periods. An analysis of the benefits and the influence of the suggested policy upon the interested groups is found within the corresponding sections of this study. The **Conclusions and Recommendations** deemed necessary for the pursuance of the suggested policy are presented with the last section of the study.

#### Substantiation and significance of the problem under study

New ways and means for the resolution of the conflicts are needed in order to form a basis for their transformation from a current state to a phase of mutually beneficial co-operation. The preparedness of investors to put funds into the economy of the adjacent depressed regions is extremely low owing to the high risks involved therein. For this reason, no investments are forthcoming which prevents any economic development whilst further aggravating the existing local problems.

The implementation of a number of projects for the rehabilitation of the local infrastructure together with those targeting socio-economic development in the conflict regions and their neighbouring territories is of urgent importance. Currently, however, any activity or engagement thereto faces a serious shortage of investment resources, consumer goods, high quality infrastructure and employment opportunities.

Currently, all investors, donors and various other organisations will have to act under rather specific conditions owing to the post-war destruction and devastation and other related factors.

The political tension characterising the development of the conflict affected areas has resulted in an almost complete isolation of their population and economy from that of the global arena and have left them without any free access to present-day technologies, investments and commodity and services markets. At the same time, the extreme dependence of the economy of the conflict affected regions upon a single market decreases the possibility of any economic diversification which, against the backdrop of today's world economic crisis, will greatly influence the possibilities of economic development of these regions.

Despite high risks in the conflict affected areas, managers and co-owners of large companies (in Georgia) believe in the possibility of investing in the economy of the conflict affected regions upon the condition that the governments of both sides reach a mutually acceptable agreement. Therein, the desire to contribute to the socio-economic development of the region, in addition to financial profit, is a strong stimulus towards forward action.

#### Objective of the research

The main objective of this study is to make an analysis of the existing economic relations in the conflict affected areas, identify the problems therein and find the ways and means towards their solution with due account of the new political realities.

#### Methods applied

This research is based upon an investigation of the relevant publications of international organisations and experts working in the field, official statistics of Georgia, opinion polling of local and other entrepreneurs and experts and an analysis of the relevant legislation.

#### Sources

The author surveyed the materials of the International Crisis Group, UN publications, data

from the Georgian Department of Statistics and the results of the opinion polling.

#### Limitation of the studies

There is a number of factors which considerably limited scope of this research. First, the area under study is a post-conflict territory wherein the movement of people and the collection and dissemination of information are restricted. Second, the official statistics and documents describing the situation in the conflict affected area, as well as published material about ongoing processes, do not fully reflect the economic situation therein. Third, statisticians fail to collect information about a considerable part of the local economic relations which emerged as a serious impediment to this study.

#### Hypothesis

It is imperative that some prerequisites be created in the conflict affected areas and the neighbouring regions for the implementation of projects targeting the rehabilitation of the local infrastructure and socio-economic development in order to promote a substantial reduction of deficit in investments and consumer goods and create a high-quality infrastructure and increased employment opportunities. To that end, it is necessary to establish a special economic and legal regime which would secure the 'economic transparency' of the Enguri border and provide relevant conditions for safe socio-economic development activities.

#### Expected results and their strategic significance

In the event of the successful implementation of the suggested policy, the results are envisaged to be:

- the safe movement of people, goods and services in the conflict affected area.
- an increase in the profitability of transactions and their numbers in connection with their newly legalised status.
- the institutionalisation and activation of the inflow of investments.
- an improvement of the basic local infrastructure.
- the creation of the precedent of co-operation, etc.

For the present, the implementation of the measures suggested in this study will contribute to the transformation of the conflict into a phase of

mutually beneficial co-operation against the backdrop of the general deficit of investment funds.

## Chapter I. Description of the Problem

Under the existing conditions of a "frozen conflict," the economic development of the conflict regions and those territories within their proximity is impeded to a significant degree with the level of development of the neighbouring areas being considerably lower than elsewhere in the territory. The accompanying high level of corruption and a tense criminogenic situation are the result of this complicated situation which typically remains beyond any control and which create additional obstacles towards the implementation of transboundary economic projects.

The table below, for example, which describes the socio-economic condition of the Samegrelo-Zemo Svaneti Region as a neighbouring territory to the Georgian-Abkhaz conflict in conformity with international standards, shows that the region may be labelled as a depressed area following the results in six out of nine indices.

Table I – Socio-Economic Assessment of Samegrelo-Zemo Svaneti<sup>1</sup>

INDEX	RESULT
<b>Entrepreneurial sector</b>	
Turnover	<ul style="list-style-type: none"> <li>• Decrease of production level</li> <li>• Average growth of the income of entrepreneurs for 2002-2006 (20%) is below the average level (27%) and accounts for 75% of the average figure</li> </ul>
Engagement	<ul style="list-style-type: none"> <li>• The share of employed – 19% is only 61% of the average level of those employed region-wide (31.1%)</li> </ul>
Profile of the entrepreneurial sector	<ul style="list-style-type: none"> <li>• Problematic, non-corporatised sector</li> <li>• Shortage of turnover means and investments</li> <li>• Undeveloped production infrastructure</li> </ul>
Level of unemployment and structure of engagement	<ul style="list-style-type: none"> <li>• Unemployment is 50% below the average level (13%), but:</li> <li>• 81% of the self-employed (by 17% above the average level)</li> <li>• 21% of the employed (67% of the average) is the 3rd lowest index in the country</li> </ul>
Per capita level of expenditures from the local budget	<ul style="list-style-type: none"> <li>• 82 Georgian lari (GEL) per capita, 56% of the average index region-wide (147 GEL)</li> <li>• 31.5 GEL per capita is expended for development of infrastructure, 48% of the average index region-wide (65.3 GEL)</li> </ul>
Dynamics of population growth rate	<ul style="list-style-type: none"> <li>• Growth rate of population is 2.2% which is higher than the average rate of 1.4%</li> </ul>
Level of uneducated population	<ul style="list-style-type: none"> <li>• 6.7% below the country average (7.9%)</li> </ul>

The general lack of economic development, the low volumes of commodity turnover, a high level of unemployment, the overall low level of education, an undeveloped financial market and a low level of investments are indicators of a depressed state of the given areas which, directly or indirectly, condition a low standard of living for the population in the conflict affected areas and the neighbouring regions.

Proceeding from the existing situation and the ensuing high level of risk, no investments come to these regions and there is no development of the financial market which in tandem aggravate the already existing problems.

The socio-economic development of such regions requires the elaboration and implementation of projects (first of all, on restoration of infrastructure and support for development of small business – in the fields of agriculture, processing of agricultural products, trade and services) and specific approaches which will create prerequisites for the dynamic development of the conflict affected areas and the neighbouring regions.

#### Structural problems

The task of overcoming the severe socio-economic situation in the conflict affected area is further aggravated by the fact that the conflict escalated at

a time when the local economy had not yet fully switched over to market principles. Essentially, the economy of Georgia and that of Abkhazia per se was agrarian in the main with a tourist trend and a small share of industry and based upon planned principles of management. There was a weak private sector in the sphere of trade and services (mostly for tourists) as well as small-scale agriculture of private plots of land which comprised a further institutionally weak sector and which in no way influenced the then administrative-command methods of the management of the economy. Consequently, the region had no traditions or experience of private entrepreneurship, no models for regulation of market economy, nor any experience of economic independence and self-sustainability.

In Abkhazia, the majority of property (including all land that is not subject to purchase and sale) is owned by the state. At the same time, there was a land reform in the rest of Georgia with the proprietors of land having full rights thereto including the right to sell their property. Owing to the events of the last two decades, Abkhazia did not undergo a land reform. Within, companies purchase harvests from the population for monopolistically low prices and then resell the produce for a great profit. By controlling the purchasing prices, these companies prevent farmers from getting a due portion of the added value of their produce.

Even if the conflict is settled, the investors, donors and various organisations will have to act under very specific circumstances conditioned not only by the devastation of the war but also:

- non-commercialised and under-institutionalised economic agents;
- monopolised markets;
- uncertainty regarding the right to own property;
- problems connected with corruption;
- complicated criminogenic situation, etc.

Currently, against the backdrop of the changing international political situation and many years of “uncertainty” in terms of achieving a progress and consensus as regards the settlement of the conflicts, there is no sound basis or efficient format for:

- the economic rehabilitation of the conflict affected areas;
- an improvement of the social situation in these regions;
- the establishment of business contacts between

Abkhaz, Georgian and international business circles;

- the creation of a more legal and, consequently, less risky and more lucrative format of participation in international economic processes.

#### Character of the existing economic relations

The fact that Abkhazia has not been recognised by the international community as an independent state means that it has to operate under the complicated conditions of political and economic isolation. Abkhazia has no access to the usual means of international communications.<sup>4</sup> For the de facto government of Abkhazia, therefore, the lifting of the economic sanctions which were imposed upon it is as important as the international recognition of its independence. On the contrary, however, as reported by the International Crisis Group: “At the same time, the Georgian leadership connects issues of economic co-operation with the problem of return of the refugees.”<sup>5</sup>

Meantime, despite the fact that wide-scale economic sanctions remained in force until March 2008, Abkhazia was not in isolation as concerns its economy. In actual fact, the official sanctions were not an insurmountable barrier for Russia’s central and regional authorities to establish economic relations with Abkhazia including, particularly, some private companies from Russia and other countries<sup>6</sup> Observers assert that the sanctions have caused Abkhazia great losses with the resulting isolation having pushed it back from compromises instead of coercing it into political concessions.<sup>7</sup> The Russian Federation recognised the independence of the self-proclaimed Republics of Abkhazia and South Ossetia in August 2008.

In the short- and medium-term outlook and with the existing world economic crisis and its essential impact upon the economy of Russia, such activities on the part of Moscow will not guarantee considerable Russian investments in Abkhazia let alone the meagre prospects of investments from other countries which may be guided by political motives.

The Samegrelo-Zemo Svaneti Region, as a neighbouring territory to Abkhazia, also suffers from the problem of a lack of investments, lags behind other regions of Georgia in its development and is categorised as a depressed area according to several criteria (see Table I). The main cause of this problem is the overall instability which is caused by its close

proximity to the Georgian-Abkhaz confrontation.

### Agriculture

The economic situation in the areas bordering upon Abkhazia is obviously much more complicated than elsewhere in Georgia. The greater part of economic activities in Samegrelo-Zemo Svaneti is in the sphere of agriculture. The majority of units under the jurisdiction of the Zugdidi municipality (99.8 percent) comprise family farmsteads whose annual income is rather small. Seeing that the area of their plots is not greater than one hectare, it becomes clear that even in the case of an over-intensive use of this land, it is impossible to raise the people's income to any tangible degree.<sup>8</sup> This improvement can only be achieved through the further development of the entire agricultural sphere.

The eastern parts of Abkhazia have been most badly affected by the war. In addition to this, the socio-economic situation in these districts is worse than elsewhere in Abkhazia.

Agriculture has occupied a leading place in the economy of Abkhazia with its greatest development in the main being in the Gali and Ochamchire Districts as well as in the city of Gagra and its environs. Tea, citrus fruits and other labour consuming perennial cultures occupied 40 percent of the total amount of arable land. Military operations and political confrontations have done irreparable damage to regional agriculture and animal husbandry. The collapse of the agricultural infrastructure and the loss of labour resources, subsidiary structures and markets have reduced this branch to the level of bare survival. The ravages of war (in the form of the destruction of farms and their machinery and other equipment) are mostly evident in Sokhumi and Ochamchire whilst the Gali District has also witnessed a dramatic reduction in the number of agricultural machines due to theft.

A specific feature of Abkhazia's agricultural production was its orientation towards export. The collapse of the Soviet Union contributed to Georgia's—and specifically Abkhazia's per se as a whole—loss of its monopoly as a market for subtropical products which brought about a reduction in subtropical produce. To make things even worse, limitations upon foreign trade were imposed in 1996 which created additional problems for Abkhazia. Nevertheless, products grown in Abkhazia still found their way (legal or illegal, as the case may be) abroad,

chiefly to Russia and Turkey.<sup>9</sup>

Before the conflict, the traditional products of Abkhazia's agriculture were tea, tobacco and citrus fruits which were grown in big collective farms, the majority of which are no longer in operation. Tea production in Abkhazia, which used to meet 15 percent of the demand of the entire Soviet Union, has now dropped by 80 percent according to some estimations whilst the production of tobacco has declined almost in its entirety. Citrus fruits are still grown but only at the level of the Soviet period.<sup>10</sup>

The development of agriculture in Abkhazia's rural municipalities is impeded by many factors including a lack of funds, the low level of professionalism of managerial personnel in agro-business, the small size of the farmsteads produces only small quantities of saleable produce and the overall poor qualification of the farmers and their knowledge of the needs of the market in new agrarian technologies, fertilisers, chemical weed killers and pesticides, the possibilities of obtaining loans, etc.

### International projects

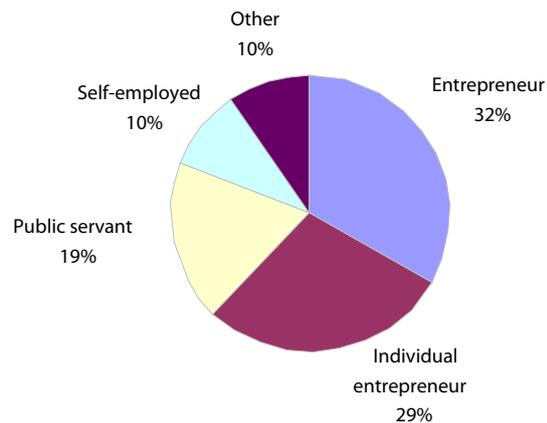
So far, no significant rehabilitation work have been conducted in the region. Projects of international donors are mostly of a fragmentary social nature (except for the project involving the rehabilitation of the Enguri HPP). The progress of the political processes aimed at settling the conflict, although still ineffective overall that contributes to the low activity, remains of great importance for donors.

### Existing economic relations between the conflicting sides

Entrepreneurs, state officials and members of the population of the areas neighbouring the demarcation line were polled (in Zugdidi) in November-December 2008 within the framework of this research. The following charts display the results of the polls.

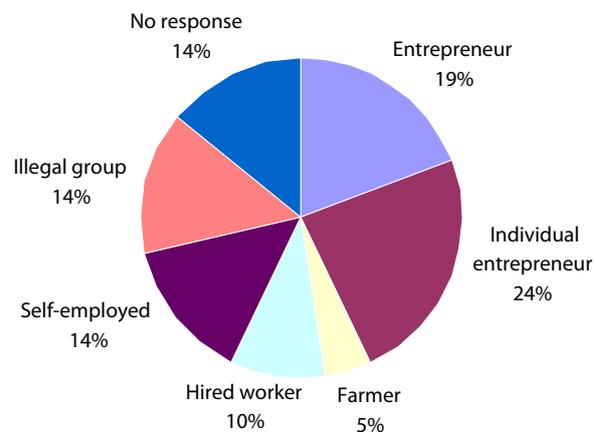
The majority of the respondents entrepreneurs (61 percent) and state officials.

### Social and legal status of respondents



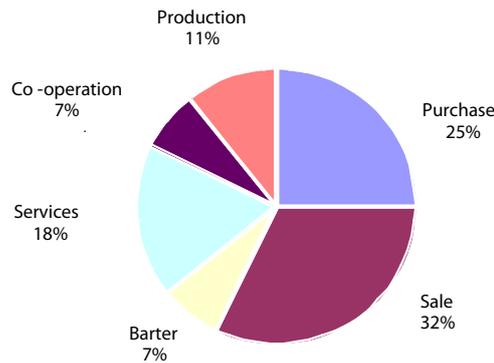
According to the results of the opinion polling, in the majority of cases the respondents' counterparts are entrepreneurs (43 percent) as well as illegal (non-official) entrepreneurial groups carriers of the adequate information (14 percent).

### Social and legal status of partner on the other side



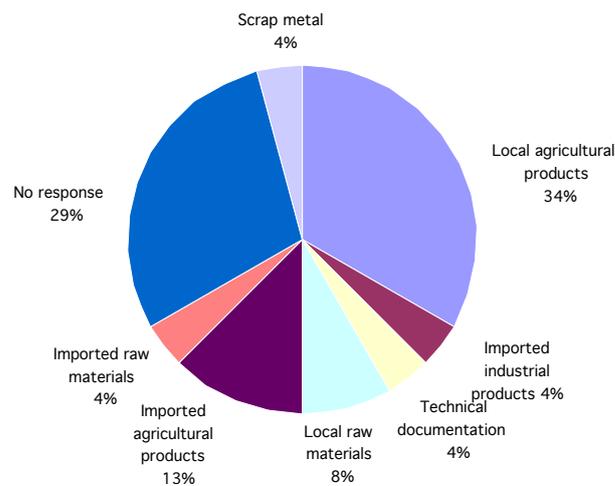
Trade deals (sales at 32 percent and purchases at 25 percent) and, remarkably, services (18 percent) are the predominant transactions.

### Types of transactions



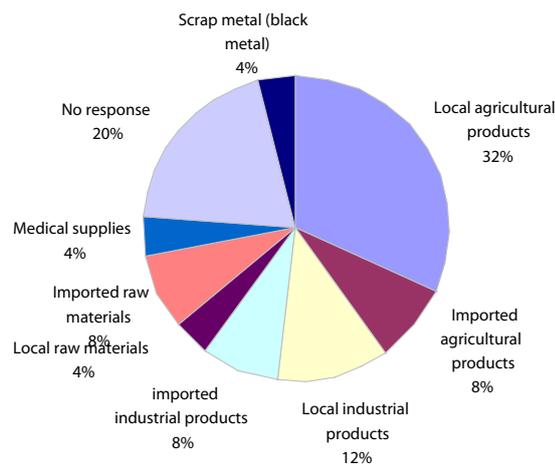
Local products (34 percent) are predominant amongst trade deals with imported agricultural products comprising 13 percent.

### What kind of products are mainly brought in?



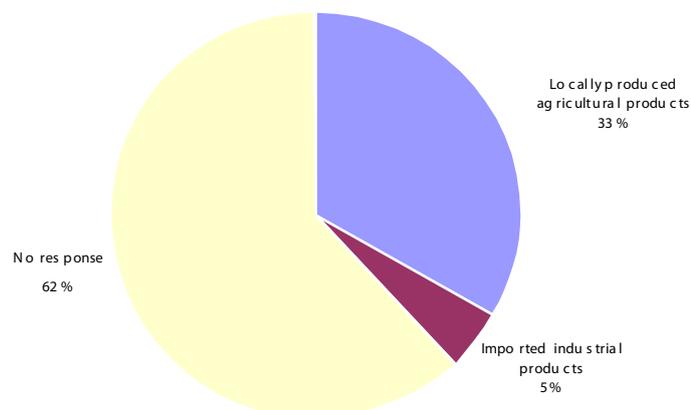
Local agricultural products (32 percent) and local industrial products (12 percent) are mostly imported into the conflict affected area. Traders deal predominantly in finished products rather than in raw materials.

### What kind of products are mainly taken out?

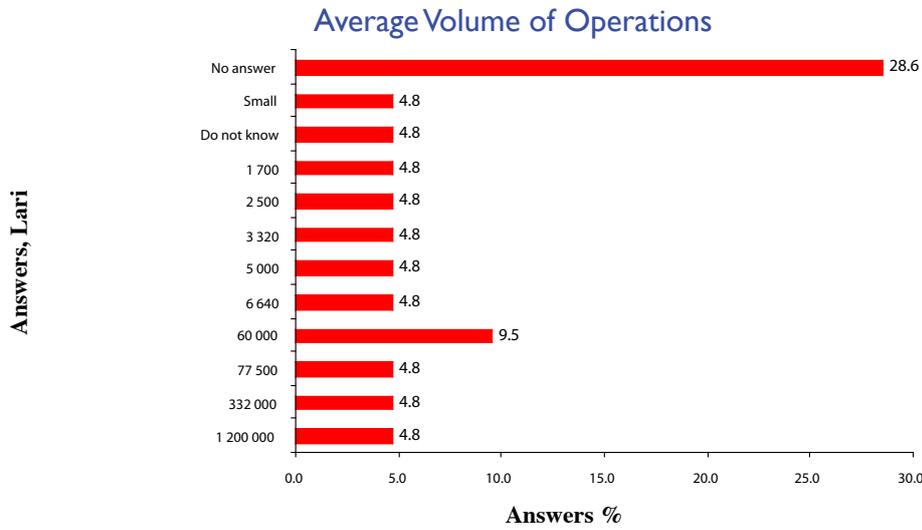


Agricultural products predominate in barter operations (33 percent).

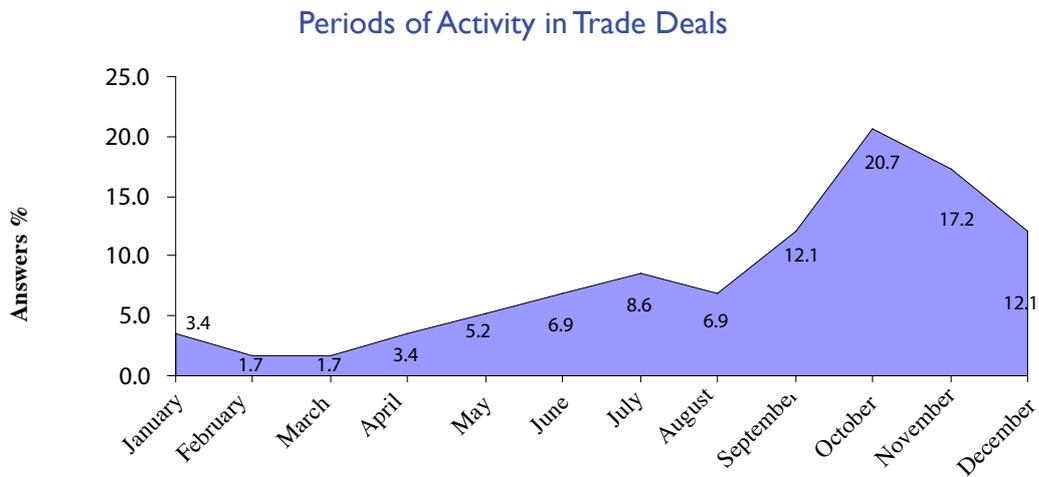
### If there is barter in commodity which type of commodity is it mainly?



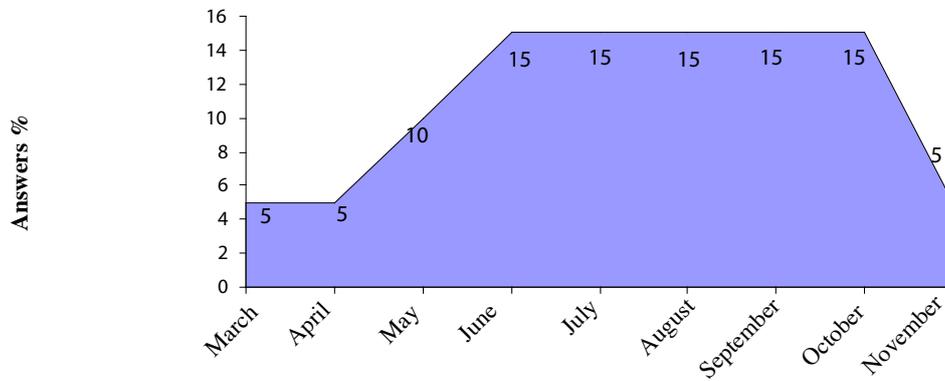
According to the results of the opinion polling, more of the respondents believe that the average volume of a deal is 60,000 GEL.



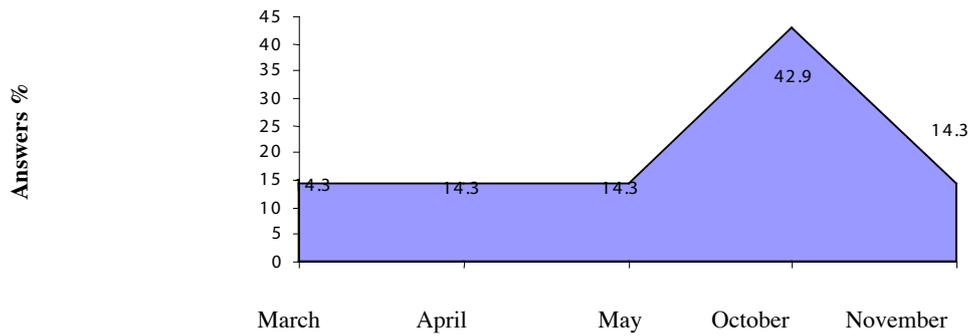
Seeing that agricultural products predominate in trade and barter deals, these deals are most frequent in summer and autumn; that is, during the harvesting period.



### Periods of Activity in Service Deals

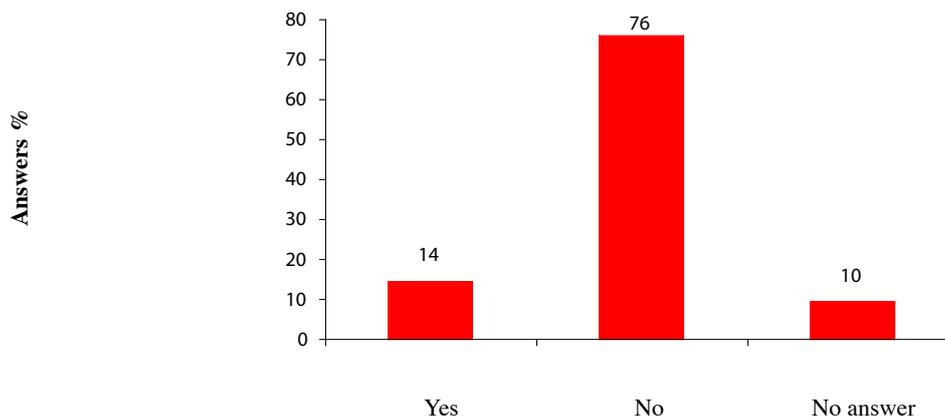


### Periods of Activity in Co-operation and Production

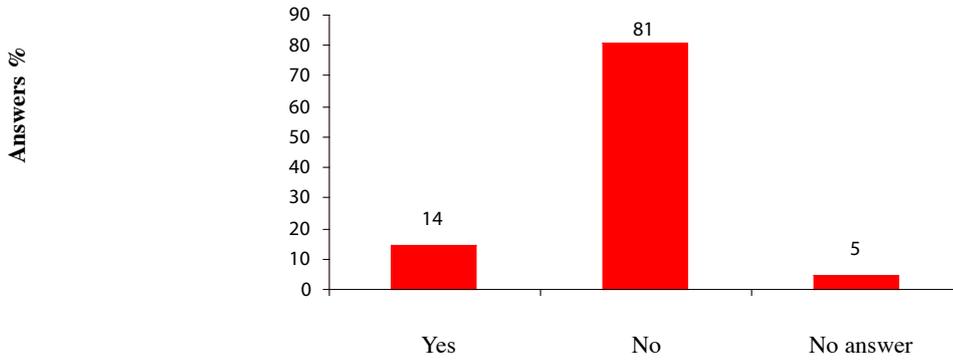


No processing occurs for imported or exported products.

### Are the imported products being processed on the ground and exported afterwards?

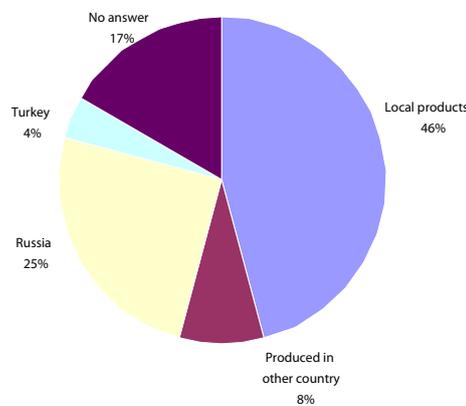


### Are the exported products being processed on the ground and imported afterwards?

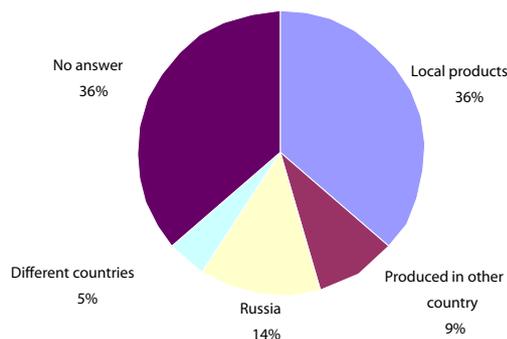


Mostly local products and products imported from Russia are taken out of the conflict affected area. The same situation is observable with those products brought in. In all cases, the products are intended for local consumption.

### Products from which country are brought in from the other side

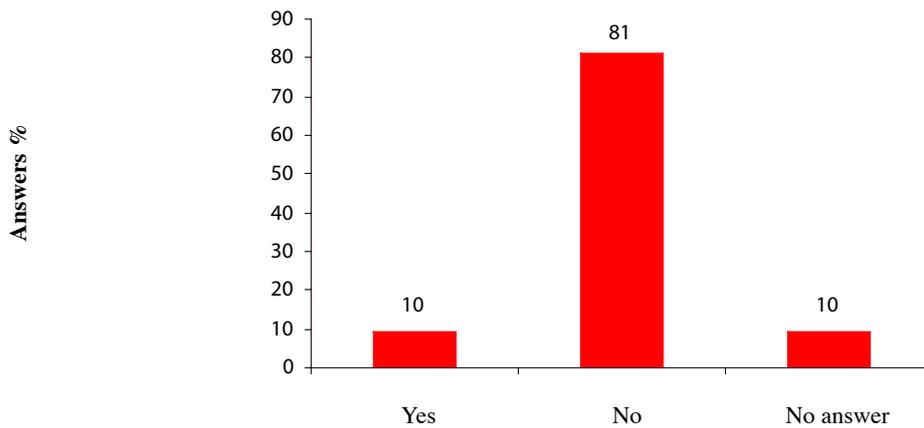


### Products from which country are taken out to the other side

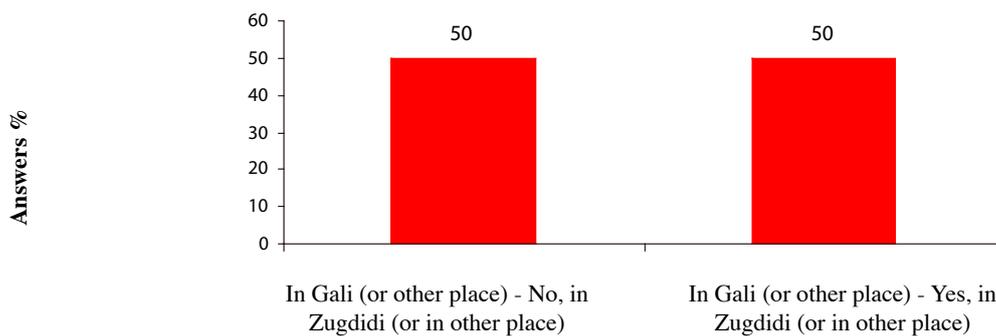


In most cases, no account is taken of the transactions of the deals due to the non-official nature of the business, the requirements of the authorities and the law enforcers and the existing political situation, etc.

### Is there an official record of transactions?

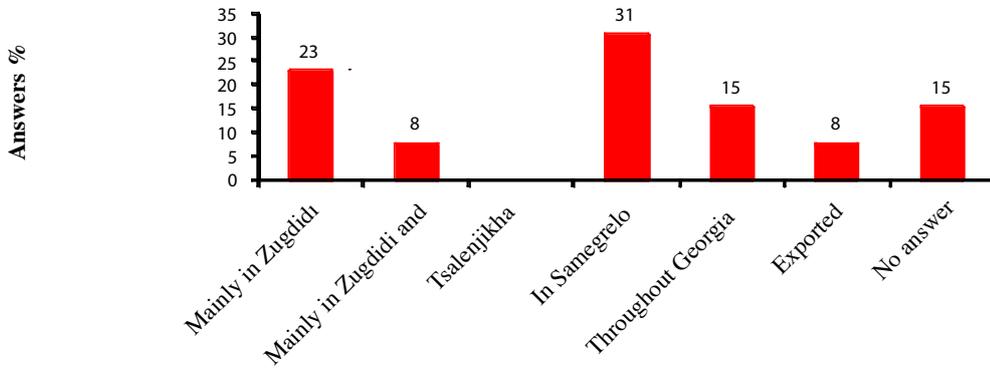


### Where is the official record of transactions performed?

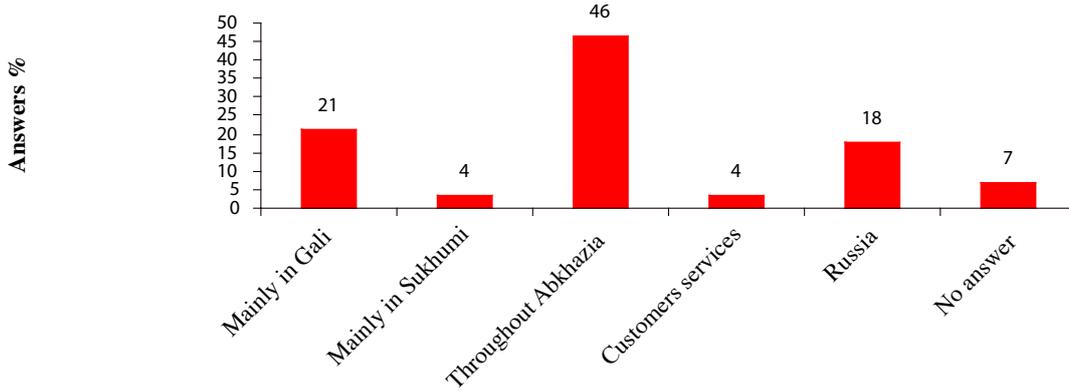


In case of taken out products, they are sold throughout Abkhazia whilst those brought in are mostly sold in Samegrelo-Zemo Svaneti.

Where are the products taken out from Abkhazia sold?

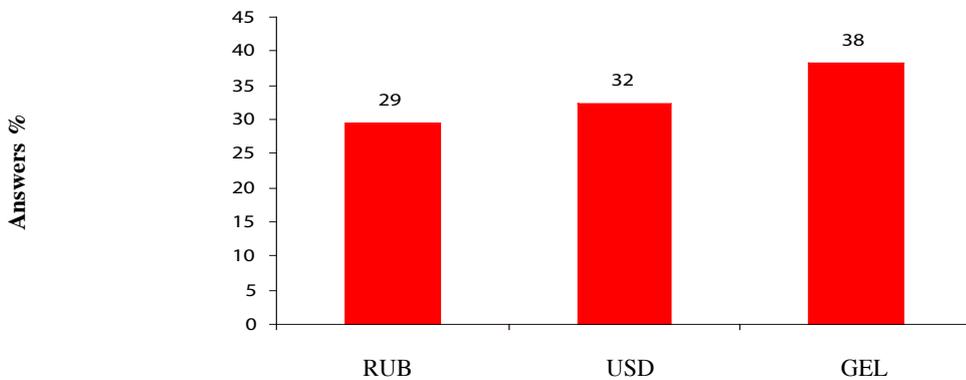


Where are the products brought into Abkhazia sold?



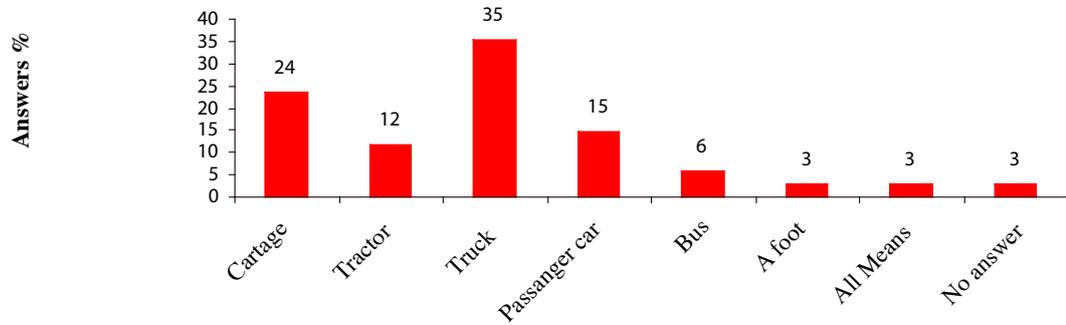
Deals are mostly made in GEL and USD with the absolute majority of them being made in cash.

Which currency is mainly used in purchase and sale?



Goods are mostly transported by road (35 percent) and by cartage (24 percent).

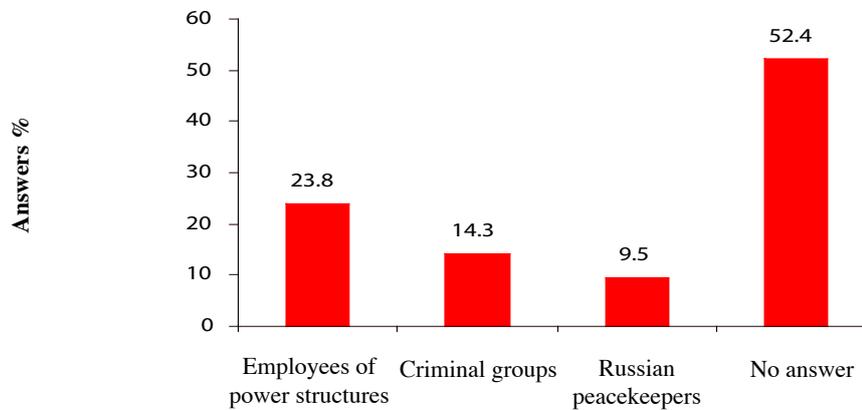
### Which means of transportation used for hauling goods?



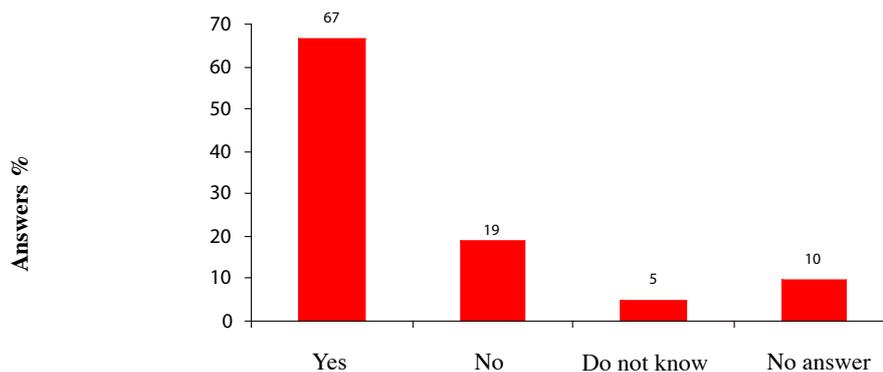
The majority of the respondents (67 percent) indicated that they were prepared to invest their funds in the conflict affected area with almost each of them (62 percent) having a counterpart on the other side.

The majority of those polled believed that the former Russian peacekeepers, criminal groups and law enforcers do not interfere with the implementation of trade deals although those who think otherwise are of the view that it is the law enforcers who interfere with business transactions.

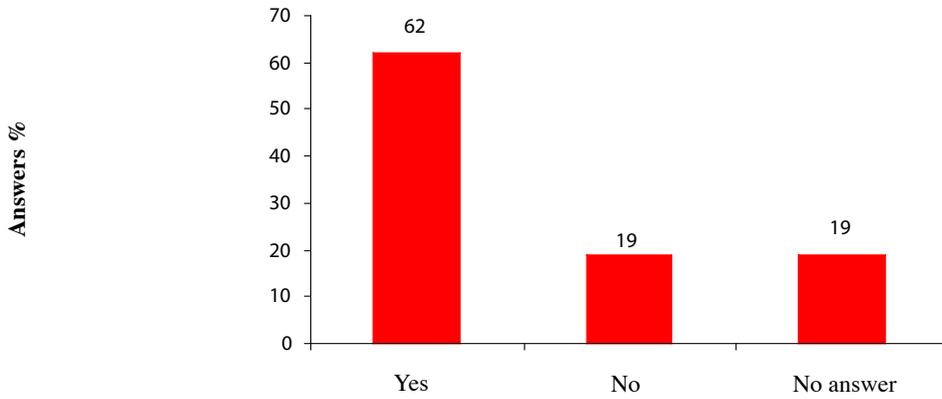
### Who interferes in deals?



### Is there a desire to invest on the other side?

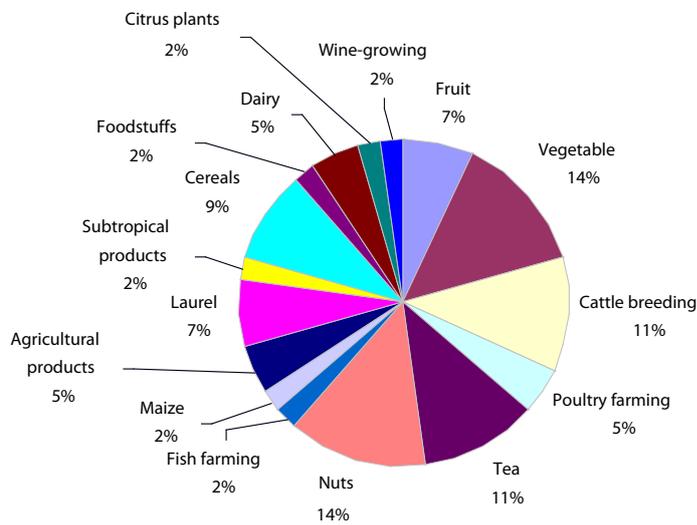


**In case of a possibility to invest, is there a prospective business partner on the other side?**



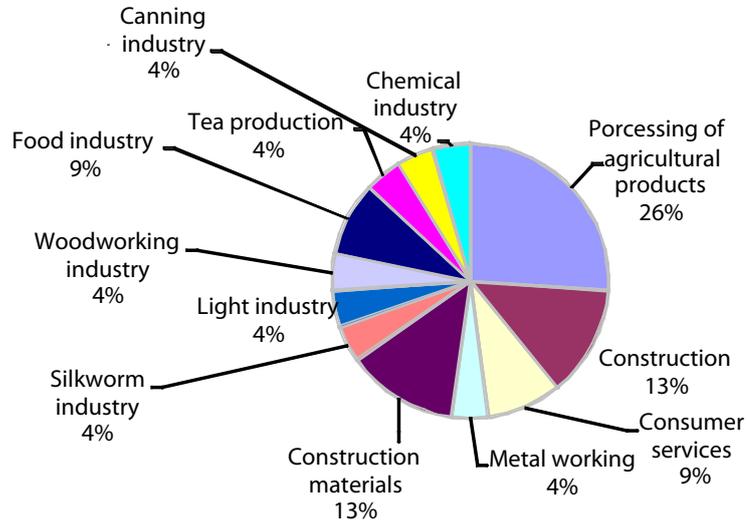
The respondents polled believed that the most promising trend in agriculture is different varieties of nuts (14 percent), growing vegetables (14 percent), stock-breeding (11 percent), growing tea (11 percent), etc.

**Development of which fields of agricultural production do you regard as promising?**



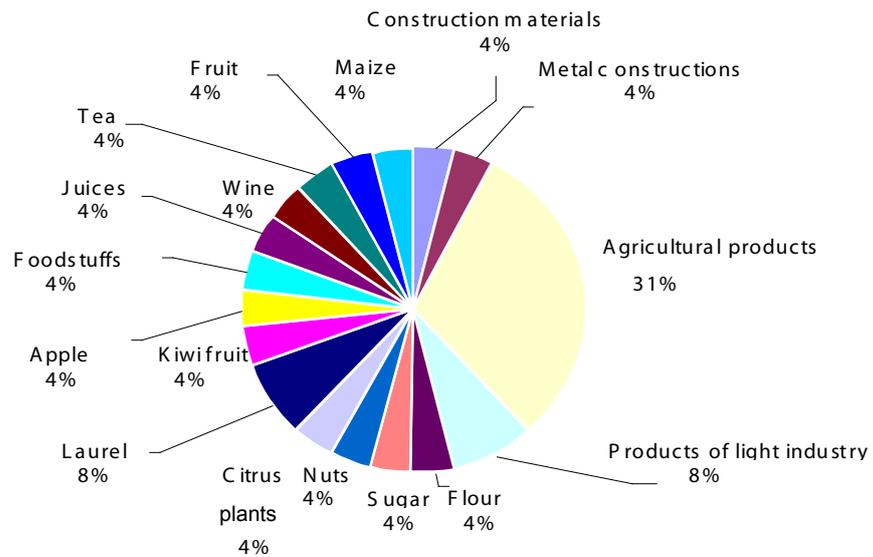
Those polled believed that the most promising branches of industry are the processing of agricultural products, construction engineering and the manufacture of building materials.

### Development of which industries do you regard as promising?



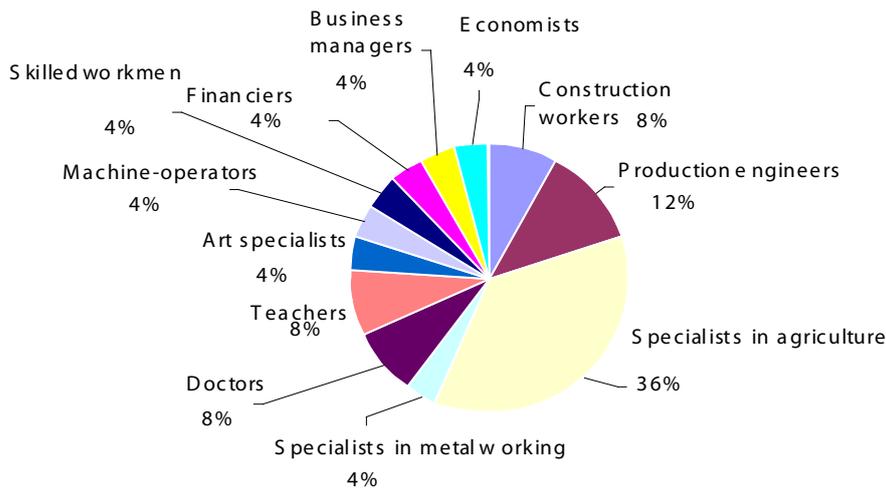
Trading in agricultural products and products of light industry were described as the most promising.

### Development in trade of which products do you regard as promising?



48 percent of those polled believed that the shortage of specialists in agriculture and technologists are the most acute problems in the region.

### Which field in your view shows a shortage of specialists?



When asked for their opinions about which factors could promote their business, the respondents named the guarantees of safety and security, reliable contacts, stability, the removal of administrative barriers and constraints, the expansion of the market, the recognition in Georgia of products manufactured in Abkhazia, the accessibility to loans and the availability of funds, the good will of the government, official permits and the development of the sphere of services as important issues.

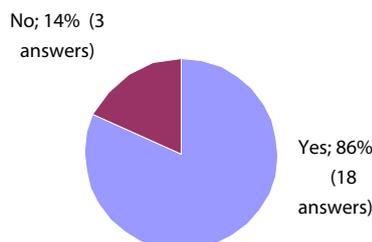
### Inclination of entrepreneurs towards making investments

Entrepreneurs were also polled with a view to identifying the factors determining their inclination towards making investments.

Managers and co-owners of large companies in Georgia are greatly motivated to make investments in the economy of the conflict regions.

86 percent of the 21 persons who were asked whether or not they wished to invest in the conflict regions answered in the positive.

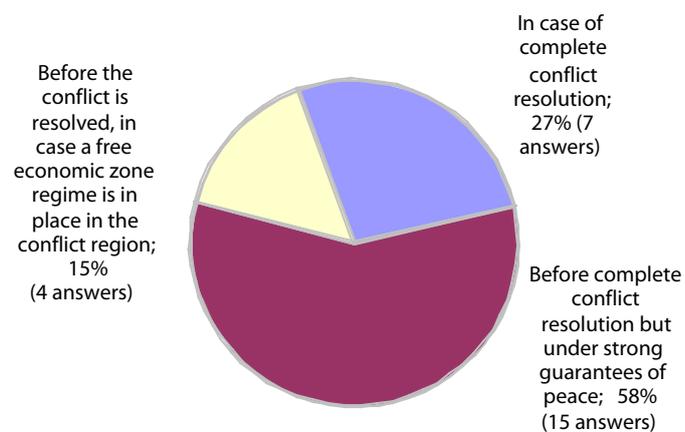
### Do you want to invest in the conflict region?



The majority (73 percent) of the polled companies were prepared to invest in the conflict regions even if the conflict has not been fully resolved, 58 percent were ready to do so given any sound guarantees of peace whilst another 15 percent said that they would invest their funds in the area given the establishment of a free economic zone.

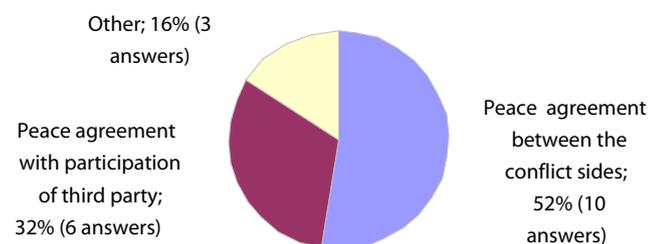
27 percent of those polled were prepared to invest in the region in the case of the full settlement of the conflict.

### Under which conditions would your company invest in the conflict region?



The majority of those polled (52 percent) believed that a peace agreement between the conflicting sides would be the best guarantee of peace. 32 percent were of the same opinion but with the participation of a third side and added that this must be the United States.

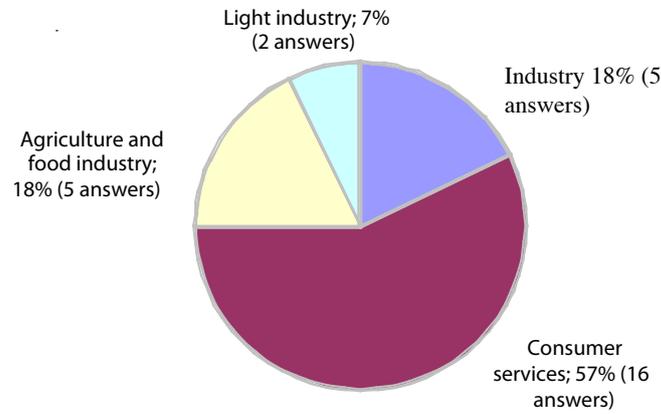
### What do you regard as a sound guarantee of peace?



Several of the respondents indicated that it is the state which must secure uniform "rules of the game" for all so as to ensure good conditions for investors.

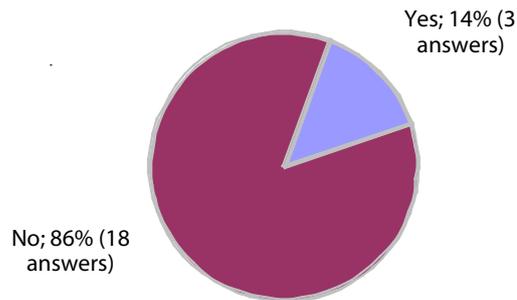
It should be mentioned that all the respondents preferred investing in those spheres in which they are working in Georgia although some preferred other spheres, namely tourism and services connected thereto.

### In which field you will invest?



The majority of the respondents (86 percent) had no potential business partner in the conflict region.

### Do you have a prospective business partner in the conflict zone?



Amongst the managers and co-owners of large companies, there were some respondents who stated that they were in favour of participating in the development of the region in addition to gaining financial profit.

## Chapter 2. Ways Towards the Solution of the Problem

For the purpose of resolving the problem of concern it is deemed necessary to establish a special regime the elements of which are presented below.

Ensuring “transparency” of the borders of the conflict affected area will create necessary pre-requisites for the economic and social development of the region

Against the backdrop of current international context the possibility of using mutually beneficial economic projects aimed at laying the foundation for the transformation of conflicts from a “frozen” state to a phase of mutually beneficial economic co-operation and establishing lasting peace is an issue requiring serious investigation.

It should be mentioned that a peaceful process for the resolution of the conflicts is based mainly upon the resolution of political issues, security and the return of the displaced persons. Despite the fact that special multilateral target groups were set up to work on the implementation of economic projects, these have failed to make any tangible progress.

Following the war, no rehabilitation of the destruction took place except for the work carried out by local entrepreneurs and Sokhumi authorities who did as much as possible to create a modicum of conditions for carrying out social and or business projects.

The policy objective is creating and using the possibilities for the implementation of projects in conflict affected areas. Consequently, the study of the existing problems with due account of the interests and expectations of the interested parties, their preparedness to participate in various projects and the conditions in which to do it cumulatively presents the important task of contributing to the formation of a policy for the transformation of the conflict and an elaboration of a conceptual action plan for economic rehabilitation and co-operation towards laying a sound foundation for the implementation of multilateral economic projects.

Even if projects are potentially promising and successful, they may be successful only at the local level unless opening the borders and planning development activities is going to be undertaken with

due account of the interests of all the relevant groups. The implementation of mutually beneficial economic projects must encourage the promotion of other aspects of the resolution of the conflicts and create prerequisites for their comprehensive resolution.

The implementation of economic projects under the existing conditions of criminogenic instability and in the presence of armed military formations is complicated without the creation of appropriate conditions, namely:

- an adequate infrastructure
- the legalisation of deals and economic activity
- the freedom of economic relations
- guarantees of security

For the near future, a plan for the rehabilitation of the basic infrastructure in the regions needs to be elaborated with this rehabilitation laying the foundation for the implementation of socio-economic projects.

The socio-economic development of the region requires the elaboration and implementation of a comprehensive programme in which the sides of the conflict work together with private companies and international organisations.

Proceeding from the current international political situation and the desire of the politicians to activate the process of a peaceful resolution of the conflict, it becomes necessary to:

- create an efficient format of dialogue between all sides of the conflict and elaborate approaches for the implementation of humanitarian, economic and social projects with mediation of international organisations;
- contribute to governmental and international circles in the elaboration of a conceptual plan and appropriate pattern for the implementation of economic projects;
- create conditions for the unhampered and secure movement of persons, goods and raw materials between the conflicting sides and their neighbouring regions (establishment of corresponding concerted legal regime and international control on implementation);
- jointly elaborate a mid- and long-term action plan and identify the needs and obstacles for the implementation of such a plan and meeting and resolving the needs and obstacles, respectively.

It is necessary to elaborate efficient approaches towards the creation of an appropriate market infrastructure and projects for the development and support of entrepreneurship in the conflict affected areas (or at its initial stage – in their parts). To that end, it is necessary to:

- create legal bases for the preferential regime system (tax exempt production and turnover) for economically important (agricultural) products and the free and secure movement of goods, services and humans across the border of the conflict affected area.
- elaborate programmes for micro-financing.
- set up business incubators.
- ensure the provision of consulting and other services.

It is of further importance to establish enterprises for the processing of prevailing agricultural products of the region to promote the growth of production volumes and the stability of the income of the self-employed population.

It is necessary to co-ordinate the work of the international donors and set up a special fund with the participation of the third parties (including the European Union, the US and other countries) which would manage this fund with a view to efficiently attracting financial resources for the implementation of projects.

#### Benefits of establishing the format of implementation of social and economic projects

The creation of the format for the implementation of socio-economic projects will have many-sided consequences which will not boil down to only attracting investments and creating new jobs. It is also a means of legalisation of economic relations (at the current stage, Abkhaz entrepreneurs have no efficient possibilities for the legal participation in international economic relations). The introduction of a special regime in these regions, therefore, will considerably reduce the expenditures of entrepreneurs incurred by their deal. Despite Russia's recognition of the independence of the self-proclaimed republics, these regions will be able to somehow reduce transport expenditures but, again, all economic activities in these regions will cost agents a great deal more without international recognition of these republics as independent states.

#### Influence over the interested groups

The introduction of a special regime in the conflict affected areas would exert influence upon:

- local (and, in a certain measure, non-local farmers and entrepreneurs whose income will grow.
- local residents as potential employees at the enterprises in the conflict affected area.

Local entrepreneurs and farmers are those most interested in socio-economic projects. Amongst these, there are some who have already been involved in trade and economic relations for whom the preferential regime is a means of the legalisation of the existing operations. Under these circumstances, those farmers who grow nuts and citrus fruits will be especially fortunate. A definite number of entrepreneurs and farmers will get an opportunity to expand their business by supplying goods and services to the companies working under this regime.

The special regime will create new jobs both at the stage of its introduction and its functioning. For the local population, the introduction of this regime will open up additional chances for employment. The implementation of socio-economic projects will create an additional demand for goods and services outside the conflict affected areas.

The preferential regime will also attract new partners who have hitherto been refraining from economic activities. For them, operations within the conflict affected area will be more profitable than outside it which will affect economic efficiency as a whole with their activity serving to attract new investments.

The success of the special economic regime is also conditioned by a minimum level of bureaucracy and preferential taxation which will attract new investors and ensure a high income rate of the projects implemented within the conflict affected area.

The introduction of the preferential regime must become a prerequisite for the development of co-operation in the vicinity of the borders and for opening them altogether because there are none of the necessary conditions for large-scale legal economic deals as a result of the closed borders along the River Enguri.

## Conclusions and Recommendations

### Conclusions

The socio-economic development of the conflict affected areas is exceedingly difficult and may lead to a humanitarian catastrophe.

Owing to a high level of risk, no investments come into the economy of the conflict affected areas which only aggravates the current problems. The existing economic agents and international organisations have to operate under rather specific conditions to which they are generally unaccustomed.

The situation existing in these regions requires the elaboration of a preferential regime of conducting economic transactions and deals and the implementation of projects which will create the prerequisites for the dynamic development of the conflict affected areas and the territories upon which they border.

The opinion polling of entrepreneurs attests to the presence of a considerable level of economic activity in the conflict affected areas wherein single trade operations with local agricultural products are predominant.

The deals made herein are short-term operations in small batches of goods valid for one occasion only and effected by individual petty traders upon paying-in-cash terms. Other forms of economic relations (services, co-operation and production) are practically non-existent. Economic activity reaches its peak in the summer and autumn during the harvest season and the selling of the products.

According to polling results, longer-term and stage-wise deals are of exceedingly rare occurrence. This is accounted for by the fact that the existing political and criminogenic situation and the disunity of the population along with the political and economic disintegration have resulted in the emergence of such economic relations when dealings between two entrepreneurs are no longer based upon medium- and long-term expectations. The majority of deals, therefore, are in the purchase and sale format which immediately brings in returns and minimises commercial risk. The polling results, however, nevertheless attest to the existence of some positive inclination towards making investments.

### Recommendations to the European Union

In the near- and mid-term perspective it is necessary to:

- Promote creation of the legal basis for the system of a preferential regime (exempt from taxes on production and turnover) for economically important (agricultural) products of local origin and free and secure movement of goods, services and humans across the border of the conflict affected area.
- Promote creation of a simplified regime for regulating and taxation in the conflict affected area.
- implement programmes for granting micro-financing.
- create business incubators.
- offer consulting and other services.

In the long-term perspective it is necessary to create an efficient format of:

- dialogue between and amongst all the sides of the conflict and the elaboration of approaches to the implementation of socio-economic projects with the mediation of international organisations.
- economic rehabilitation of the conflict affected area.
- improvement of the social situation in these regions.
- the establishment of contacts between local and international business circles.
- legal and, naturally, less risky and more lucrative forms of participation in international economic processes.
- free and safe movement of humans, products and raw materials between the conflict affected areas and the regions upon which they border.
- joint elaboration of mid- and long-term action plan and identification of the needs and obstacles for the implementation of the plan and for meeting and resolving the needs and obstacles, respectively.

## Endnotes

<sup>1</sup>Creation of a model of Georgian-Abkhaz economic co-operation. Research into economic and legal issues and elaboration of recommendations. The union "For Civil Society", Tbilisi, 2008.

<sup>2</sup>The self-employed individual entrepreneurs and, mostly, farmers who are in possession of a plot of land irrespective of whether or not it is put under cultivation; persons with an unstable and unreliable income.

<sup>3</sup>By the time of this writing the exchange rate for 1 GEL equaled to Euro 0.46.

<sup>4</sup>Oliver Wolleh, "A Difficult Encounter – The Informal Georgian-Abkhaz Dialogue Process," Berghof Report No. 12, September 2006.

<sup>5</sup>"Abkhazia: Ways Forward," Europe Report No. 179, 2007, International Crisis Group, p. 24.

<sup>6</sup>In March 2008, Russia unilaterally lifted the trade and economic, transport and financial sanctions imposed upon Abkhazia and approved by the heads of the CIS states in 1996. The Russian President made a decision to render economic aid to the self-proclaimed Republic of Abkhazia under the pretext of which units of the railway corps of the Russian army entered Abkhazia on 31 May for the rehabilitation of the railway line therein.

<sup>7</sup>"Abkhazia: Ways Forward," op. cit.

<sup>8</sup>Agricultural Census. Georgian Department of Statistics and the Georgian State Ministry of Economic Development, 2004.

<sup>9</sup>R. Gotsiridze, Situation in Abkhazia, 2001.

<sup>10</sup>Paul Wooster, "The Agricultural Sector in Oчамchire, Tquarcheli and Gali, Abkhazia, Georgia," report of a short-term consultancy, UNDP, December 2004.



*Ilya Gamisonia*

## **THE INGUR HYDROELECTRIC POWER STATION AS PART OF THE POWER COMMUNICATION SYSTEM OF THE SOUTH CAUCASUS AND A FACTOR FOR REGIONAL STABILITY**

### **Introduction**

The Ingur Hydroelectric Power Station (herein after also HES) was commissioned stage by stage from 1972 to 1980. It is a unique project for the Caucasus with a dam rising to a height of 410 m and making a reservoir with a capacity of 1 100 mln m<sup>3</sup>.

The Ingur HES generates 1.3 mln kW which makes it a one-of-a-kind hydro technical construction of world importance with a similar station being found only in Italy. The water comes into the 335 mln m<sup>3</sup> capacity intake chamber from the Jvari reservoir built in the upper reaches of the River Ingur through a 15 km-long subterranean tunnel with a diameter of 9.5 m. The water rushes down from this chamber, located at an altitude of 510 m above sea level, through five culverts each five m in diameter upon five turbines sunk into a mountain gorge to a depth of 96 m above sea level. The level difference of 400 metres makes the turbines spin at 250 RPM with each of them generating 265 thousand kW. The used water runs along a three km free-flow tunnel down into the Gal reservoir with a capacity of 160 mln m<sup>3</sup> which supplies the Gal District of Abkhazia with drinking and irrigation water. In addition, there is a 23-km unlined canal or tailrace emptying into the Black Sea along the course of which there is a cascade of four drop structures which are also known as Perepad hydro electric stations.

The Ingur cascade of hydropower constructions is ecologically justified by the fact that the water from the system, which took up 700 hectares of fertile land in the Gal district, irrigates 20,000 hectares of land where citrus crops are currently grown. Simultaneously, another problem was solved with the system putting an end to the formerly disastrous floods caused by the mountain rivers Ingur and Eristqali when overflowing their banks. The construction of the HES also solved some local social problems in that 320,000 m<sup>2</sup> of new housing space was constructed in five workers' settlements during these years together with seven kindergartens and five schools.

The planned power capacity of the Ingur HES is

1,300 megawatts with an average annual generation of 4.3 bln kWh. The main power plant is located some 14 km from the Ingur reservoir with the working water flow reaching the turbines through an 8.5-km diversion tunnel through the mountains.

The first Perepad HES was commissioned in 1970 with a working capacity of up to 120 megawatts. The capacity of the other three such Perepad power stations was 40 megawatts each.

By the time the Soviet Union collapsed, the main power plants of the Ingur HES had been running for a period of over 20 years. Despite the high technological level of the project and its original constructive solution, certain problems cropping up in the body of the dam itself during the first years of its operation aroused the concern not only of experts but also with the leadership of the Black Sea countries. If the dam burst, the huge mass of water (viz. 1 100 mln m<sup>3</sup> as mentioned earlier) it contains would wipe out not only the entire Western Georgia but also cause a tidal wave in the Black Sea which could reach and damage the shores of Bulgaria, Romania and Turkey. To prevent this catastrophic development, additional technical measures were taken to further strengthen the reliability of the dam. Additionally, owing to the natural wear-and-tear, it became necessary to replace the turbines of the first Perepad HES of the main station and of the entire cascade of these stations whilst also repairing the tunnel that carried the water from the Jvari Reservoir to the turbines of the main HES.

All this work could have well been started in the early 1990s had it not been for the collapse of the Soviet Union and the subsequent military operations on the territory of Abkhazia, which made any kind of rehabilitation work impossible.

After the hostilities came to an end in 1993, a great deal of organisational problems arose regarding the further operation of the HES. The main fact was that the majority of the personnel (mostly ethnic Georgians

and Megrelians) left the territory of Abkhazia for fear of unpredictable developments therein after the war and there was a real threat that the HES could be flooded or otherwise destroyed. Owing to active interference of the Government of Abkhazia, however, and the feeling of personal responsibility of the staff, the situation was kept under control. In fact, there was a time when the station was run by some 20 persons when it was normally manned by a staff of up to 350. Fortunately, this precarious stage was overcome by vigorous negotiations between the Ministries of Energy of Abkhazia and Georgia as well as between the administrative structures of the Gal District of Abkhazia and the Zugdidi District of Georgia. These talks resulted in recruiting the needed numbers of specialists to run the HES. Within, a positive role was played by the shared understanding that the electricity generated by the Ingur HES was urgently needed by the population of both conflicting sides. At the same time, the professional loyalty of the staff also played a role herein as a result of which the Ingur HES maintained its stability in generating as much electricity as it did before the war (See Table 1 and Chart 1).

As early as 1994, however, consultations began between the two sides about the necessity of carrying out rehabilitation work at the HES. With time, international institutions joined in these processes and with good effect, too. Most regrettably, however, the start of this work on site in the period after the war was marked with organisational confusion which resulted in the full decommissioning of the second, third and fourth Perepad stations of the cascade. The issue of their rehabilitation within the framework of the above project was never put on the agenda although the rehabilitation of the entire cascade remains urgent.

The European Union announced a tender for the rehabilitation of the Ingur HES which was won by the German-Austrian consortium Voith Siemens Hydro, the Georgian Sakgidromsheni, the Swiss Stock, another Georgian company Sakenergoremont and others. Siemens rehabilitated the second, third and fourth hydropower units whilst the Georgian Sakgidromsheni repaired the diversion canal.

The first stage of the rehabilitation work was estimated to cost USD 38.75 mln in addition to which another EUR 10 mln was allocated by the European Union in the form of a grant. USD 17.5 mln came as a credit from the European Bank of Reconstruction

and Development (EBRD) whilst USD 3.5 mln came from the Ingur HES's own funds.

The work was to be completed in 2008 although the operations schedule was disrupted for various reasons in 2006 which included some subversive attacks from the territories adjacent to HES.

Today, both the Abkhaz and Georgian sides are facing the challenge of seeking and finding forms of co-operation not only in ensuring the security of the entire generating complex of the Ingur HES but also in resolving the issues connected with its further rehabilitation and operation. Seeing that the Russian joint stock company RAO UES displays interest in the Ingur HES as an important constituent element of the entire power supply system of the South Caucasus, consideration of further projects in the Ingur cascade in the framework of multilateral co-operation is a promising prospect.

Since the collapse of the Soviet Union and until today, the power supply systems of Transcaucasia are operating in a "broken ring" pattern. The power supply system of Armenia is operating in parallel with that of Iran whilst the Georgian one works in parallel with the Russian one (along the high voltage power lines Kavkasioni and Salkhino). The power supply system of Azerbaijan is also connected with the Russian system by the Derbent high voltage power line (330 kV). Obviously, this pattern is unwarranted for the normal operation of power supply systems let alone for the inconveniences it causes in the case when a power exchange becomes necessary.

In spring and summer, freshets periodically hit the area and overflow the Ingur HES reservoir. This circumstance results in the power engineering specialists on site having to remove extra water which results in a loss of electricity in that it is never generated. This problem could be resolved by channelling the freshet energy into the overall power supply system of Russia in a pattern of a "closed ring" that will also include the power supply systems of Azerbaijan and Georgia.

There are several options for the implementation of this project which merit further research. Regardless of which option is ultimately pursued, further co-operation of power engineering specialists in the next stages of the rehabilitation of the Ingur HES remain a high priority issue. It should be noted in this context that the "closed ring" project will be

more realistic if it is extended to the high voltage power supply lines which carry electricity all over the territory of Abkhazia. This will allow us to do away with the losses of energy in transportation that we are suffering today and to return to the project of the power grids of the South Caucasus and the Russian Federation.

In the course of the present research, the author of this study had numerous consultations with leading power engineering specialists from the Chernomorenergo, the Ingur HES and the Perepad HESs. He also used the materials of the negotiations between the Abkhaz and Georgian experts in power engineering. A study on the state of affairs in the power supply systems of the South Caucasus was conducted at the immediate sources; that is, at the power stations of Kubanenergo, RAO UES, the Azerenergy company of Azerbaijan and the Electric Networks of Armenia (ENA), etc. Additionally, information was taken from the *Mirovaya Energetika* and *Elektrosistemy* journals and studied together with the data of the state statistics of Abkhazia.

### Setting the problem

The Ingur HES was a constituent part of the power grid of the Soviet Union and, consequently, part of the power system of the South Caucasus. It was an important part of this power grid in that it ensured its flexibility at peak loads. (See Diagram 1 in the Annex which shows the formation of the power grid of Transcaucasia (South Caucasus) in the early 1990s.)

The power systems of Transcaucasia and the North Caucasus were linked together by the Kavkasioni 500-kilovolt power line from the Ingur HES across the Main Caucasus Mountain Range to Karachayevsk and thence to the Stavropol Regional power station.

The United Power Grid (UPG) is an association of two or more power systems to supply electricity to one or sometimes several countries. The UPG generates, transforms and distributes electricity and is much superior to other united power supply systems in terms of its technical and economic advantages in that it increases reliability and a continual power supply, it readily helps to create necessary power reserves and it promotes the generation of various types of energy (electric, thermal, etc.). The UPG is part of the overall power supply system of a country. As part of an energy supply system, the UPG's

development depends upon an increased demand for electricity and upon material and labour resources. The development of the power industry actively influences technical progress and the distribution of production force and population in any country.

Power systems are linked together in a united power grid mainly by high voltage power lines of 220, 500 and 750 kilovolts (as of the year 1971) with transformation to 1000-1200 kv of alternating current and 800-500 kv of direct current. These systems can be of various structures depending upon the type of power generating stations they comprise (thermal power plants, condensation power plants, heat power plants, hydroelectric power plants, atomic power plants) and the configuration of the power lines which link them with centres of consumption of electricity. Uniting power plants into a power grid lowers the cost of the electrification of intermediate areas, promotes the better use of power and energy of the generating stations, allows one to increase the integral power of their generating installations (up to 500-1000 megavolts), further allows an increase of the economy and reliability of power plants and of the system as a whole whilst also facilitating the operation of the systems under various seasonal changes and when some constituent installations are under repair<sup>1</sup> The dynamics of the electricity generation by the Ingur HES is shown in Table 1.

Under peak load conditions that occur at the times of freshets or failures of power supply in the "closed ring" pattern, some energy could be transferred to the power grid of the Russian Federation or to those of Armenia or Azerbaijan. The "closed ring" pattern allows an automatic balancing of the entire power system without failures of any of its components.

In this context it should be mentioned that there is the problem of superfluity of electric energy at the times of freshets when the River Ingur overfills the reservoir of the HES. This circumstance requires the power engineering specialists to remove the extra water which results in a loss of cheap electricity. In addressing this problem, Russia, Georgia and Azerbaijan already co-ordinate their activities in organising the distribution of the superfluous energy generated at the times of freshets. There is a proposal that the "freshet energy" should be transferred from the Ingur HES into the power grid of Russia in the pattern of a "closed ring" between Azerbaijan and Georgia.<sup>2</sup>

After the collapse of the Soviet Union and a number of subsequent local conflicts and wars in the South Caucasus—and especially after the war between Georgia and Abkhazia in 1992-1993—the hitherto united power system of Transcaucasia suffered considerable changes.

The fate of the Ingur HES is the most glaring example of the disintegration of a once united power system and an inspiring example of its subsequent revival and rehabilitation. Moreover, it is an amazing case of the continued co-operation of power engineering specialists from both sides despite the war, political instability, threat of subversive actions and the like.

Before the collapse of the Soviet Union, the power systems of the South Caucasus countries (Armenia, Azerbaijan and Georgia) were formed as constituent parts of a united Transcaucasian power grid managed from Tbilisi. When the Soviet Union fell apart, so did the power supply system and there was practically no co-operation in this area of any kind. It is only in the recent years that we have witnessed the reestablishment of contacts in this sphere. As a result, there have been cases when, during particularly difficult times, electricity was exported from Armenia to Georgia. Additionally, the South Caucasus countries arrange an exchange of energy with other states such as, for instance, Armenia and Azerbaijan are actively doing so with Iran with both republics tending towards an increase of co-operation with Tehran in this line. RAO UES is also quite active in this region with its leadership working actively in the rehabilitation and reintegration of the power systems of the South Caucasus countries whilst also intending to link them to the power grids of Turkey and Iran. The major stumbling block herein, however, is the conflict between Armenia and Azerbaijan with Baku flatly refusing to co-operate while Yerevan officially reiterates its preparedness to work together in this sphere despite the unsettled Karabakh conflict.

The South Caucasus countries have many years of experience in working within a united power system. The emergence of new technologies of dispatcher control, relay protection and automatic machinery entail new approaches to uniting the power supply systems. There are three arguments in favour of this thesis:

- It helps to reduce the consumption of fuel and other expenses incurred by the operation of power

generating stations.

- The load is levelled up which reduces investments at times of peak load.
- The power generating system of each country becomes more reliable and sustainable.

This brings us to the conclusion that the implementation of concrete highly efficient regional projects will doubtlessly become not only the most powerful lever for regional electric power integration but will also serve as an additional powerful stimulus towards settling the political problems which exist in the region.<sup>3</sup>

The establishment of a united power grid also conditions the further centralisation of electric energy generation which, above all, will require the creation of an integrated system of management of this united power system that, in its turn, will also call for the introduction of an automated control system in all areas which is equally vital for the Abkhaz section.

At the same time, problems concerning the elaboration of methods and means aimed at ensuring trouble-free operation, achieving an optimum control of the systems and other issues also arise. Obviously, new approaches regarding the formation of partner relations between and amongst all the participants in the projects will be required under these conditions.

As mentioned earlier, the difficult events of the early 1990s resulted in a considerable reduction of the generation output of the Ingur HES. The natural wear-and-tear of all the assemblies of the HES has also created the need to undertake major repairs and overhaul of quite a number of power installations, wiring and the derivation tunnel and the off-take.

Additionally, all of the Perepad stations, except for the first one, are out of commission. The second, third and fourth ones were flooded because of the lack of personnel and, with time, they were completely dismantled.

Taking into account the great importance of the Ingur HES for ensuring the balance of the power supply for the whole South Caucasus, the South Caucasus countries and the Russian Federation with the support of the European Union came up with an initiative and announced a tender for the rehabilitation of the HES. The tender was won by the Austrian-German consortium Voith Siemens Hydro.<sup>4</sup>

The rehabilitation was implemented mainly using the EUR 38.75 mln loan from the EDRB and the EUR 10 mln grant from the European Union. The work began in 2004 with a scheduled completion in 2008 although it remains unfinished for various political and economic reasons.

As a result of the incomplete rehabilitation work, the Ingur HES currently generates only about 980 megawatts. Generation and consumption of electricity by the Ingur HES in the post-war period is represented in Table 2.

In this context, it is worth mentioning that the system of operation of the region's power grids has suffered considerable changes to date which resulted in the establishment of a new operating regime which is quite cumbersome for their normal functioning. In actual fact, the power grids began to work in the "open ring" pattern as shown in Diagram 2.

After the collapse of the Soviet Union, the power supply system of Transcaucasia deteriorated to a shambles. The region was torn apart by ethnic conflicts and its economy severely undermined. Even in Armenia, which used to export electricity when it was still a Soviet republic, homes had power for only two-to-four hours a day. The generation output of Armenia's thermal power stations dropped from 8.8 bln kWh in 1990 to 2 bln kWh in 1993-94 whilst the Armenian atomic power station was shut down after the Spitak earthquake in 1989. The situation in Georgia, however, was even worse. Here, the generation of electricity fell from 14.5 bln kWh in 1988 to 7 bln in 1993. Even Azerbaijan, with its oil and gas, suffered from a considerable shortage of electricity. With an installed capacity of five thousand megawatts, its power system generated only 3.4 thousand megawatts with billing collections below 30 percent of the payments expected from users.<sup>5</sup>

The shortage of power in Transcaucasia was partially compensated by import from Russia which also supplied fuel for thermoelectric power stations. The majority of these supplies were on credit. Finally by the year 2000, Georgia's debt for electricity amounted to USD 46.6 mln whilst Armenia's debt for nuclear reactor fuel elements alone (fuel rods for the atomic power station which was put back into operation) was USD 40 mln. For these reasons, the Russian joint stock company RAO UES of Russia (\_\_\_\_) began its expansion in this market as it intended to get its debts repaid, introduce law and

order regarding users' payments for electricity and establish a good foothold in Transcaucasian markets as the main power supplier. The company's principal objective was to move from wholesale supplies of power to foreign companies to supplying power to its end users.

The head of the RAO UES of Russia company visited Georgia in January 2000. Both sides agreed that part of Georgia's debt for electricity supplies (USD 36.25 mln) would be transformed into a state debt whilst the remaining USD 9 mln would be settled within one year. Despite this agreement, however, Georgia's debt to RAO UES of Russia continued to accumulate.

By contrast, the problem of Armenia's debts was settled in a more revolutionary way by concluding an agreement on the exchange of debts for property in 2002. As a part of the clearing of the debt for nuclear fuel rods, RAO UES acquired the Sevano-Razdan cascade HES with an annual generation of 2.2 bln kWh for USD 25 mln. In the line of clearing the same debt, RAO UES acquired the right of management of the Armenian nuclear power station for a period of five years (beginning from September 2003). The management of this nuclear power plant, which generates 40 percent of that country's electricity, will enable RAO UES to not only recover the remaining part of the debt but also to make a profit. At the end of 2003, Russia acquired the Razdan HES at an evaluated cost of USD 31 mln as a part of the settlement of Armenia's debt to Russia (USD 97.76 mln). This power plant, covering 20 percent of Armenia's demand for electricity, was also put under Russian management.

RAO UES had no debt problems with Azerbaijan because it always paid for the electricity it imported from Russia (about 1-1.5 bln kWh a year) with its oil and gas deposits. Last May, a delegation of RAO UES visited Baku where it had negotiations about the expansion of co-operation in this sphere. In particular, an agreement was reached with the leadership of Azenergy on mutual long-term electricity supplies. As a result, Azerbaijan remains as a promising market for selling Russia's electricity—just like Georgia—whose demands for imported electric power amount to at least 1 bln kWh.

The attractiveness of the Georgian market is considerably stunted by its debt to RAO UES and one of the objectives of the company's expansion

into the domestic market of Georgia is to minimise this index.

A further remarkable event was RAO UES's purchase of Georgia's key power plants from the American AES Corporation. In particular, RAO UES acquired 75 percent of the shares of the Telasi distributing company which owns the low and medium voltage networks in Tbilisi and its environs with a population of 1.6 mln together with 5,233 km of power transmission lines. Telasi supplies power to 0.4 mln end users. Over and above that, RAO UES also purchased 100 percent of the shares of the Mtkvari company which owns two power plants of the Tbilisi HES with a total capacity of 600 megawatts. It also acquired 50 percent of the shares of the Transenergy company which exports electricity to Turkey (the other 50 percent belongs to the Ministry of Fuel and Energy of Georgia) and the right to manage the joint stock company Khramesi (two HESs with a capacity of 113 and 110 megawatts).

As a result of this transaction, RAO UES acquired control of over 20 percent of all the generating capacities of Georgia and over the supply of power to 35 percent of the users therein.<sup>6</sup> These projects, however, are making slow progress owing to a negative background of bilateral political relations. This notwithstanding, a delegation of RAO UES held meetings with the leadership of Georgia in which both sides agreed to sign a memorandum of co-operation in the sphere of energy. This memorandum envisages the participation of RAO UES in the Government of Georgia's programme on overcoming the crisis within the framework of which privatisation of the State Distributing Company of Georgia and other national power capacities is planned. It also envisages the construction of new capacities and infrastructure which includes a new power transmission line from Russia to Turkey.<sup>7</sup> In the course of these meetings, RAO UES also displayed its interest in the Ingur HES and referred to its possible participation in the further rehabilitation work. One can assume that an agreement on the participation of RAO UES in the rehabilitation of the Ingur HPP becomes more feasible after the recognition of the independence of Abkhazia. The feasibility of the further rehabilitation of the cascade of the Perepad HESs and of the Sukhum HES is currently being researched. These power plants require some USD 30-35 mln in investments to be repaid within four-to-six years. According to expert estimations, the re-commissioning of these power plants will not only provide electricity for

Georgia but will also allow its export to Turkey and Azerbaijan.

Understandably, the organisation of mutual supplies and the efficient transit of power will call for the synchronisation of the power systems of Transcaucasia and Russia. The optimisation of the cross-flow of power alone between and amongst the South Caucasus countries can earn an additional USD 250 mln. It is not by accident, therefore, that one of the top priority tasks of RAO UES was to achieve the synchronisation of the power systems of the region. As early as 1999, the original plan envisaged the signing of a quadripartite agreement between Russia, Georgia, Armenia and Azerbaijan on the parallel operation of the power systems. The Karabakh conflict, however, together with far-from-fine political relations amongst the countries in the area prevented the implementation of this plan. Moreover, for Armenia, which had a surplus of electric power, a synchronisation with Georgia—with a power deficit and hardly able to pay for the import of electricity—was entirely without profit. Besides, the power systems of Armenia and Iran had already been functioning for a number of years in a parallel pattern for the benefit of both states and so it did not make any sense for Armenia to give up this profit.

Having come to understand the impossibility of a quadripartite agreement, RAO UES decided to make bilateral agreements which it signed with Azerbaijan and Georgia in 2000. The Armenian power system, however, remains unsynchronised with the Russian one. Finally in May 2008, an alternative way out of this logjam was found. During the course of a visit of a RAO UES delegation to Baku, it was decided to set up a working group with the participation of Iran in order to consider the possibilities of organising the parallel operation of the power systems of Russia, Azerbaijan and Iran.

Currently, the power system of Azerbaijan is operating in a parallel pattern with those of Russia and Iran. With the increase of the cross-flow of electricity, it will become possible to synchronise the three systems together.

Turkey occupies a special place amongst potential importers of electricity from RAO UES. The interest which the company has displayed in Turkey is accounted for by that country's shortage of power, high tariffs and its only burgeoning economy. The first attempts to make advances towards Turkey and

its market were undertaken by RAO UES as early as 2000 when the company came to an agreement with power engineering specialists in Georgia to elaborate a plan for the joint export of electricity to Turkey. Alongside, the construction of a new power transmission line traversing the territory of Georgia was also planned.

Over recent years, RAO UES has been attaching great hopes to its power stations in Armenia. The surplus output of the Armenian power generating system is evaluated to be 0.5 bln kWh a year which means that the country can well become a base for penetrating the markets of the neighbouring states in the view of RAO UES. Its Razdan HES, for example, is operating at 25-30 percent of its installed capacity and the surplus output of this station will grow considerably when the construction of its fifth power generating unit is completed. The transportation capacities for export are also available. There are the Lalavar and Ashotsk-Ninotsminda power transmission lines in good working order in the direction of Georgia as well as the Alaverdi line which was renovated by UPG Russia. The Mergi power transmission line has been operating in the direction of Iran since 1997.

The export of Armenia-generated electricity to Turkey is also possible by the high voltage power transmission line Gümri-Kars. Its Armenian portion is in relatively good working order although the Turkish portion is in need of rehabilitation. This is impeded, however, by the complicated political relations between Armenia and Turkey with RAO UES seeing the removal of the barriers between the two neighbours as one of its political tasks.

By extending its expansion over Transcaucasia, RAO UES emerges as a leader of Russia's geopolitics in the region under study and creates a base for other branches of Russian industry to move in and operate there by penetrating the markets of its neighbouring countries. Obviously, this Russian electro-holding is implementing the doctrine of "the common Eurasian market" which is called upon to unite not only the CIS countries but also the states upon which they border and which by the course of history find themselves outside the world integration processes. These are Iran, Turkey and, in the long run, Pakistan. Such a market could be well comparable to that of the European Union in terms of the numbers of population and would greatly exceed it in terms of the territory and resource potential, especially in the sphere of power generation. The creation of such a

market with Russia as a leader certainly meets the national interests of the Russian Federation.

## Conclusions and Recommendations

The project of the rehabilitation and development of a united power system of the North Caucasus and Transcaucasia with prospects for its further growth and connectivity to other systems upon the condition that the power generating cascade of the Ingur HES should be an active part of it in full (and that is not less than 1500-1800 megawatts at full load) is becoming a profitable regional project from a technical point of view and a large-scale project for regional co-operation and a factor working towards the stability of the region.

The geographical position of the Ingur HES presupposes definite forms of co-operation between Abkhaz and Georgian power engineering specialists and, it should be noted, such co-operation is relevant even today. The only possible prospect for such co-operation is the continuation of work in the further rehabilitation of the Ingur HES cascade to include all the Perepad stations.

In addition to the rehabilitation of the entire cascade of the power stations at the Ingur HES, the rehabilitation of the power transmission lines on the route from Ingur to Psou is also of great importance. In fact, according to the agreement upon the division of generated electricity between Georgia and Abkhazia, Abkhazia receives approximately 400 megawatts. Owing to the fact that the Tquarchal Regional HES and the Sukhum HES are currently out of operation, the power transmission line Sukhum-Psou has practically no in feed and is devoid of balancing possibilities. Given that the line has been in operation for a sufficiently long period of time and its carrying capacity no longer meets the needs of the country, its urgent rehabilitation is of the utmost necessity, even more so because the Ingur-Psou line is part of the closed ring.

Despite the political contradictions and conflict situations that challenge the South Caucasus region, it is evident that energy communications are gradually brought towards optimum arrangements for the benefit of all the countries in the region.

Today, Abkhazia features as a separate state and a full-fledged participant in all the ongoing processes in the region and as such, it is also an interested

party in the issues connected with the rehabilitation of Transcaucasia's power system. Abkhazia's active position in these issues is accounted for by the fact that the main power generating installations of the Ingur HES are located upon its territory whilst the power transmission line Ingur-Psou plays a leading role in the South Caucasus "closed ring" system.

There are several mechanisms which can be activated towards the elaboration of a more efficient approach in the process of the further rehabilitation of the Ingur hydroelectric hub.

Undoubtedly, there is an urgent need for the further rehabilitation of the Ingur HES in the interests of the entire united power system or power grid of the South Caucasus. At the same time, however, there is an immediate interest on the part of RAO UES as the main actor in the energy policy of the South Caucasus and of the European Union, which, in principle, should consider the power grid of the South Caucasus as a part of the Black Sea energy ring. In this regard, it is not difficult to infer that both Abkhazia and Georgia must contribute towards attracting the financial and power engineering structures of the Russian Federation and the European Union in participating in the rehabilitation of the Ingur HES and its further exploitation. It seems possible to set up a special fund under the aegis of Russia and, perhaps, some European structures for supporting the most interesting projects contributing to the rehabilitation of the republics' disadvantaged areas, promoting the revival of the economic potential of the parties to the conflict and consolidating regional stability. One such project for this fund could be to finance the rehabilitation of the entire Ingur HES cascade, the Sukhum HES and the Ingur-Psou power transmission line. Further to this end, it would be logical for the European Union and, particularly, the EBRD to assume a constructive position in the negotiation process with the Abkhaz side as concerns the problems of the further rehabilitation of the Ingur HES.

By the time this study was about to be completed, the mass media, including electronic means of communication, had disseminated information about the signing of a Memorandum of Understanding on Effective Operation of the Ingur HES between the Ministry of Power Engineering of Georgia and the Chairman of the Management Board of the Inter RAO UES. In our studies, we highlighted the particular interest which RAO UES displayed in the Ingur HES power complex and so these developments have

not come as something unexpected to experts in the field. Nevertheless, any attempts at forecasting the future destiny of this Memorandum would be premature because any projects connected with the Ingur HES are to be considered within a multilateral format. In view of the fact that the main part of the Ingur HES cascade is on the territory of Abkhazia, the implementation of any projects will hardly be possible without the Abkhaz side on board. Following the negative reaction to the Memorandum by the Abkhaz side, Yevgeni Dod, the Chairman of Inter RAO UES, visited Sukhum in order to assure the Abkhaz leadership that all issues connected with the Ingur power generating cascade located on the territory of Abkhazia would be addressed and resolved within the terms of agreements made exclusively with the Abkhaz side.

A summing up of all of the above research materials allows us to arrive at the following conclusions:

1. The Ingur HES power generating complex still remains an important constituent part of the power grid of the South Caucasus.
2. Despite the political processes, both the Abkhaz and the Georgian sides must seek forms of co-operation to provide the security of the entire Ingur HES cascade as well as its complete rehabilitation and subsequent operation.
3. RAO UES is interested in the operation of the Ingur HES as part of the united power grid of the South Caucasus. In its turn, the European Union may also be interested in the operation of the Ingur HES as part of the energy ring located around the Black Sea.
4. As a project involving multilateral co-operation, the Ingur cascade is thereby an important factor of stability in the South Caucasus.

Proceeding from the above, the following recommendations can be made:

1. The Abkhaz and the Georgian sides should resume in the nearest future consultations aimed at elaborating a solution of the problem of the further rehabilitation of the Ingur HES with the mediation of RAO UES and the European structures.
2. It is expedient to set up a special fund under the aegis of the interested parties (the Russian Federation and, possibly, the European Union) with a view to supporting projects aimed at the rehabilitation of the vitally important structures and disadvantaged areas in the South Caucasus. The further rehabilitation of

the Ingur HES could be financed from this fund.

3. The European structures and the European Bank of Reconstruction and Development in particular, while considering possibilities for financing projects in the territory of Abkhazia (in the first place, the

rehabilitation of the Ingur HPS), should discuss them with the Abkhazian side directly.

**Annex**

**KAVKASIONI POWER TRANSMISSION LINE**

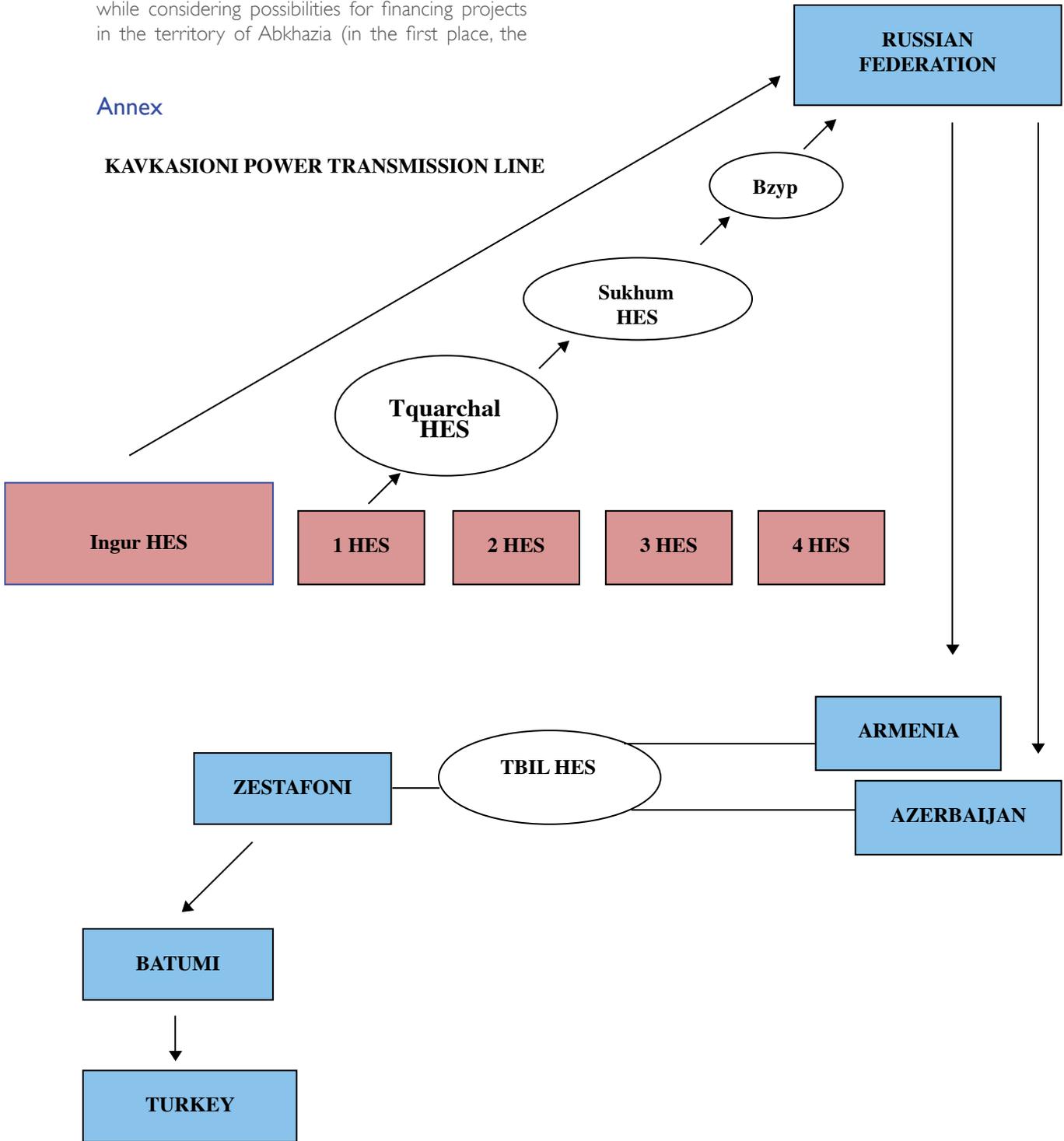


Diagram I. Power Grid of Transcaucasia Operating in the “Closed Ring” Pattern as of 1990

Table I. Dynamics of Electricity Generation by the Ingur HES

	1979	1980	1985	1990	1994
Generation	2.892	4.499	4.059	4.633	1.300
Generation	1995	2000	2003	2005	2007
	3.389	3.227	3.419	3.004	3.394

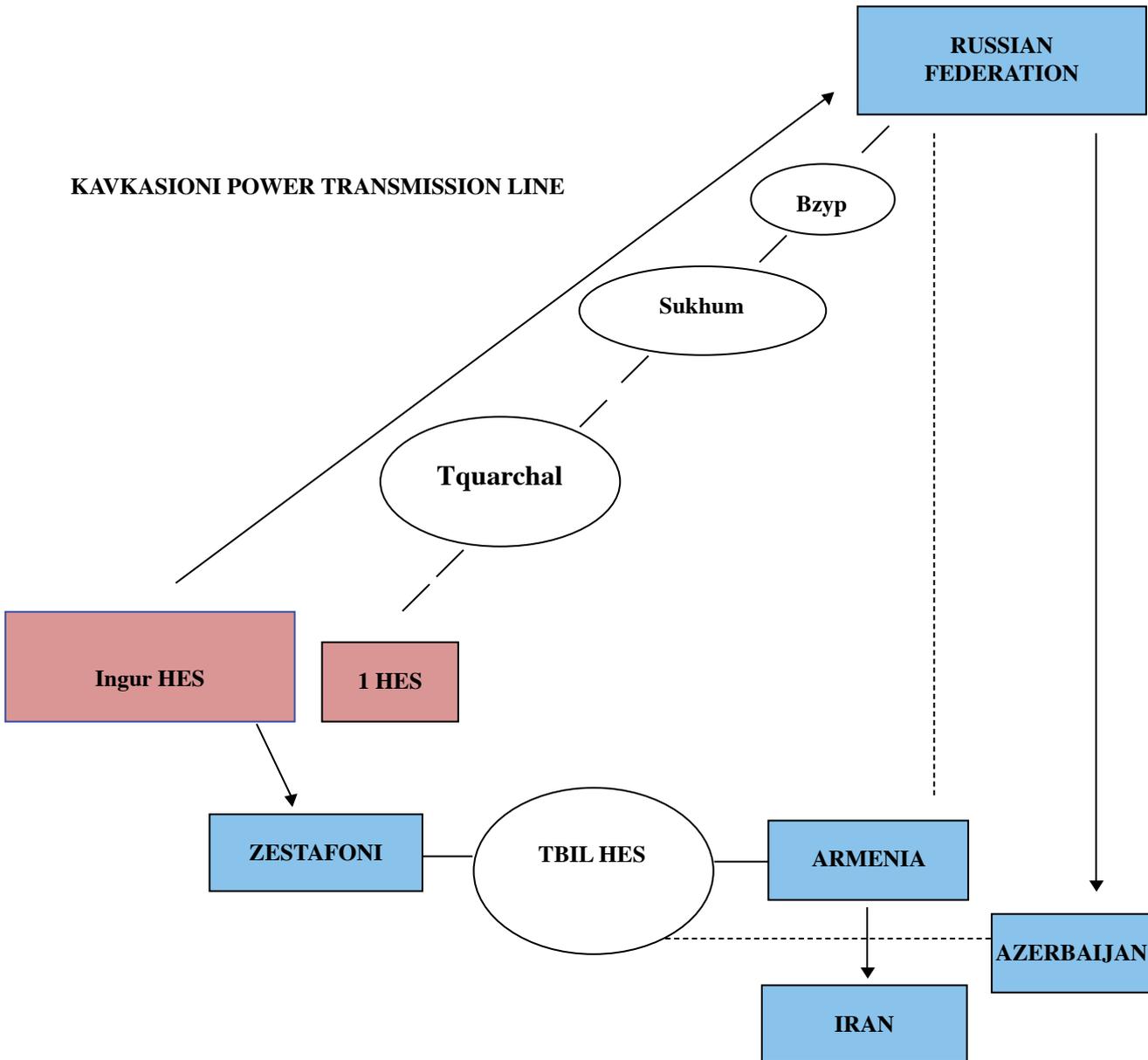


Diagram 2. Power Grid of Transcaucasia Operating in the “Closed Ring” Pattern

**Table 2. Dynamics of Generation and Consumption of Electric Power in the “Closed Ring” Pattern by the Ingur HES**

	1995	2000	2003	2004	2005	2006	2007
Generation of electricity	3389.9	3227.7	3419.8	3185.0	3004.5	2000.0	3394.1
Transmitted into the power system of the Republic of Abkhazia	3051.1	2368.9	2470.6	2469.0	1966.9	1102.2	2119.3
Losses of energy in transmission lines	206.4	329.6	366.3	316.0	336.9	341.3	344.3

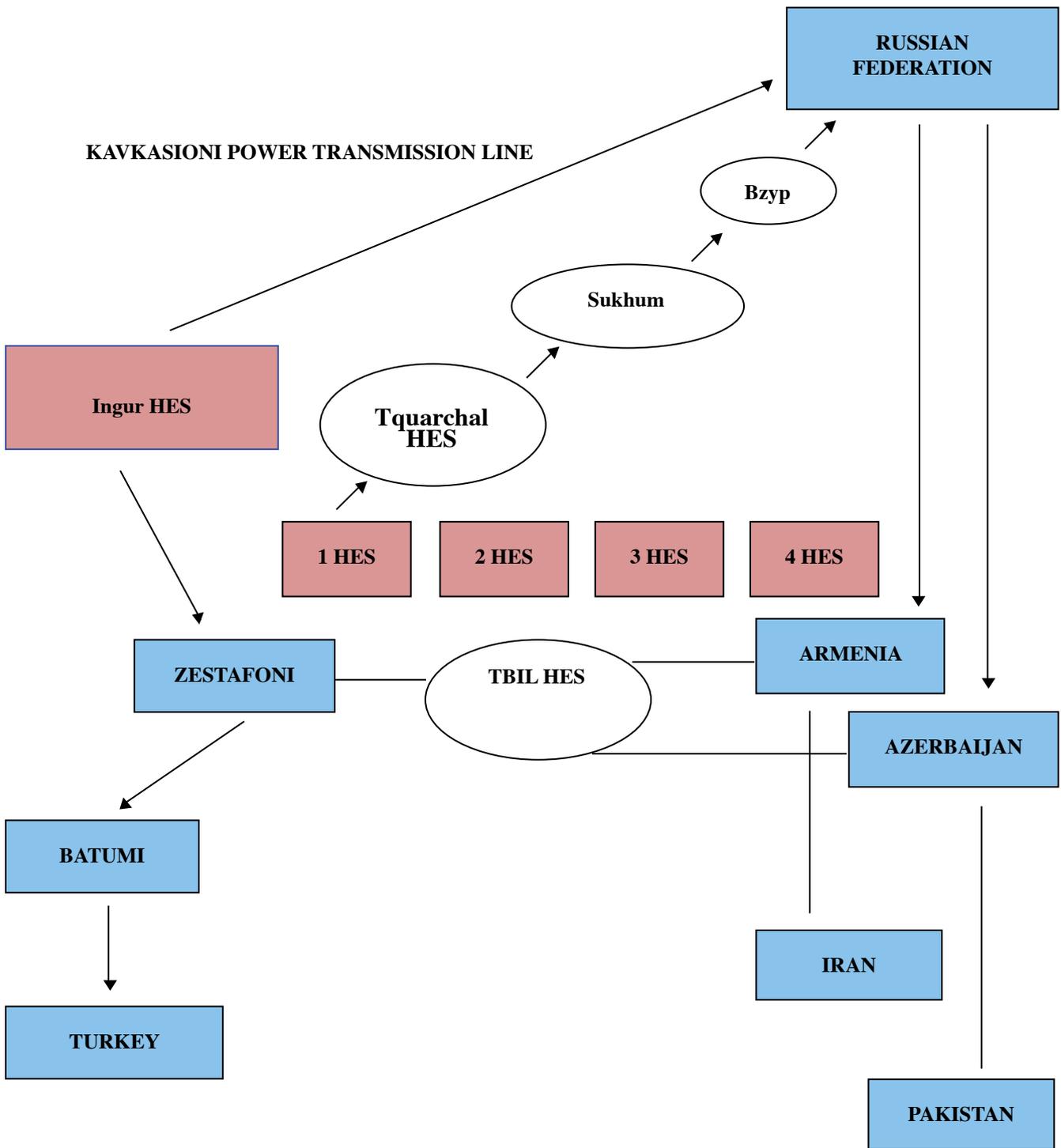


Diagram 3. Prospects for Development of the Power Grid of the South Caucasus

## Endnotes

<sup>1</sup>"National Economy of the Abkhazian ASSR," (collection of statistical data), Sukhum, 1986.

<sup>2</sup>Abkhazia in Figures," (collection of statistical data), Sukhum, 2007.

<sup>3</sup>"Ways to Efficient Integration of Power Systems of the South Caucasus, Eurasia Foundation, Baku-Tbilisi-Yerevan, 2004.

<sup>4</sup>From the Economy of War to the Economy of Peace in the South Caucasus, Moscow, 2004.

<sup>5</sup>Energorynok, No.7, Russian Central Bank Publishers, Moscow, 2007.

<sup>6</sup>Mirovaya Energetika, Moscow, 2005.

<sup>7</sup>IA "Regnum"

George Katcharava

## CONTRIBUTING TO REGIONAL DEVELOPMENT IN THE CONFLICT AREA: THE SMART OPERATION OF THE ENGURI HYDRO POWER PLANT

### Introduction

The Enguri Hydro Power Plant (hereinafter also EHPP) is located in Western Georgia straddling both sides of the River Enguri. Its dam, currently the world's highest concrete arch dam with a height of 271.5 m, is located north of the town of Jvari whilst its power generator is located in Saberio in the Gali District of Abkhazia. The cascade of stations was built in the 1970s and currently consists of five individual hydro power plants; namely, Enguri (1300 MW/h), Vardnili I (220 MW/h) and Vardnili II, III and IV (40 MW/h each). Because of the conflict in the early 1990s, however, and the current environment of instability and insecurity, Vardnili II, III and IV are not operational (Please see Annex I, Map 1 and Annex III, Table 1 for further information.)

The protracted Georgian-Abkhaz conflict negatively affects developments in Georgia within a wide variety of spheres, especially as concerns the country's energy sector given that the EHPP—the biggest electricity generating plant in Georgia—is situated in the conflict zone. The issues related to the management and maintenance of the station, therefore, become difficult as a result of this reality which is also reflected in the fact that three of the four Vardnili hydro power plants are not operational. In total, the EBRD, the European Union, the Government of Japan, KfW and the Government of Georgia allocated some EUR 116 million worth of loans for the rehabilitation of the Enguri cascade.<sup>1</sup> Some reconstruction work has hitherto been done through the joint funding of international institutions as well as from the Government of Georgia. Further work, however, needs to be conducted on the cascade's main station (Enguri) as well as on each of the Vardnili generating plants. Those repairs which have already been completed, however, have resulted in a significant increase in the EHPP's technical parameters as well as its safety and reliability although not in the real generating output (Please see Annex III, Table 2.)

The potential of the EHPP cascade currently remains improperly used given that it has the capacity to play a very important role as a seasonal regulation tool for the whole Caucasus region and Turkey. For

instance, the cascade has the unique capacity to produce cheap energy in large quantities during peak hours which makes this plant very important for regional use. It is vitally important, therefore, to synchronise the overall functioning of the main energy generating stations in the region (including thermal and nuclear stations) for a safer and more reliable functioning of the region's electricity network.

Beginning work on the rehabilitation of the Vardnili plants is essential. As a first step, the water channel running from the Gali reservoir should be cleaned and improved in order to make the water to flow with more efficiency and without obstacle which will allow the main station of the cascade to work within its maximum capacity. The approximate cost of the rehabilitation of the four Vardnili plants is USD 140 million.<sup>2</sup>

It bears repeating that the accomplishment of the planned rehabilitation of the Enguri cascade and the establishment of a normal working environment will dramatically increase the importance of the region's energy potential domestically and for neighbouring countries, including Turkey. (Please see Annex III, Table 3.)

The envisaged rehabilitation and construction work on the cascade is deemed to have significant results and is generating a serious interest not only in Georgia but also amongst the neighbouring governments and business communities. Should the project garner substantial investment (approximately USD 821 million), the involvement of international financial and donor organisations will, therefore, be necessary which will also create the need for a more detailed study of the new opportunities and projects within (Please see Annex III, Table 4.). It merits special note that there has been a positive experience in the implementation of such complex and expensive projects in Georgia and this creates a favourable basis for future similar projects and a window of opportunity regarding new spheres of involvement as a means of attracting donor support from international institutions.

The rather high concentration of the power generating capacity in the region, on the one hand, and the relatively high interest of the neighbouring countries in purchasing this electricity, on the other, requires serious consideration about how to further develop the electricity power distribution network on a broader regional scale.

Georgia's projected annual energy balance shows that the country will have a significant amount of electricity for export to the markets of its neighbouring countries if the existing strategic development programme in this sphere is fulfilled.<sup>3</sup> The particular nature of the EHPP provides the unique opportunity to export electricity during peak seasons and, therefore, to regulate the stability of the electricity systems of the neighbouring countries. The current state of affairs shows that the surplus of the generated electricity, which Georgia has during the spring and summer seasons, cannot be properly exported through the existing high voltage electricity lines (herein after also HVEL). It is expected that the Georgian electricity system will have a stable surplus in 2011-2012 with the amount of electricity for export reaching 2.66 billion kW/h in 2013 with the majority of this energy being generated by the Enguri cascade. Export to the Turkish and Russian markets, therefore, will be necessary in order not to lose this energy (Please see Annex II, Charts 1, 2 and 3.).

As long as new capabilities in the electricity generating sector are built, the issue of the modernisation of the distribution lines will naturally arise. It is vitally important to develop new HVELs connecting the neighbouring countries with Georgia's electricity system. A decision has already been made to extend the main Georgian 500 kv system with the addition of two new 500 kv links from Gardabani and Zestaponi to a new 500 kv substation near the Turkish border at Akhaltsikhe. Akhaltsikhe will be further connected to the Turkish HVEL grid at Borchka asynchronously using a back-to-back HVEL link at Akhaltsikhe. The project with a total cost of EUR 260 million will be co-financed by the EBRD, the European Investment Bank (EIB) and KfW.<sup>4</sup> Should all of the envisaged construction work related to the rehabilitation and modernisation of existing HVELs be completed, Georgia's electricity system will have the capabilities to export significant amounts of electricity to the Russian, Turkish, Azerbaijani and Armenian markets as follows:

- Russia: 700-800 MW/h
- Turkey: 700-800 MW/h

- Azerbaijan/Armenia: electricity needed for regulatory purposes during consumption in peak hours (Please see Annex I, Map 2.)

The development of 500 kv lines is a priority for the Georgian energy system. The completion of this work will make it possible to transmit the energy needed by various countries of the region whilst making Georgia's electricity generating capabilities more efficient and creating an economically more effective regional factor of industry co-operation between the countries.

## Regional Overview

### Turkey

Turkey's rapid growth in both its economy and its population has resulted in an increased demand for energy. Currently, the country's domestic energy production is approximately 40 percent of its consumption demand and so its needs for energy imports—including electricity—are rather desperate. Of further urgency is the fact that Turkey's energy demand is expected to double between in 2000-2010 and increase by four times in 2000-2025. Its energy strategy, therefore, is to assure a reliable and constant supply of energy which will also be economically viable and efficient for the advancement of the economic growth and social well-being of the country (Please see Annex III, Table 5.)<sup>5</sup>

Turkey is experiencing a remarkable growth in its demand for electricity dating to 1970 with this demand growing on average by more than 8 percent per annum. The country's share of energy in total imports increased from 9.8 percent in 1998 to 20 percent in 2005.<sup>6</sup>

### Russia

Prior to the current global economic and financial crisis, Russia's remarkable economic growth contributed to an increase in its total electricity consumption from 715 billion kW/h in 1998 to approximately 980 billion kW/h in 2007. Thermal power (oil, natural gas and coal-fired) accounts for roughly 63 percent of Russia's electricity generation followed by hydropower at 21 percent and nuclear power at 16 percent. According to available data, Russia's electricity system produced 913 billion kW/h in 2007 which was an increase of 2.2 percent over 2006.<sup>7</sup>

Russia has a deficit of electric power supply in its southern regions with the problem being especially acute during peak hours which often results in blackouts in the Krasnodar and Stavropol regions and in some parts of the North Caucasus. At the same time, Russia began to take further advantage of the Rostov nuclear power plant in 2001 which raises doubts as to the extent of the deficiency in the supply of basic electricity in its southern regions although the demand for peak energy supplies remains problematic therein.

### Azerbaijan

Azerbaijan's power sector has an installed generating capacity of approximately 5.5 GW/h with approximately 80 percent of all of its electricity produced by eight state-owned thermal plants. Additionally, Azerbaijan has six state-owned hydroelectric plants. Both electricity generation and its consumption has been relatively flat since 1991 with the output totalling 20.4 billion kW/h in 2004—of which 85 percent was generated by thermal plants—and consumption at 20.6 billion kW/h. Due to its recent economic growth and the beginning of the functioning of oil and gas export pipelines (Baku-Tbilisi-Ceyhan oil and South Caucasus gas pipelines), the demand for electricity in Azerbaijan is expected to grow in the coming years. Azerbaijan, however, has to import some electricity in order to compensate for transmission losses which comprised 7 percent of its total output in 2004.

Taking into account the dynamics of its economic developments, Azerbaijan will continue to need to import electricity from its neighbours. On average, it imports approximately 2.1 billion kW/h which is just under 10 percent of its total consumption. In order to supply electricity to all regions of the country (including the Nakhichevan enclave), Azerbaijan imports power from Russia, Turkey, Iran and Georgia.<sup>8</sup> An additional problem which Azerbaijan can face is the lack of electricity during peak hours and the constant need to regulate and balance its system within this period of high consumption.

### Armenia

Armenia, with a population of almost three million, has a well developed energy sector with effective generating and distribution systems. After gaining independence, it suffered from constant electricity shortages due to the closure of Medzamor nuclear

power plant (herein after also Medzamor NPP) but emerged as a net electricity exporter after the resumption of the Medzamor NPP into production in 1995. In 2005, for example, Armenia exported 656.2 million kW/h of electricity. The Medzamor NPP, which is now managed by the Russian side, was built in the 1980s with a design life of 30 years and currently supplies over 35 percent of the country's needs for electricity with the remainder being generated by hydroelectric and thermal power plants. There is great international pressure to close the Medzamor NPP for three main reasons: i) the unreliable Soviet design of the plant, ii) the location in a seismically active zone and iii) the difficulty in the delivery of nuclear fuel due to the absence of an overland transport link between Russia and Armenia. In the case of its closure, however, Armenia has no other generating capacity which can replace it.

Taking the current developments in the region into account, one can identify the serious need for the countries of the region to co-operate in the energy sphere. The rehabilitation of the EHPP cascade and its connection to the regional energy systems will increase reliability, effectiveness and help to synchronise the electricity grids of Georgia's neighbouring countries. Market research also shows that the demand for the relatively cheap electricity produced by using the hydro resources of the region is expected to increase which, therefore, creates opportunities for co-operation between the countries and, in turn, can facilitate the development of electricity systems working in a parallel regime which will increase both the safety and the efficiency of the electricity supplies.

### The Problem Description

The Georgian-Abkhaz conflict has created problems for the effective use and profit of the EHPP cascade. The hostilities forced the majority of the personnel to leave the main generating facilities located in the Gali District with several components of the cascade having been destroyed and hitherto not in operation. Within the common understanding of both sides that the EHPP's complex system of management cannot be threatened by any uncontrolled armed group, some measures have been undertaken in order to insure the safety of the current personnel. A significant portion of the cascade's generating capacity has not been used for a long period of time with further problems within the station's management since the main generators and

other important components—including the dam itself—needed rehabilitation work. An agreement was reached between the Government of Georgia and international donors (mainly the EBRD) in 2003 for the allocation of a certain amount of funds for the rehabilitation of the cascade with Tbilisi co-funding all of the work (20 percent of the total rehabilitation) as well as covering 100 percent of its running costs.

In understanding its uniqueness and importance for the region, both sides of the conflict have been co-operating in order to maintain the safety and security of the EHPP. In fact, the joint efforts of the Georgian and Abkhaz sides in this sphere can be seen as one of the most successful examples of bilateral collaboration and, moreover, probably the only example in which there have been no significant problems or one of the parties refusing to work with the other.

In spite of the stalled process of developing a wider dialogue between the two sides, a further example of future joint co-operation can be found within the deepening of the co-operation between Georgian and Abkhazian sides regarding energy related issues, on one hand, and reviewing the possibilities for increasing this co-operation to other projects such as rehabilitation, infrastructure work and the improvement of livelihoods, on the other hand, which can be of mutual interest for the Government of Georgia, Sokhumi authorities and international donor organisations. This in turn can facilitate a bottom-up approach and confidence building measures which currently sit at a very low level.

Recently, the Georgian Ministry of Energy and the Russian state-owned electric company, Inter RAO UES, signed a Memorandum of Understanding (MoU) regarding the EHPP. Although this document does not question the issue of ownership<sup>9</sup>, it does express some aspects related to the management and operation of the EHPP. This MoU, however, has not been made public although some informed sources purport that this document envisages the establishment of a joint Georgian-Russian council which would be in charge of monitoring the management of the plant.<sup>10</sup>

Allegedly, the MoU states that the Russian side will be responsible for:

- i) paying for the electricity consumed by the Abkhaz side<sup>11</sup> through the introduction of a relevant tariff payment system on that territory.
- ii) selling the energy which is currently not reaching

the market (due to the technical loss of water in the reservoir).

- iii) co-operating in the rehabilitation of the EHPP cascade.

Unfortunately, further information about the details of the document—especially as concerns the follow-up process of the negotiations regarding the binding agreement—are not available and so it is difficult to adequately assess the situation and provide an analysis. Nevertheless, it is possible to make a certain judgement and draw some conclusions regarding the situation of the EHPP. Mindful of this reality, the following presents an overview of different possible policy options.

## Policy Options

The following proposed policy options imply the creation of a Consortium which would be an instrument for identifying the ways and means of implementing new rehabilitation and construction work in the region. Furthermore, the Consortium could also be used as an effective tool for creating a confidence-building environment not only for the implementation of economically viable projects but also for changing the attitudes towards the political aspects of the process of the settlement of the conflict.

The statutory elements of the Consortium could include the following:

1. The partners are required to agree upon the basic principles of the Consortium:
  - non-political nature,
  - issue-oriented approach,
  - solidarity and
  - transparency in decision-making.
2. The main decision-making body of the Consortium would be an appointed Council whose chairmanship would comprise an equal number of members from each side and under the responsibility of the European Union.
3. The main tasks of the Consortium should be:
  - facilitation of the economic recovery of the conflict affected zone,
  - rehabilitation of infrastructure (roads, railroads, communication lines, electricity lines, social infrastructure etc.), and
  - facilitation of the free movement of goods and

services across the conflict zone.

Partners in the Consortium within policy options 1 and 2 are the Georgian, Abkhaz, Russian and EU sides. Policy option 3, however, considers the participation of the Georgian and Russian sides in the Consortium.

#### Option 1 - Establishment of the Consortium upon the Basis of Equal Quotum

This arrangement is based upon the equality of all parties represented in the Consortium which needs to be assessed according to several criteria (political, technical, economic feasibility) as follows:

##### *Political feasibility*

##### **Positive aspects:**

- For the Abkhaz side, this is vitally important since their voice will be heard within all of the negotiations and within the implementation phase.
- For the Abkhaz side, participation in this arrangement will provide for access to the decision-making process, implementation and planning despite its overall limited capacities.
- For Georgia, this will create the opportunity to have another format of co-operation with the Abkhaz side which can be seen as a positive development.
- For the EU, it is an opportunity to be involved not only in funding but also in politically sensitive issues and playing a positive role as a full-fledged member of the process.
- For the EU, this format, if positive results are achieved, could serve as a precedent for successful co-operation within its Eastern Partnership initiative.
- For the Russian side, it is an opportunity to show its willingness to co-operate with all interested parties and to be present and participate in this process.

##### **Concerns:**

- Reluctance of Georgia and Russia to participate in a Consortium due to the existing commitment expressed in the MoU.
- The Abkhaz side could be tempted to use this format as a means of underlining its sovereignty and independence and claim ownership of the EHPP.

##### *Technical feasibility*

##### **Positive aspects:**

- The synergy of the technical, financial and expert capacity of the Russian, Georgian and the EU sides

will lay the foundation for the overall success of the proposed arrangement.

##### **Concerns:**

- Possibility that the Abkhaz side may demand a disproportionately greater share of the benefits such as a higher electricity quota, preferential involvement of Abkhaz companies in the rehabilitation work of the EHPP, etc.

##### *Economic feasibility*

##### **Positive aspects:**

- Economic efficiency of the EHPP cascade will be facilitated.
- Planning, implementation and monitoring schemes will be improved.
- The arrangement will contribute to the enhancing of the performance of the EHPP which in turn will provide for the basis of maximising economic profit.
- This arrangement also will facilitate in further developing regional co-operation by means of bringing new investments and job opportunities to the region.

##### **Concerns:**

- The Abkhaz side could possibly demand lower tariffs for the consumed electricity and a greater share of the overall financial profit of the EHPP.

#### Option 2 - Composition of the Consortium upon the Basis of Proportionality

The proposed arrangement implies different 'weights' of the participants in the Consortium. According to the amount of resources each contributes, such as infrastructural assets, finances, technical expertise, capacity, etc., each partner enjoys respective proportional decision-making clout.

##### *Political feasibility*

##### **Positive aspects:**

- For Georgia, this arrangement underlines its leading role in the Consortium as the main stakeholder of the EHPP and the relevant infrastructure.
- For the EU, this arrangement can be convenient because whilst politically less responsible, it can still closely monitor the implementation of the projects.
- For Russia, this arrangement is also suitable because it remains a full-fledged beneficiary although with lesser responsibilities for attracting financial resources for the rehabilitation projects (according to the

previously signed MoU).

**Concerns:**

- The Abkhaz side may feel marginalised under this arrangement as it will in fact be deprived of the role of a full-fledged partner.
- The overall security in the area can be affected as some discontent and illegal forces in Abkhazia may lead to sabotage and other criminal activities.

*Technical feasibility*

**Positive aspect:**

- Russia's ability to contribute to the rehabilitation work will add to the cost-effectiveness of the EHPP's operational expenses.

**Concern:**

- Possibility that the Abkhaz side may demand a disproportionately greater share of the benefits such as a higher electricity quota, preferential involvement of Abkhaz companies in the rehabilitation work of the EHPP, etc.

*Economic feasibility*

Economically speaking, this option is certainly a feasible one since the same economic benefits can be expected as outlined in Option 1. The only concern related to this option is the possibility of sabotage from the Abkhaz side which would increase the economic cost of this arrangement.

*Option 3 - Consortium Includes Partners Based upon the Provisions of the Georgian-Russian Memorandum of Understanding<sup>12</sup>*

Under this arrangement the proposed Consortium will be called to contribute to the realisation of the MoU provisions.

*Political feasibility*

**Positives aspect:**

- In the aftermath of the August 2008 Russian-Georgian armed confrontation, this arrangement provides for the first promising case of a compromised solution upon a mutually important issue.
- Given the overall fragility of the security situation in the conflict zone, this arrangement provides for an important stabilising political factor.
- For Russian propaganda, this can be an important factor in terms of showing its willingness to co-

operate with Georgia upon non-politicised issues.

**Concern:**

- This arrangement will result in the further isolation of the Abkhaz side which will not facilitate confidence building processes as one of the main preconditions for the political resolution of the Georgian-Abkhaz conflict.

*Technical feasibility*

Technically speaking, this option is certainly feasible since the Georgian and Russian capabilities are mutually complementary.

*Economic feasibility*

**Positive aspect:**

- As long as the functionality of the EHPP cascade is improved and more electricity is available for the consumers in all markets across the region, this arrangement will be completely economically viable.
- One of the possible advantages for Georgia, provided for by the MoU, is that the EHPP will receive compensation for the electricity consumed upon the territory of Abkhazia.

**Concern:**

- Given the lack of transparency regarding both the MoU and, more importantly, the follow-up process of the negotiations on the mutually binding agreement, it is anticipated that certain conditions and responsibilities in this document may not necessarily ensure the sustainability of this arrangement.
- For the Abkhaz side, the MoU provisions imply dramatic increase in the tariff for the consumed electricity.

Based upon the discussion of the pros and cons of each of the abovementioned options, the most advantageous seems to be Option 1 which is supported by several arguments. Firstly, all partners participate upon an equal footing which thereby makes this format indiscriminate and which will serve as a basis for developing trust and agreeable working relations between the partners whilst eventually ensuring the sustainability of the proposed format. Secondly, this arrangement ensures additional incentives for reinforcing Georgian-Abkhaz co-operation within a positive experience which can be used in the future as concerns other aspects of peace-building and Georgian-Abkhaz reconciliation. Thirdly, it will be the first time that international actors

and donors participate in a multilateral format of co-operation which in turn will increase the credibility of the whole process. Fourthly, Option 1, if successful, can serve as a role model for other potential plans of co-operation across the conflict divide which will benefit and positively influence the dynamics of the conflict transformation. Fifth and lastly, one of the primary merits of this format is its depoliticised nature which provides a basis for sustainability despite political difficulties which may arise around the conflict resolution issue.

The beneficiaries of this format could be:

- the population residing on both sides of the River Enguri,
- local enterprises which can be involved in the implementation of the projects,
- individual entrepreneurs and
- IDPs and other socially affected members of the population.

### Risk factors

Despite the attractiveness of Option 1, several risk factors which could hinder its implementation need to be taken into account as follows:

#### *Political risks*

- The proposed format may be used for speculation and other propagandistic purposes by those political forces in the Georgian, Russian and Abkhaz societies who will not be willing to buy in to the project.
- The existing MoU and the expected ongoing bilateral negotiations about the terms and conditions of the respective agreement may discourage the Governments of Russia and Georgia from supporting the proposed option.
- In due course the Abkhaz side may use its equal status in this format for political purposes such as, more specifically, underlining its status as an independent state.

#### *Legal risks*

- Despite the fact that the Georgian state possesses the internationally recognised ownership of the EHPP and the relevant infrastructure (the HVELs, the Gali reservoir, etc.), the Abkhaz side may claim property rights upon certain components of the EHPP located on the territory of the Gali District. This may fundamentally hinder the creation of this format.
- The financial aspects of the activities within the proposed format, including the issue of taxation of the

project implementing organisations operating on the territory of the Gali District may seriously complicate the proposed initiative unless properly addressed.

- Under the proposed format of co-operation, another problem which could potentially arise is the issue of reviewing the de facto existing plan for revenue redistribution and tariffs. The Abkhaz side, for example, may demand its share from the sales of electricity without being able to properly contribute both financially and technically.

#### *Security risks*

- A resumption of military confrontation between Russia and Georgia.
- The deterioration of the criminal situation in the area and the absence of properly trained law enforcement authorities may lead to the increase of criminal activities and other unlawful actions against the EHPP, its infrastructure and personnel.

### Recommendations

The Government of Georgia and the European Union are the primary addressees of the recommendations developed herein upon the basis of the findings of this research as follows:

#### **To the Government of Georgia:**

- Conduct a needs assessment study to identify the necessary changes which need to be made in the national legislation and institutional structure, etc., so that the proposed format of co-operation can become possible<sup>13</sup>.
- Create a task force comprised of representatives of the governmental and expert communities for conducting a comprehensive study of all relevant aspects of this arrangement.
- Discuss the issue of the creation of the proposed Consortium with potential partners.
- Ensure the proper transparency of all the preparatory work including negotiations with the potential Consortium partners.
- Develop an implementation action plan.

#### **To the European Union:**

- Undertake a feasibility study regarding this initiative.
- Conduct consultations with the potential partners, especially the Russian side, as a means of ensuring the support of the creation of the Consortium.
- Identify sources for funding for the project.
- Identify the mechanisms of co-operation between the Consortium and the proposed creation of the funds for the rehabilitation and development of the

conflict affected area<sup>14</sup>.

## Sources Consulted

EBRD, Project Summary, Enguri Hydro Power Plant Rehabilitation Project, 2006.

EBRD, Project Summary, Black Sea Energy Transmission System Project, 2009.

Ahmet Mahmut Kilic, "Turkey's Main Energy Sources and Importance of Usage in the Energy Sector," *Energy Exploration and Exploitation*, Vol. 24, Nos. 1-2, 2007.

Steve Thomas, Seyhan Erdogan and Oguz Turkyilmaz, "The Future of the Turkish Electricity Industry," *Energy Symposium*, Ankara, 2007.

Energy Information Administration (EIA) web site, <http://www.goe.gov>

Directorate of the Enguri HPP Cascade

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United States Energy Association (USEA) web site, <http://www.usea.org>

M. Basaran, "Turkey: Moving Towards Liberalisation in the Electricity Sector," Presentation to the International Gas Congress, 30 April 2007.

## Endnotes

<sup>1</sup>Enguri Hydro Power Plant Rehabilitation project summary document, EBRD, 2006.

<sup>2</sup>Personal interview with energy expert.

<sup>3</sup>This overview does not include the potential for the generating of electricity in Abkhazia owing to the absence of verified data on this issue.

<sup>4</sup>Black Sea Energy Transmission System project summary document, EBRD, 2009

<sup>5</sup>Ahmet Mahmut Kilic, "Turkey's Main Energy Sources and Importance of Usage in the Energy Sector," *Energy Exploration and Exploitation*, Vol. 24, Nos. 1-2, pp. 1-17.

<sup>6</sup>Steve Thomas, Seyhan Erdogan, Oguz Turkyilmaz, "The Future of the Turkish Electricity Industry," *Energy Symposium*, Ankara, October 2007.

<sup>7</sup>Energy Information Administration (EIA)

<sup>8</sup>Ibid.

<sup>9</sup>The EHPP is a 100 percent Georgian state-owned limited enterprise with a corporate system of management in which all members of the supervisory board are appointed by the Government of Georgia.

<sup>10</sup>Personal interview with expert.

<sup>11</sup>The Abkhaz side has consumed roughly one-third of the electricity generated by the EHPP since 1993 although it has not paid for this consumption. The tariff paid to officially unrecognised local entity, Chernomorenergo, by the population of Abkhazia is ten times less than the cost of the generation and does not reach the EHPP. The real financial loss owing to this manipulation, therefore, is reflected in the Georgian national tariff and paid by consumers in Georgia. Consequently, all of Abkhazia's energy bills are in fact covered by Georgia. Moreover, this tariff also includes the interest accrued upon foreign loans.

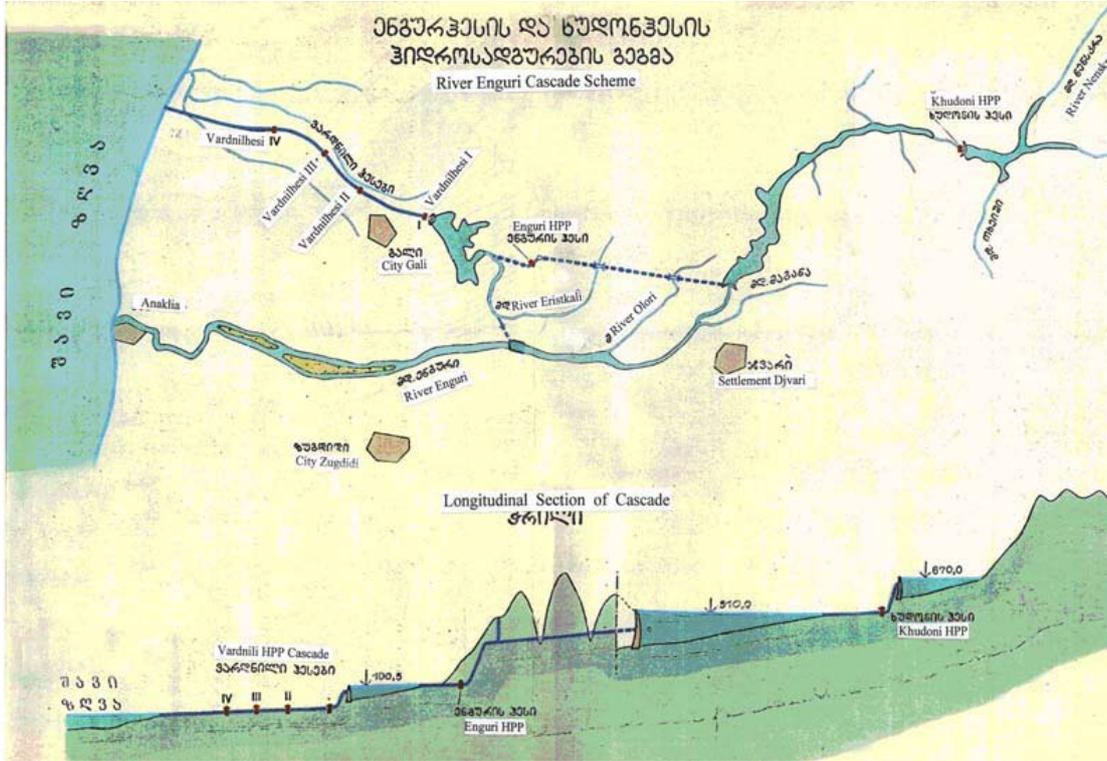
<sup>12</sup>Aforementioned MoU between the Ministry of Energy of Georgia and the Russian state-owned energy company Inter RAO UES.

<sup>13</sup>The main problem in this regard relates to the recently signed MoU, the possible subsequent agreement on the EHPP and the Georgian Law on Occupied Territories which regulates all legal aspects of involvement in any sort of activity upon the territory of Abkhazia and the Tskhinvali Region/South Ossetia.

<sup>14</sup>The proposal of the creation of two different funds for the rehabilitation and development of the conflict zone has been prepared by the Georgian team as a separate initiative within the project "Multi-Track Dialogue on the Human and Economic Dimensions of the Georgian-Abkhaz Conflict."

Annex I

Map 1 - River Enguri Cascade Scheme



Source: Directorate of the Enguri HPPs Cascade

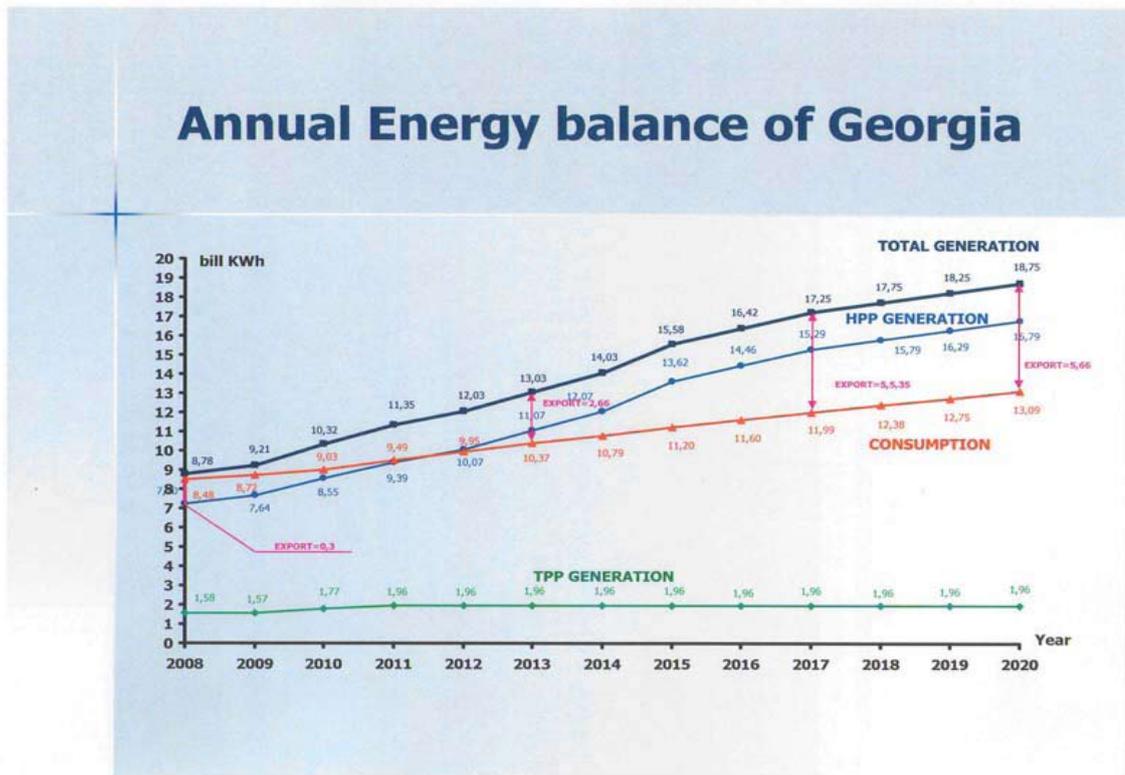
Map 2 - The Energy System of Georgia



Source: Ministry of Energy of Georgia

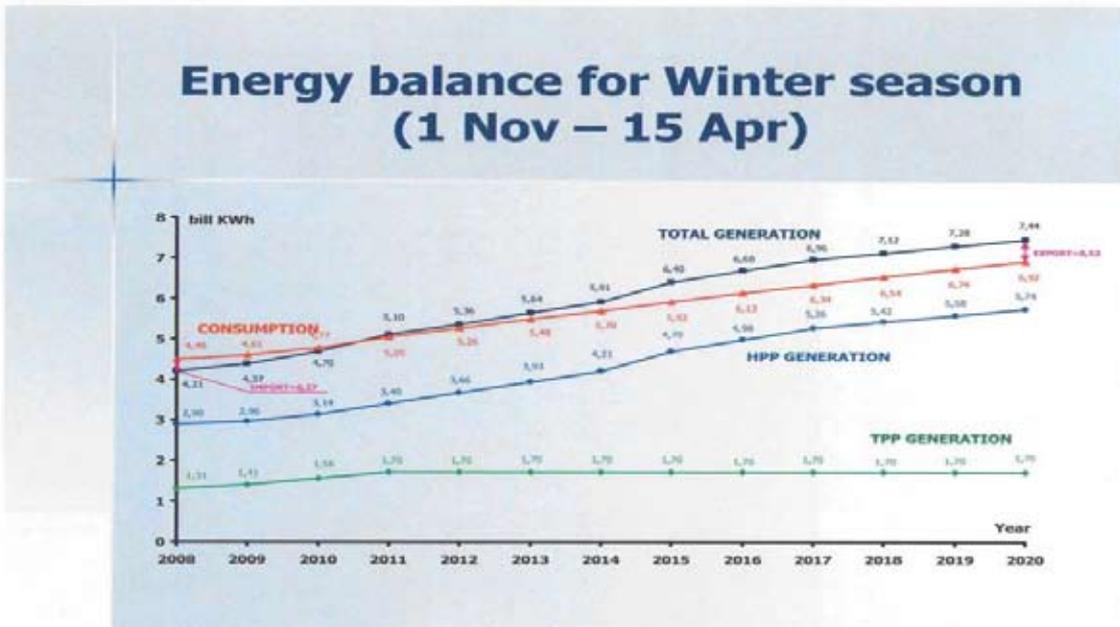
Annex II

Chart I



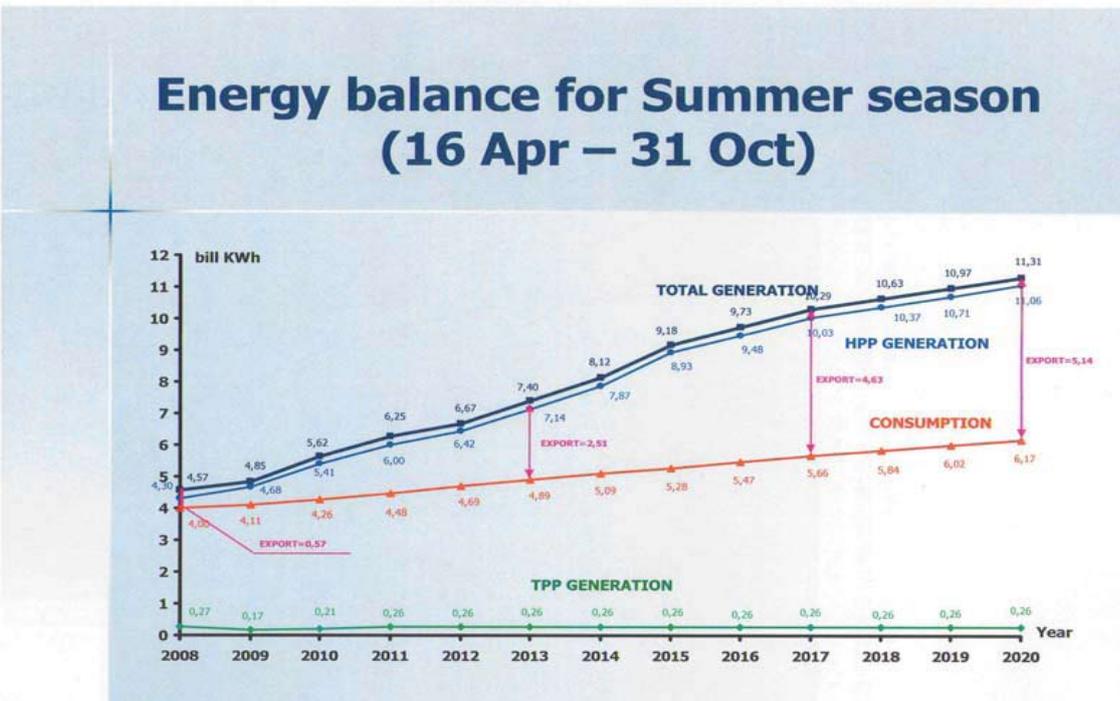
Source: USEA

Chart 2



Source: USEA

Chart 3



Source: USEA

## Annex III

Table I

Main Technical Parameters of the Enguri HPP Cascade<sup>1</sup>

	Quantity of generators	Capacity in MW/h	Output according to the project in MW/h
Enguri HPP	5	5X250=1300	4300
Vardnili-I HPP	3	3X73,3=220	700
Vardnili-II HPP	2	2X20=40	130
Vardnili-III HPP	2	2X20=40	130
Vardnili-IV HPP	2	2X20=40	130
Total	14	1640	5390

Table 2

The Dynamics of Output of the Enguri Cascade in 2000-2008<sup>2</sup>

	2000	2001	2002	2003	2004	2005	2007	2008
Enguri HPP	2742,6	2344,2	2989,0	3066,1	2728,1	2578,9	2878,5	3104,0
Vardnili-I HPP	487,5	457,3	509,9	356,0	384,2	425,0	505,4	548,3
Total	3230,1	2801,5	3498,9	3422,1	3112,3	3003,9	3383,9	3652,3

Table 3

Increase of Capacities and Generating Output after Rehabilitation Work on the Enguri HPPs Cascade

	Project data		Factual data		Additional capacity	
	Project capacity MW/h	Projected generation million KW/h	Working capacity MW/h	Generation in billion kW/h	Capacity MW/h	Electric energy generation billion KW/h
Enguri HPP	1300	4300	980	3104,1	320	1195,9
Vardnili-I HPP	220	700	130	548,3	90	151,7
Vardnili-II HPP	40	130	0	0	40	130
Vardnili-III HPP	40	130	0	0	40	130
Vardnili-IV HPP	40	130	0	0	40	130
<b>Total</b>	<b>1640</b>	<b>5390</b>	<b>1110</b>	<b>3652,4</b>	<b>530</b>	<b>1737,6</b>

Table 4

Economic Efficiency of Enguri HPP Cascade after Rehabilitation<sup>3</sup>

Object (rehabilitation/ construction)	Added capacity (MW/h)	Additional generation (billion KW/h)	Cost of rehabilitation (Million USD)	Expected annual profit (Million USD)	Timing for return of investments (years)
Enguri HPP	320	1195,9	80	35,9	2,2
Vardnili-I	90	151,7	57,15	4,6	12,6
Vardnili-II	40	130	27,94	3,9	7,2
Vardnili-III	40	130	27,94	3,9	7,2
Vardnili-IV	40	130	27,94	3,9	7,2
Hudoni HPP	700	1500	600	75,0	8,0
High voltage lines	-	-	200	25,9	7,7
<b>Total</b>	<b>1230</b>	<b>3237,6</b>	<b>821,0</b>	<b>127,1</b>	<b>6,5</b>

Table 5

Electricity Demand and Supply in Turkey - 1970-2006<sup>4</sup>

Year	Installed capacity MW	Consumption TW/h
1970	2235	8.6
1975	4187	15.7
1980	5119	24.6
1985	9119	36.4
1990	16315	56.8
1995	20952	85.6
2000	27264	128.3
2005	38819	160.8
2006	40539	174.2

## Endnotes

<sup>1</sup>Directorate of Enguri HPP Cascade.

<sup>2</sup>Ibid.

<sup>3</sup>Georgian experts' opinion and calculations. The financial calculation for the EHPP is based upon the tariff of USD 0.03 per kW/h, that for the Hudoni HPP of USD 0.05 per kW/h and that for the High Voltage Line development of USD 0.008 per kW/h.

<sup>4</sup>M. Basaran, "Turkey: Moving Towards Liberalisation in the Electricity Sector;" Presentation to the International Gas Congress, 30 April 2007.





# PART TWO:

## Synthesis papers by chief investigators from the Georgian and Abkhaz teams

*Note:*

*The main purpose of the Synthesis Papers prepared by the Georgian and Abkhaz Chief Investigators within the framework of this project is to facilitate the task of summarising and finalising the research findings.*



*George Khutsishvili*

**SYNTHESIS PAPER ON THE RESULTS OF THE RESEARCH WORK OF THE  
GEORGIAN GROUP**

**Contents**

- Overall Goal of the Project
- Research Produced as a Basis for the Synthesis Paper
- Political Context of the Project Implementation
- Overview of the Research Topics/Foci and the Thematic Synthesis
- Overview of the Research Issues and the Issue Synthesis
- Overview of the Research Findings
- Conclusion/Recommendation Synthesis: Messages to be Gleaned
- Possible Areas of Future Co-operation
- Recommendations to the European Union



## Overall Goal of the Project

The overall goal of the project was to make an attempt to reframe the Georgian-Abkhaz conflict resolution process by opening new channels of communication between the parties, involving new internal actors (civil society actors and experts) and external actors (facilitators or experts) and examining the main issues which could promote co-operation at functional levels, whilst not overlooking conflict resolution as a final goal, with all the stakeholders.

The researchers of the two teams concentrated in parallel around the following issues:

- 1) **Energy and Transport** (rail, air and sea ports) and telecommunications.<sup>1</sup>
- 2) **Security** (non-use of violence) and law enforcement (organised crime, drug trafficking, police training).
- 3) **Human Rights issues**, such as minority rights, refugees and internally displaced persons (hereinafter IDPs) and education.
- 4) **Economic issues**: trade, sanctions and development.

## Research Produced as a Basis for the Synthesis Paper

This Synthesis Paper is based upon the research produced by four independent Georgian experts as reflected in their respective policy papers within the framework of the European Commission-supported international project “Multi-Track Dialogue on the Human and Economic Dimensions of the Georgian-Abkhaz Conflict.” The author of this paper has also taken the experts’ personal clarifications and explanations into consideration as well as the information generated during discussions at research team meetings and those with the project management.

The researchers comprising the Georgian team and their papers are:

Shalva Pichkhadze, Settlement of the Georgian-Abkhaz Conflict: The Problem of Refugees/Internally Displaced Persons.

Alexandre Kukhianidze, Ways of Resolving the Problems of Crime and Ensuring Security of the Population in the Zugdidi District of Georgia Along

the Left Bank of the River Enguri.

Lasha Tughushi, Social and Economic Development of the Conflict Areas.

George Katcharava, Contributing to Regional Development in the Conflict Area: The Smart Operation of Enguri Hydropower Plant

It needs to be noted as well that at different stages of the research Vakhtang Khmaladze and Marlen Dzneladze were invited to consult the project.

Each of the experts has conducted on-site empirical research which became an integral part of their respective policy papers. Before considering the crosscutting points, similarities, commonalities and or parallels in both the narrative texts and the research and polling results which are included in the papers, we can conclude that the overall character of the research yields important and encouraging implications for local and central authorities on site, potential donors and investors and the European Union.

## Political Context of the Project Implementation

Serious changes took place in a geo-political context affecting the project activities over the last months of its implementation. The project started in the beginning of 2008 when Abkhazia and South Ossetia represented seceded regions of Georgia and self-proclaimed republics governed by de facto authorities. At that time, the international community was uniform in its acknowledgment of the territorial integrity of Georgia with not a single state in the world recognising Abkhazia or South Ossetia’s claims for independent statehood, based upon the referenda made on their territories in late 1990s, as legitimate.

The status quo preserved throughout the post-war period (since the early 1990s) has prompted experts to qualify the unresolved disputes in Georgia as so-called “frozen conflicts” given that no form of recognition—such as granting them the status of insurgency or belligerency—has ever been on the agenda of international organisations as concerns the seceded regions of Georgia. Although negotiations on the peaceful resolution of conflicts were taking

place, they failed to gain momentum and never approached the stage for a peace agreement to actually be drafted. Numerous UN Security Council Resolutions and other binding and non-binding international documents appealed to the parties to observe a cease-fire, abstain from any steps leading towards destabilisation and find ways to build confidence. The UN-led peacekeeping operation of a 132-member unarmed observers mission (UNOMIG) supported by the limited (approximately 2000-strong) contingent of CIS (actually Russian) military units took place in Abkhazia whilst the OSCE led the peacekeeping process in South Ossetia until 2008 through Joint Control Commission (JCC) and four 500-strong military units (one from each of the signatories of the quadripartite agreement) deployed since 1993.

Various efforts at public diplomacy, which developed in several venues dating to 1995, represented a brighter light against the bleak background of stalled negotiations and the problems of unreturned masses of IDPs. Activists from NGOs and civil society were enthusiastically engaged in numerous peace-related initiatives, contacts, general or thematic meetings and training sessions which were organised and took place with the participation of the Georgians and the Abkhaz within the framework of different projects co-ordinated and funded by international organisations. This enthusiasm was based upon the hope that the political negotiators would achieve progress sooner than later and that the general bulk of the IDPs would return to their homes, especially those who lived beyond the Gali District of Abkhazia. Gradually, the repeated failures of the political process had their impact upon the civil society initiatives which started to become less proactive and systematic with the once powerful track-two process degenerating into sporadic and irregular small group meetings which were in no way able to render a serious public impact. This is another social effect which the “frozen conflicts” have with the passage of time.

The situation with South Ossetia and Abkhazia started to change after Kosovo was recognised as an independent state in February 2008 in an act which the international community refused to see as creating a precedent for the legitimising and satisfying of secessionist claims in different parts of the world. The negotiation processes were still stalled at the time of the March 2008 meeting of all project participants in Madrid which enabled some projections to be made for the coming months

even though there were some changes beginning in the situation in and around Abkhazia. The parties accused each other of a violation of the cease-fire which gave rise to increased tension whilst Russia began to unilaterally build quasi-interstate relations with the de facto authorities thereby altering the status quo and its own commitment regarding the status of the seceded territories. From July 2008, the epicentre of tension shifted from the Gali District of Abkhazia to the Georgian-populated areas of South Ossetia with its culmination having come in early August 2008 when a five-day Georgian-Russian war followed by a humanitarian crisis in Georgia resulted in the Russian Federation recognising Abkhazia and South Ossetia as independent states. Whilst these changes naturally seriously impacted and complicated the project's implementation, the participants agreed that the new circumstances would not preclude their work and that they would continue to work towards the end goals.

The Sarkozy-Medvedev cease-fire agreement, which was signed on 12 August 2008, was a major step towards stopping a further advance of Russian troops into Georgian territory. In addition, it contributed to regaining stability and preventing the fear within Georgian society that the catastrophe would deepen and have an even greater destructive impact. Unfortunately, however, the six points of the agreement have hitherto not fully been implemented. Although the situation on south-eastern borders of the Abkhaz conflict zone was not a primary focal point of the agreement, the lack of the complete implementation of the six-point agreement together with the rapid changes taking place in the conflict zones—militarisation, depopulation and heightened human security risks—has created some ambiguity in both assessing the situation and in offering forth policy solutions. The project activities, however, developed and were implemented according to the agreed timelines within the mutual understanding that communication between the societies on the different sides of the conflict divide should be maintained despite any unresolved matters whilst developing confidence and trust between each other's civil society groups within the spirit that areas of common concern exist and should be addressed together. It bears mention that there was no incident wherein the project participants doubted, questioned or obstructed their joint work even during the extremely difficult post-August 2008 period.

A new challenge appeared in January 2009 when the Government of Georgia unexpectedly announced that it had signed a Memorandum with the Russian energy giant, Inter RAO UES, in late December 2008 as regards the joint control and exploitation of the Enguri Hydropower Plant (hereinafter HPP) which had hitherto been managed by the Georgian side with agreement to supply the territory of Abkhazia with a portion of electricity produced by the Plant throughout the entire post-conflict period. The text of the Memorandum has not been disclosed to the public or energy experts although it is easy to surmise that future Georgian-Abkhaz bilateral co-operation therein will become extremely difficult if Georgia and Russia sign agreements following the Memorandum which will effectively put a Russian company in control of the entire site. The uncertainty surrounding the terms and consequences of the Georgian-Russian Memorandum over the Enguri HPP resulted in difficulties for one of the Georgian team members, Nikoloz Orvelashvili, to successfully complete his research and submit a policy paper as originally agreed. Following an internal decision of the project's directorate, Mr Orvelashvili's was replaced by George Katcharava who undertook a related research direction concerning the Enguri HPP and produced the policy paper and recommendations which comprise an integral part of the work of the Georgian team.

The signing of the aforementioned Memorandum revealed that there are at least two layers—if not double standards—within Georgian official policies regarding relations with Russia; namely, verbal confrontation, even antagonism on the surface, and tacit agreement on practical matters based upon a coincidence of interest and short-term goals of individual persons upon a deeper communication level (cf. Johan Galtung's negotiation conception).

Despite not being explicitly stated within their research findings, the Georgian experts have concluded that there was an overlapping of similar interests between the Georgian and Russian authorities within the Memorandum in removing the Abkhaz from any joint management and administration of the Enguri site. The Russian motivation is clearer: control over the production of electricity, its distribution and the development of a very promising cascade system is a powerful economic and political tool of regional importance (viz. Turkish, Armenian, Azerbaijani and other dimensions) and is, of course, a serious lever of pressure upon Georgia. On the contrary, it is

much more difficult to find a rationale in Georgia's actions with regards to the wider issues related to the conflict resolution process. The motivation of the Georgian side, however, may be traced to numerous examples which took place in 2004-2008 which show that the "Rose Revolution" administration counter-productively seeks to reach conflict management and transformation through imposing boycotts, pressure and isolation upon the de facto authorities in the conflict zones rather than developing confidence-building measures and an environment of trust and stable communication. The Enguri HPP was the last example of stable and mutually beneficial co-operation remaining upon the conflict junction in Georgia (the other, although upon a lower and legally more dubious scale, was the Ergneti market at the entry to Tskhinvali which was dispersed in summer 2004). With Georgian officials still making it a policy to isolate and push the other party to submission through limiting the access to vital resources and leverages, the reasons become clear for their co-operation with Russia in developing a joint (although disproportionate by definition) control over a strategic energy plant so that the Abkhaz are left totally offside. This risky adventure, however, may result in making the Georgian side vulnerable in the case of an escalation of tensions and Russia deciding to exert pressure upon Georgia.

### Overview of the Research Topics/Foci and the Thematic Synthesis

The topics of the research undertaken by the Georgian team comprised the following four areas:

- a) the problems of IDPs, the vulnerability of the 'shuttlers' to the conflict zone and the security of the population dwelling in the vicinity of the conflict zone.
- b) the problems of crime and security of the populated areas neighbouring the conflict zone and the possibility of co-operation between authorities.
- c) the issue of cross-border trade, the social problems of depressed regions and the economic stimuli of areas bordering the conflict zone.
- d) the issue of the energy supply of the population on both sides of the conflict zone and mutual economic and social benefits from the joint development of new energy incentives (finally not submitted).

The above set of research issues has crosscutting, common or interrelated points with the four individual and multi-focused topics being able to be grouped into two: (a-b) investigations of the issues related

to safety, crime alleviation and enhancing the security of the population and (c-d) exploring the stimuli to address the issues of welfare, income generation and poverty reduction in the conflict-affected areas. The linking feature between the two groups is the social one. Furthermore, the two groups can be integrated into one; that is, (a-b-c-d) which explores the ways in which to improve the environment for human security in and around the conflict zone. The human component is the overall common point in all of the research undertaken by the Georgian team given that the project's work is directed towards looking for opportunities to mitigate and resolve the current confrontation through enhanced security measures and an improvement of the living conditions for the population affected by the conflict.

That said, however, the research findings and their implications did spread out in different directions beyond the local realities to the levels of considering Caucasian and Black Sea regional energy systems and the issues of collective security in which co-operation venues and participation between the Georgian and Abkhaz sides is intrinsic.

### Overview of the Research Issues and the Issue Synthesis

Crosscutting issues are visible throughout the research works of the Georgian team. These include:

- almost zero-trust between the communities and a high level of negativity in the adversary's image.
- uncertainty in the formal and actual status of the returnees to the Gali District of Abkhazia and the insecurity which comes from it.
- a high level of instability and crime and the need to co-operate on both sides of the conflict zone to address the criminal situation.
- the quest for the possibility of co-operation between local authorities across the conflict divide in tackling the issues which exist on the respective sides. The research done by the Georgian team demonstrates the advantages of such a co-operation vis-à-vis the existing situation whilst the parallel research done by the Abkhaz team confirms the validity of such a conclusion made by the Georgian experts.

The four policy papers elaborated by the Georgian experts define a specific set of issues in focus. It is of further interest to go beyond these concrete issues

and provide a broader context which also allows for the presenting of other important aspects within. The research focus of each expert, therefore, falls into a broader spectrum of issues. The common points of all the relevant issues may be grouped with regards to situation, needs and challenges. As previously stated, crosscutting issues, common ideas or commonalities exist within and amongst the research areas. These include but are not limited to the following:

**Common Issues Regarding the Situation:** Almost zero-trust between the sides, lack of communication, refusal of power structures on both sides to co-operate in tackling the matters of common concern, traditionally depressed regions, serious drop in living standards and human security after August 2008, evidence of the potential of civil society on both sides to prevent tension and a growth in crime, evidence of unexplored opportunities emerging from cross-border trade, co-operation and joint exploitation of objects, etc.

**Common Issues Regarding the Needs:** Prevention of crime, enhancing human security, efficient control of the borders, creation of conditions for trade and the movement of goods and persons, civil society participation in controlling the power structures, the establishment of a preferential regime for trade and co-operation, co-ordination of civil society efforts in addressing the human concerns and resolving the crisis, etc.

**Common Issues Regarding the Challenges:** Russia's pro-active effort to dominate and control the region, apprehension on both sides of the provocations and incidents leading to a growth in tensions and a renewal of the hostilities which exists in the population, the negative consequences of isolation which may breed new confrontations, various negative effects resulting from the lack or absence of communication between the sides, etc.

### Overview of the Research Findings

The key foci that may be pointed out in the research analysis conducted by the Georgian team include:

- Control and reduce the state of organised crime and enhance the security of the population alongside the cease-fire line which follows the course of the River Enguri before and after August 2008.

- Improve the attitude of regional and local administrative structures with the support of the Ombudsman's office and non-governmental organisations in Zugdidi towards the possibilities of co-operation between Georgian and Abkhazian sides.

- Find a reasonable compromise in registering the Georgian returnees in the Gali District of Abkhazia following international practice and observing their human rights and freedom of choice.

- Although members of the administrative structures of the conflicting sides were not polled in this study owing to their approaches towards the settlement of the conflict, it may be inferred that the IDP community manifests its preparedness to co-operate with the other side more often than the representatives of the ruling powers.

- Improve the social situation in the depressed region by means of fostering cross-border trade and the free movement of persons.

- Disseminate objective and reliable information through media concerning the security situation in the respective areas on both sides of the conflict zone (Gali and Zugdidi Districts).

- Develop co-operation in joint management and exploitation of the energy systems stemming from the potential of the Enguri HPP.

- The conflicting sides should ad maximum refrain from the further politicisation of the problems of the IDPs.

### Lasha Tughushi

Lasha Tughushi's conclusion regarding the exceedingly difficult socio-economic situation of the conflict zones which may lead to a humanitarian catastrophe may be taken as a general conclusion for the whole area under study. He proposes the creation of a legal base for the system of a preferential regime (exempt from taxes on production and turnover) for economically important (agricultural) products of local origin and the free and secure movement of goods, services and persons across the Enguri border upon which a wide range of programmes leading to the development and diversification of cross-border trade can be developed and which will result in the economic rehabilitation of the most

depressed part of the conflict affected area whilst at the same time contributing to the economic development of the Zugdidi District of Georgia. Therein, the most important political consequences of the implementation of such measures would include the overall general stabilisation of the region thereby creating a better environment for developing dialogue and conducting peace negotiations.

### Shalva Pichkhadze

Pichkhadze states that support should be extended to researchers and activists from the Georgian and Abkhaz civil societies in their efforts to prepare and publish up-to-date and completely de-ideologised textbooks and instruction aids in history and geography which would be distributed amongst Georgian schools in the Gali District. To that end, it is desirable to involve European experts such as, for instance, those from EURO-CLIO (as also indicated in Pichkhadze's recommendations to the EU).

Owing to the paucity of reliable information from the Gali District, a programme or project should be elaborated for raising the awareness of the returnees regarding the events taking place on either side of the confrontation. This can be achieved through training journalists, organising logistical support for the local independent press and electronic media and establishing contacts with a view to exchanging information between and amongst journalists from other regions.

### Alexandre Kukhianidze

The August 2008 events have dramatically deteriorated the level of security of Georgian citizens residing alongside the course of the River Enguri. The attitude of the local population to their day-to-day security has also changed in that they currently see the major threat to their well-being as the deployment of Russian troops in Abkhazia whereas previously it was the existence and activities of criminals.

Despite the extreme tension between the conflicting parties alongside the cease-fire line, representatives of the law enforcement structures and civil administration authorities—as well as organisations championing civil rights together with the majority of the common residents of Zugdidi and those living in close proximity to the cease-fire line—are in favour of the resumption of Georgian-Abkhaz relations through multilateral meetings with a view to

exchanging information and enacting other forms of co-operation.

The abovementioned representatives also are of the view that the European Union should expand the mandate of its monitoring mission (EUMM) on the territory controlled by the Georgian authorities or promote new projects aimed at improving security in the conflict area without waiting for permission to exercise the monitoring of the territory of Abkhazia.

As Kukhianidze suggests, "The European Union... could help elaborate a well designed and mutually acceptable long-term Security Action Plan along the River Enguri underpinned by consistent and logical stages of strengthening security with the participation of various beneficiaries such as police forces, representatives of central, regional and local administrative structures; local communities and individual citizens, ombudsmen, non-governmental organisations, the mass media, local businesses and donor organisations. The elaboration and implementation of such a plan would considerably improve the security of those residing alongside the cease-fire line. Such a plan could well be based upon the preliminary recommendations proposed in this policy paper."

From a comparative analysis of the research findings and recommendations, it is readily concluded that they are interlinked; that is, you cannot develop social and economic rehabilitation programmes in the 'frontline' areas unless you achieve control over crime and illegal trade and ensure human security (especially as concerns returnees and 'shuttlers') which, in its turn, requires a political will on both sides to support a *détente* and a rapprochement and to develop a dialogue at all possible levels.

### George Katcharava

The development of expert proposals on rehabilitation, development and joint exploitation of the Enguri HPP's potential with the aid of international partnership and/or sponsorship will help to establish a unique framework under which the main task of confidence-building for the both sides of conflict divide will have a suitable ground. The depolarisation of the peace process and making it issue-oriented will help to decrease the level of confrontation amongst the sides. The Enguri Cascade rehabilitation can be one of the most important tools for reaching this target.

The institutional arrangement of this initiative and the whole format suggests that all parties involved will co-operate with each other. This in turn can be translated in the establishment of a process which will assist political efforts of the resolution of the conflict in Abkhazia. An important aspect of this initiative could also be the creation of a safe and suitable environment for human development on the both sides of the River Enguri. The facilitation and activation of trade, cultural exchanges and the creation of commercially viable opportunities will definitely help to improve the social conditions of the people leaving in the deprived and depressed conflict affected areas.

Additionally, there are some political, legal and security risks which should also be addressed. These are serious issues which can undermine the whole idea but at the same time have a very positive impact once all of the parties have reached an agreement and act in full accordance with its provisions. Overall, the opportunity and the momentum for the implementation of such an initiative should be realised and certain efforts should be made in order to create a suitable ground for the implementation of this idea.

Georgian expert considers three different policy options and, based upon the careful discussion of the pros and cons of each of them, comes to the conclusion that the most advantageous seems to be the option – establishment of the Consortium, with equal representation from Georgian, Abkhazian, Russian and the EU sides - which is supported by several arguments. Firstly, all partners participate upon an equal footing which thereby makes this format indiscriminate and which will serve as a basis for developing trust and agreeable working relations between the partners whilst eventually ensuring the sustainability of the proposed format. Secondly, this arrangement ensures additional incentives for reinforcing Georgian-Abkhaz co-operation within a positive experience which can be used in the future as concerns other aspects of peace-building and Georgian-Abkhaz reconciliation. Thirdly, it will be the first time that international actors and donors participate in a multilateral format of co-operation which in turn will increase the credibility of the whole process. Fourthly, this option, if successful, can serve as a role model for other potential plans of co-operation across the conflict divide which will benefit and positively influence the dynamics of the conflict transformation. Fifth and lastly, one of the primary

merits of this format is its depoliticised nature which provides a basis for sustainability despite political difficulties which may arise around the conflict resolution issue. It is worthwhile mentioning that the discussed option may be materialised only in case the Georgian state ownership on the Enguri HPP cascade is not questioned by any member of the proposed Consortium.

It should be made clear that the abovementioned proposal may materialise only in case that existing legal obstacles to it are eliminated, e.g. corrections/modifications are introduced in the currently effective Georgian Law on Occupied Territories.

### Conclusion/Recommendation    Synthesis: Messages to be Gleaned

The common point in all of the policy papers produced by the Georgian team is that co-operation between the sides upon a wide range of areas is possible and would be mutually beneficial and that the EU-supported dialogue on a number of vital issues is the necessary condition for unfolding this potential. Moreover, the papers also support the idea that the EU should take a proactive stance in promoting communication channels and problem-solving mechanisms.

There is a sense of the acute need for rehabilitation as well as economic development projects in each of the abovementioned regions within which there is a sharp deficit of investments, money resources, work places, consumer goods and a quality infrastructure.

The necessary prerequisite for economic development and an improvement of the social conditions in the aforementioned areas is the provision of assistance in stabilising the political situation of which promoting a restoration of trust and traditional economic contacts (first and foremost in trade) between the conflicting sides is an important element.

Within this reality, it is of utmost importance to resolve the problems for financing different projects and protecting investments by means of establishing international funds aimed at the rehabilitation, stabilisation and economic development of these areas.

As previously mentioned, the research done by the Georgian team demonstrates that both the human

security and the socio-economic conditions in the conflict affected areas have decreased dramatically and the breaking off of the earlier operative channels of communications between the sides has had a multi-fold negative effect upon the situation on site.

Certain messages can be gleaned from the conclusions and recommendations put forth by the Georgian team and formulated as follows:

**Message One:** There is both a need and an expectation in statistically representative groups of Georgians and Abkhazian respondents to revive a multi-partite format of regular meetings, preferably under the aegis of the UN, the EU or the US (the US is amongst the expressed preferences on the Georgian side) following the abolition of the Chuburhinji format with powerful factors on both sides hindering a timely and due consideration of this matter. EU input would be extremely important towards promoting a mutually accepted systemic form of communication in order to activate the dialogue between the sides and facilitate the problem-solving. This will objectively lead to more predictability and reduce tension.

According to one of the recommendations from Alexandre Kukhianidze: "Despite the extreme tension between the conflicting parties alongside the cease-fire line, representatives of the law enforcement structures and civil administration authorities—as well as organisations championing civil rights together with the majority of the common residents of Zugdidi and those living in close proximity to the cease-fire line—are in favour of the resumption of Georgian-Abkhaz relations through multilateral meetings with a view to exchanging information and enacting other forms of co-operation."

**Message Two:** The politicisation of the issues negatively affects the prospects of solution. Discussions on all matters which represent a stumbling block for developing communication between the sides—such as question of the status of territories and citizenship of the returnees—must be postponed until the basic conditions for overcoming the current critical situation are moved sufficiently forward.

The existing situation shows that Georgian authorities are not able to promote trade, co-operation and dialogue between the conflict-affected communities. According to Kukhianidze, the whole area resembles a front-line with the constant expectation of a renewal of hostilities on both sides. Following

his consultations with T. Yakobashvili, Georgian State Minister for Reintegration, Tughushi assures that the Government of Georgia will not create obstacles and so it is necessary to activate the international organisations which have a mandate of operating on site (at the moment, it is only the UNOMIG with a mandate accepted on both sides and the EUMM which is accepted only on the Georgian side).

**Message Three:** The Russian authorities can contribute to the confidence-building measures and the proposals outlined below by not preventing their development, especially when it comes to the Georgian population in the Gali District taking part in the programmes. It should be understood that development of the confidence-building measures and mutually beneficial proposals is in the interest of all sides.

### Possible Areas of Future Co-operation

1. With due account of the complicated socio-economic situation of the returnees and proceeding from the experience of European Union activities in the depressed areas, it is recommended that the EU begin to stimulate and promote business initiatives in which returnees would take an active part. To that end, the Georgian team proposes the establishment of international funds (including income-generation and grant- and/or credit-giving programmes) in order to promote small businesses in the depressed areas on both sides of the conflict divide.

According to the team's recommendations, the proposed funds would support promising projects for the rehabilitation of the depressed regions, primarily under the aegis of EU structures, with the goal of increasing the economic potential of the parties directly involved and enhancing regional stability.

The Georgian team proposes the establishment of two international funds; namely, the International Investment Fund and the International Fund for Rehabilitation and Development which would be interconnected by their functions and goals but not formulated as branches of one joint enterprise given that one is essentially for commercial means and profit whilst the other is non-commercial.

An agreement between the conflicting sides is a necessary prerequisite for the establishment and operation of the abovementioned Funds. The agreement can be prepared through the mediation

of the European Union which then can become a guarantor of compliance for the parties.

It is desirable that these Funds be managed or co-managed by representatives of civil society including the returnees' non-governmental organisations on site (Pichkhadze, Tughushi). According to all the experts, increasing the role of civil society is an important factor towards achieving the necessary link between the impoverished population and the local authorities so that the situation with regards to human rights and property rights is monitored.

2. One of the most promising areas of possible co-operation between the sides is the joint quadripartite exploitation and development of the potential of the Enguri HPP but is one which largely depends upon the developments in light of the Memorandum signed by the Georgian Ministry of Energy and the Russian company Inter-RAO UES in late December 2008. The text of the Memorandum has been declared a commercial secret – only some clauses have been disclosed to Georgian parliamentarians on their demand - with several development scenarios envisaged there from until it is made public or the agreements resulting from the Memorandum are signed.

3. It is very important that the EU supports projects to prepare and publish up-to-date and completely de-ideologised textbooks in history and geography, which would be distributed amongst Georgian schools in the Gali District of Abkhazia, as a means of promoting dialogue, reconciliation and post-conflict co-operation between the communities on both sides of the conflict. This would be a serious step towards overcoming the present state of distrust between the Georgian and Abkhaz communities and facilitate the ground for successful confidence-building programmes in the near future.

### Recommendations to the European Union:

Within the current situation, the active engagement of the European Union is deemed most promising for conflict resolution in terms of:

- Stimulating the start of a dialogue and acting within the negotiation process between all sides to the conflict;
- Promoting the elaboration of concerted approaches for the implementation of economic and social projects;

- Promoting the establishment of legal foundations for the system of a preferential regime (tax free or a favourable tax regime) for the production and circulation of economically important (agricultural) local products and the free and secure movement of goods, services and persons across the conflict divide;
- Promoting the creation of necessary conditions for the establishment of the International Investment and Rehabilitation Funds under the aegis of the European Union;
- Elaborating the appropriate agreements between all sides to conflict stemming out of the agreed principles of co-operation and basic proposals;
- Monitoring the implementation of these agreements.

Considering the volatile situation on the spot and the existing risks, threats and opportunities, the Georgian experts analysed the problems and offered the European Union concrete approaches to implement in case of materialisation of different scenarios of development in the conflict area.

- According to the Georgian experts, it is essential that the EU and the UN co-ordinate their activities aimed at ensuring security in the conflict area, the protection of its population and combating crime.
- In case that the UN cannot continue its operation in the conflict area, under necessary conditions, the EU might take over the role as of a mediator to promote a non-violent resolution of the conflict. ;
- The experts recommend to promote a rapprochement between the local law-enforcement and administrative structures and the non-governmental organisations of Georgia and the European Union regarding the issues of security which would meet the EU strategic tasks of its European Neighbourhood Policy and Eastern Partnership initiative;
- It is important to increase of the role of the European Union in the professional training of Georgian police, and, as conditions allow, establishing of the democratic control over the police forces upon both sides of the conflict divide.

## Endnote

<sup>1</sup>At a later stage of the research it was decided not to focus on transport in the framework of this project



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**SYNTHESIS PAPER ON THE RESULTS OF THE RESEARCH WORK OF THE  
ABKHAZ TEAM**

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## I. The aims of the project

The general aim of the project has been to make an attempt to reframe the conflict resolution process between Georgia and Abkhazia by opening new channels of communication between the parties, involving new internal actors (civil society actors and experts), external actors (international facilitators or experts) and examining the main issues that could promote co-operation at functional levels, whilst not overlooking conflict resolution as a final goal, with all stakeholders.

The researchers within two parallel teams initially concentrated upon the following issues:

**Energy and Transport** (railway, air and sea ports) and telecommunications.

**Security** (non-use of violence) and law enforcement.

**Human rights issues**, such as minority rights, displaced persons and education.

**Economic issues**: such as trade, sanctions and development.

## 2. The Composition of the Abkhaz team

The Abkhaz team, working in parallel with the Georgian team, included four Researchers (N. Akaba, A. Inal-Ipa, B. Baratelia and I. Gamisonia), the Project Co-Director (L. Kvarchelia) and the project's Chief Investigator (V. Chirikba).

## 3. The teams' meetings

During the course of the implementation of the project, the teams and the international facilitators had a series of meetings at which they discussed the crucial issues pertaining to the project, the particular points of discord between the teams and the adjustments which needed to be made to the original project work plan.

### Madrid Meeting (3 - 4 March 2008)

The first meeting took place in Madrid with the aim of elaborating a joint discussion of issues of common concern within concrete thematic areas and developing a research plan for the following 12 months. It was agreed that the researchers would draw upon their research work to produce a set of recommendations for local and international political decision-makers to be delivered at the final stage of

the project with special emphasis upon identifying areas of common interests and the actions required to bring them to realisation. The European Union was identified as the primary user for the results of this project although the findings and recommendations can also be of interest and use to a broader audience.

### Istanbul meeting (20-21 June 2008)

The purpose of the second meeting in Istanbul was to discuss the status of the project in the fourth month of its implementation, to review the actual political context and make adjustments towards the further plan of actions, to fine tune research agendas and to develop proper internal and external communication plans.

Herein it was agreed that the research output would be less theoretical in its content and would provide clear practical implications and recommendations. Reiterating that the EU was considered to be the primary recipient of the project's results, the group also identified a wider audience consisting of members of governmental communities, civil society and academia as a means of broadening the impact of the project. The key challenge for the project was to provide inspiration for the EU in order to make it contribute to the real needs of the Georgian and Abkhaz peoples affected by the conflict.

### London meeting (10-11 October 2008)

In the wake of the August war, the project co-facilitators and the project directors engaged in consultations in order to evaluate the new situation and to decide upon the future of the project. This was the primary aim of the meeting of co-directors and co-facilitators in London in October 2008 at which a common understanding was reached on the possibility of continuing the work of the Abkhaz and Georgian teams on the basis of the reconceptualisation of the project's work and a change in the focus of the research in some cases. Instead of confidence building, it was agreed that the focus would be upon issues of mutual practical interest in areas of common concern:

**Energy:** Research on energy policies would focus upon the Ingur power station which is hitherto the most relevant example of joint Georgian-Abkhaz co-

operation existing to date.

**Economic issues:** Although the August war made the prospects for future Georgian-Abkhaz economic co-operation very unlikely, the project's directors expressed their interest in examining possible development policies for the economically disadvantaged border areas on both sides of the River Ingur.

**Security:** The focus of the ongoing research would remain unchanged.

**Human Rights issues:** The focus herein would be upon the rights of displaced persons and upon the situation of those who returned to the Gal District of Abkhazia.

#### Yerevan meeting (8-9 December 2008)

The Yerevan meeting and the discussions therein led to the understanding that the level of trust considerably decreased after the August events, hence the broadening of the conflict resolution efforts was perceived as problematic within the Abkhaz civil society. The Yerevan meeting produced the following results: the investigators adjusted the focus of their research to reflect issues of common concern, they identified a list of common recommendations and reached an agreement on terminology (political, legal, geographical) to be used in the final papers. They also agreed upon an updated work plan and structure for the research output.

#### 4. The political context

The implementation of the project took place within a period of a record low level of trust between the political elites as well as between the societies of Abkhazia and Georgia whilst coupled with the volatile situation in the border-zone Gal District of Abkhazia. There have been no negotiations between Abkhazia and Georgia due to the introduction of Georgian troops into the Kodor Gorge in Abkhazia in 2006 in contravention of the 1995 Moscow Agreement. Many in Abkhazia and beyond spoke of an imminent renewal of military conflict between Georgia and Abkhazia. The gap between the parties to the conflict increased significantly after the August 2008 war whilst the level of trust further and considerably decreased.

In Georgia itself, the heightened tension in connection with the controversial parliamentary elections and the opposition's harsh critique of the current Georgian leadership also had its impact

upon the overall political situation. Another factor is that Georgian-Abkhaz relations are often seen in Georgia as being a derivative of Georgian-Russian relations. Additionally, Georgia's drive towards NATO membership, to which Russia opposed, aggravated the general political atmosphere.

On the level of political thinking, there were fundamental differences in the understanding of the outcome of conflict resolution efforts by the parties to the conflict which was also reflected in the perceptions of the participants of each of the project's teams.

From the very outset, the Abkhaz team intended to put a special emphasis upon the investigation of issues of common concern and common interests between the sides<sup>1</sup> rather than upon joint activities and cooperation in general. The areas of common interest, stemming from the common border;<sup>2</sup> included such issues as cross-border humanitarian and security arrangements, the joint maintenance and exploitation of the Ingur Hydroelectric Power Plant and economic development of the disadvantaged areas on both sides of the River Ingur, amongst others. In contrast, broader joint activities, given the extremely unfavourable political context, were not regarded as priority and did not seem feasible in terms of their realisation. Within Abkhaz civil society, the broadening of conflict resolution efforts is generally perceived as problematic. The August 2008 events proved that the team was correct in its cautious approach towards the possibilities of joint activities in the near future. Instead of confidence building, the view of the Abkhaz team was that the focus should be upon issues of mutual practical interest within the identified areas of common concern.

#### 5. Difficulties during the Implementation of the Project

The teams encountered various problems during the course of the research. At the early stage of the project, the start of the research itself was delayed due to contractual problems and uncertainty about the availability of resources for the field research. Given the budgetary constraints, researchers were initially unable to fully undertake field activities which were necessary in order to reach tangible and project qualitative results.

Quite obviously, a major shake-up for the project was caused by the military conflict in and around

South Ossetia in August 2008 after which Abkhazia was recognised by Russia on 26 August to which Georgia responded by severing diplomatic ties with Moscow. These events changed the regional geopolitical situation and created a new political context, which directly affected the framework of the current project. The new reality gave rise to heated debates within the Abkhaz team as to the expediency and possibilities of continuing the project under the new circumstances. After a series of strenuous discussions, the team came up with the following suggestions:

1. To request a time-out for a period of 1-2 months. The political and military situation on the ground was developing rather dynamically which required waiting for the “dust to settle” so that the new situation could be seen more clearly and a thorough re-analysis made whilst discussing and elaborating a renewed strategy.

2. Given the current state of affairs, it became obvious that at least two of the project's themes were not feasible in the near future; that is, economic development including cross border co-operation (Beslan Baratelia) and common projects in transport (Ilya Gamisonia). The Abkhazian team suggested that Baratelia's theme be modified into the economic rehabilitation of the conflict affected areas in Abkhazia, including Gal, whilst also highlighting the perspectives for economic co-operation between Abkhazia and the EU and Abkhazia and the Black Sea countries. It was also suggested that Ilya Gamisonia, in his turn, should write about the restoration or organisation of direct transport links between Abkhazia and regional countries such as Russia, Turkey, Ukraine, Bulgaria and Romania with Georgia also able to be included within a longer-term perspective. Later at the London meeting it was agreed that common interests are mainly related to different aspects of life in the conflict affected border areas on both sides of the River Ingur, therefore all the four research trends should focus on the border zones. Thus it was decided that the economic development research by Baratelia should be devoted to the disadvantaged areas of Eastern Abkhazia, while the transport research by Gamisonia should be substituted by a research on the role and the potential of the Ingur Hydro Power plant for the regional energy system and regional cooperation.

3. With some modifications to their work plans, Arda Inal-Ipa and Natella Akaba would be able to continue their research on human rights and security in the border areas of Abkhazia, in which there is a

sizable Georgian/Megrelian community, as well as on the situation in the Kodor Gorge.

4. Under the circumstances, the Abkhaz team agreed that it was necessary to focus upon common interests and common concerns, such as security and the non-use of force, the observance of human rights, etc., rather than upon bilateral co-operation or confidence building which was not feasible and which was a point underlined by the Abkhaz team from the very outset of the project.

Following the requested time-out and after an exchange of views between both teams and their facilitators, the Abkhaz team resumed its work.

The process of the writing of the research papers was carried out in co-ordination with the project's Chief Investigators, Co-Facilitators, Co-Directors, as well as the counterparts on the other side. During this process, both teams, sometimes through on-line consultations, managed to remove the emotional tonality of some of the papers and agreed upon common terminology and wording which was acceptable for both groups of researchers.

## 6. Research results and recommendations

### 6.1. Beslan Baratelia. Economic Development of Disadvantaged Areas of Abkhazia

The main goal of the research by Beslan Baratelia was the investigation of the state of the economy in the disadvantaged areas of Eastern Abkhazia which suffered severely during the Georgian-Abkhaz war of 1992-1993 as well as from the consequences of the policy of isolation of Abkhazia. He also intended to look into the causes for the area's economic backwardness and the ways and means with which to overcome these problems.

#### Research tasks

The author set himself the following tasks within his research activities:

- To produce an analysis of the state of the economy of Abkhazia in the post-conflict period, especially its eastern areas.
- To make an assessment of the impact of the sanctions introduced in the mid-1990s which increased the gap in the economic development between the eastern areas and the rest of the country.
- To make a calculation of the financial resources

needed for the development of the area in question which would come from the state, private investments and international aid.

In his work, Baratelia used official statistics of the Ministry of Economy of the Republic of Abkhazia, the Ministry of Finance, the State Customs Committee, the administration of Eastern Abkhazia and the State Statistics Administration of the Republic. Additionally, he used the results of his own sociological opinion polling owing to the insufficiency of state statistics. The questionnaires, designed and distributed in the course of the polling, contained various questions addressing living standards, incomes, expenditures, employment and a problems and needs assessment.

## Conclusions

Baratelia's research resulted in the following conclusions:

1. Despite a noticeable revival of economic development in Abkhazia over the recent years, three of the republic's eastern districts (Tqarchal, Oчамчыра and Gal) are almost outside the process. Moreover, the accelerated rate of economic growth in Central and Western Abkhazia increases the gap between these areas and those in the east of the republic in both the socio-economic situation and the standard of living of the population. There has been a considerable emigration of people, mostly from the younger generations, from these areas. All of these factors together are basis for the conclusion that Eastern Abkhazia is an economically disadvantaged area.

2. The majority of the population of Eastern Abkhazia lives in the rural areas and is engaged in subsistence farming. Some surplus from their farm produce is being sold at local markets which serve to augment the income of the villagers. The towns of Eastern Abkhazia have a very high level of unemployment and so many city-dwellers have to take up the so-called "shop tour business" or migrate to other areas of Abkhazia to find a better-paid job. According to the results of sociological studies, the problem of obtaining a good job and a stable income is the most pressing for the residents of Eastern Abkhazia.

3. There are several causes, which impede the rehabilitation of the disadvantaged areas of Abkhazia. Firstly, these are the territories which suffered the

most during the war of 1992-1993. Secondly, these areas are located further from the Russian border where agricultural produce is sold and from where tourists come to Abkhazia. Thirdly, many of the industrial enterprises, which were destroyed in Eastern Abkhazia, remain in ruins following the conflict unlike elsewhere in Abkhazia where restoration work has taken place. Fourthly, the proximity of these areas to Georgia renders the investment attractiveness of these areas extremely low given the reality of the unresolved conflict. Fifthly, there is no state programme for the rehabilitation of the disadvantaged areas without which Eastern Abkhazia will not be able to catch up with the economic development of the rest of the country.

4. The economic rehabilitation of Eastern Abkhazia and the creation of new industries and new jobs require considerable investment. The high risks in the region impede the inflow of foreign investments whilst Abkhazia's own internal funds are insufficient for the needs of its economic development.

5. An analysis of the results of the sociological opinion polling gives the investigator grounds to conclude that the population of the disadvantaged areas of Eastern Abkhazia is highly interested in setting up farms or small enterprises. The majority of them are prepared to take cheap loans for a period of three-to-five years. In addition to economic assistance in the form of grants, therefore, loans for financing the realisation of economic projects should become an important instrument of the development therein. The establishment of a state agrarian bank with the purpose of financing small agricultural enterprises is also of utmost importance.

6. Eastern Abkhazia has considerable economic potential, especially in agriculture. In the case of the Tqarchal District, the most advantageous direction would be the growing of sub-tropical fruit, the cultivation of technical crops, nuts and cattle breeding. The growing of sub-tropical fruit, vegetables, technical crops and oil-bearing plants, apiculture and cereals is also deemed advantageous for the Oчамчыра District. The Gal District would achieve good results with the growing of sub-tropical fruit, the cultivation of different varieties of nuts and cereals, vegetable growing, cattle breeding and poultry farming.

## Recommendations

The researcher produced the following

recommendations to local and international actors based upon his work.

### To the Abkhaz Government:

1. A special programme for the development of Eastern Abkhazia should be elaborated which implies substantial support from the state. This programme should identify the priority trends in the development of the disadvantaged areas, envisage concrete economic projects and determine the amount of funds required for their implementation.

2. The leadership of Abkhazia needs to amend tax legislation in order to grant preferential tax treatment to entrepreneurs working in the disadvantaged areas. Additionally, the state should establish an agrarian commercial bank with the main objective of offering state loans on the terms of preferential treatment for up to five years with the annual interest rate not exceeding 10 percent.

3. The Ministry of Economy should elaborate a packet of investment proposals for Eastern Abkhazia and should give foreign investors additional preferential taxation treatment for those who put their money into the agro-industrial complex in the disadvantaged areas. It is imperative that foreign investors putting over USD 500,000 into agricultural projects in Abkhazia be fully exempted from the corporate tax for a period of ten years from the moment of the official incorporation of the business enterprise.

4. Conditions and possibilities should be created for co-operation between and amongst entrepreneurs in Western and Eastern Abkhazia with a view towards a greater integration of these areas and liquidating the gap in the standards of living in both parts of the country. The growing demand of the burgeoning tourist sector in Western Abkhazia for agricultural produce, now largely imported from Russia, will help stimulate the agro-industrial sector in Eastern Abkhazia, increase employment and raise the people's income. The Ministry of Economy should play a special role herein by establishing an intermediary agency which will operate in this capacity between customers and suppliers.

### To the European Union (and other international organisations):

1. The European Union should consider the establishing of a special fund for supporting the

development of the disadvantaged areas on either side of the River Ingur with the chief aim of providing financing for business projects in the SME sector (viz. granting cheap short- and medium-term loans and non-returnable grants).

2. The European Union and the international organisations should provide funds for educational programmes on the principles of management and entrepreneurship for both budding businessmen and those who have already accumulated some experience in this sphere.

3. The European Union and other international organisations should finance the activities of business incubators for supporting budding entrepreneurs in the disadvantaged areas in which agricultural projects should be given first priority. The main objective of the business incubators should be for providing overall support to farmers and individual entrepreneurs beginning from the elaboration of the project and up to three years of its operation. Special support should be given to the development of farms growing sub-tropical fruit, nuts, cereals and vegetables as well as those engaged in cattle and poultry breeding and fish farming.

### To the leaderships of Abkhazia and Georgia:

1. The leaderships of Abkhazia and Georgia should study the possibilities of creating conditions in future for the trans-boundary movement of agricultural products across the River Ingur with due account of the needs and demands of national markets in the disadvantaged areas, which will contribute to a greater transparency of the situation in the border areas and will also add to the revenues going into the state budgets of both Georgia and Abkhazia

#### 6.2. Ilya Gamisonia, The Ingur Hydroelectric Power Station as Part of the Power Communication System of the South Caucasus and a Factor for Regional Stability

The Ingur Hydroelectric Power Station (hereinafter also the HES) is a unique construction including a dam rising to the height of 410 m and a water reservoir with a capacity of 1,100 mln m<sup>3</sup> which was built in 1972-1980. The Ingur HES generates 1.3 mln kW which makes it a one-of-a-kind hydrotechnical construction of world importance with a station of similar size and capacity being found only in Italy. The water comes

into the 335 mln m<sup>3</sup> capacity intake chamber from the Jvari reservoir built in the upper reaches of the River Ingur through a 15 km-long subterranean tunnel with a diameter of 9.5 m. The water rushes down from this chamber, located at an altitude of 510 m above sea level, through five culverts each 5 m. in diameter upon five turbines sunk into a mountain gorge to a depth of 96 m above sea level. The level difference of 400 meters makes the turbines spin at 250 RPM with each of them generating 265 thousand kW. The used water runs along a three-km free-flow tunnel down into the Gal reservoir with a capacity of 160 mln m<sup>3</sup> which supplies the Gal District of Abkhazia with drinking and irrigation water. In addition, there is a 23-km unlined canal or tailrace emptying into the Black Sea along the course of which there is a cascade of four drop structures which are also known as Perepad hydro electric stations.

The European Union announced a tender for the rehabilitation of the Ingur HES which was won by the German-Austrian consortium Voith Siemens Hydro, the Georgian companies Sakgidromsheni and Sakenergoremont and others. Siemens rehabilitated the second, third and fourth hydropower units whilst the Georgian Sakgidromsheni repaired the diversion canal.

### Research tasks

Using the example of the Georgian-Abkhaz co-operation in the joint exploitation of the Ingur HES Gamisonia set as one of his main tasks to demonstrate that the implementation of practical regional projects will not only become a powerful lever for the integration of regional electric power but will also serve as an additional strong stimulus for settling the region's existing political problems and creating a climate conducive for regional co-operation.

### Conclusions

Based upon an analysis of the situation concerning the functioning of the Ingur HES power station, the investigator arrived at the following conclusions:

1. The Ingur HES power-generating complex is a constituent part of the power grid of the South Caucasus which is very important for both Abkhazia and Georgia.

2. Despite their political problems, both the Abkhaz and Georgian sides must seek forms of co-

operation which would provide for the security of the entire Ingur HES cascade as well as its complete rehabilitation and full operational capacity.

3. The joint stock company RAO UES of Russia is interested in the operation of the Ingur HES as part of the united power grid of the South Caucasus. In its turn, the European Union may also be interested in the operation of the Ingur HES as part of the energy ring located around the Black Sea.

4. As a project involving multilateral co-operation, the Ingur cascade can thereby become an important factor of stability in the South Caucasus.

### Recommendations

Proceeding from the above, the investigator puts forth the following recommendations:

1. The Abkhaz and the Georgian sides should resume in the nearest future their consultations aimed at elaborating a solution of the problem of the further rehabilitation of the Ingur HES with the mediation of RAO UES and the European structures.

2. A special fund should be set up under the aegis of the interested parties (specifically, the Russian Federation and, possibly, the European Union) with a view to supporting projects aimed at the rehabilitation of the vitally important structures and disadvantaged areas in the South Caucasus. Further rehabilitation of the Ingur HES could be financed from this fund.

3. The European structures and the European Bank of Reconstruction and Development in particular, while considering possibilities for financing projects in the territory of Abkhazia (in the first place, the rehabilitation of the Ingur HPS), should discuss them with the Abkhazian side directly.

### 6.3. Natella Akaba. Reintegration Problems of Returnees to the Gal District of Abkhazia from the Perspective of Human Rights

The return of ethnic Georgians (Megrelians) to their homes in the Gal District of Abkhazia is one of the most politicised issues in Abkhaz-Georgian relations. In all the aspects connected with this problem, be it the numbers of returnees, their legal status, the issuance of passports, the issues of security for returnees or even their access to education in their mother tongue, there are wide differences in

the views of the conflicting sides. In particular, the very fact of the return of the displaced persons to the Gal District is viewed by Tbilisi and Sukhum from diametrically opposite positions. The Abkhaz side sees this step as a manifestation of Abkhazia's good will whilst official Tbilisi denies the very fact of their return because it happened as a "spontaneous return" and not in an organised way.

The refusal of the Georgian side to apply the registrations procedures of the UNHCR to the returnees, however, resulted in a failure to implement the plan of the socio-economic rehabilitation of the Gal District. Additionally, the situation therein was constantly destabilised by the so-called "Georgian guerrillas" in the form of armed military formations committing acts of sabotage including murders, kidnappings and mine planting.

No large-scale international programmes of rehabilitation and development were ever implemented in Abkhazia after the destructive war of 1992-1993. Moreover, a 1996 summit of the CIS countries imposed political and economic sanctions against Abkhazia at the request of the Georgian side. A UNDP Mission visited Abkhazia in March 1998 in order to assess the needs of the republic and produced a fundamental report and concrete recommendations. Unfortunately, however, not a single project for the rehabilitation of the social and transport infrastructure, agriculture or the development of civil society proposed by this Mission was ever implemented due to Georgian demands that any economic project must be conditional upon the return of the ethnic Georgian population to the whole of Abkhazia.

## Research Tasks

The investigator undertook the following tasks within her research:

- To analyse the situation in the Gal District from the perspective of the observance of human rights and identify the most acute problems within this sphere.
- To search for solutions which would primarily meet the fundamental human needs and day-to-day requirements of the returnees whilst at the same time being depoliticised to the maximum extent possible.
- To consider the intensions and interests of the conflicting sides regarding this problem and to suggest new approaches towards a normalisation of the situation and an improvement of the environment

for those residing in the Gal District.

## Conclusion

The following conclusions have been made based upon the findings of the research:

1. The events in South Ossetia in August 2008 and the subsequent escalation of tension in the border areas of Abkhazia and Georgia produced a destabilising effect upon the situation in the Gal District. Owing to ever more frequent terrorist attacks on the territory of the District, as well as the steps made by Tbilisi which factually destroyed the hitherto existing format of peacekeeping operations, the regime at the check points on the Ingur border, including one on the bridge over the River Ingur, has become more rigid, which creates new difficulties for the population of the adjacent territories by curtailing their freedom of movement.

2. The official recognition of independence of Abkhazia by Russia increases the responsibility of the Abkhaz leadership for the observation of the most important human rights and the rights of ethnic minorities.

3. The refusal of the Georgian leadership and of a number of international organisations to recognise and put on record the fact of the return of the Georgian population to the Gal District renders this category of people particularly vulnerable and raises serious obstacles as to the determination of their legal status as well as to the implementation of wide-scale programmes of social, economic and psychological rehabilitation.

4. The returnees to the Gal District are extremely sensitive about the uncertainty of their status and, as such, desire to concretely identify themselves. Some wish to take an Abkhaz passport whilst others prefer to obtain a residence permit in Abkhazia and continue to hold their Georgian passport while enjoying guarantees of the right of property.

5. In addition to security, the most acute problems in the District are:

- a. the need for a better health care system,
- b. modern education and access to more impartial and varied information,
- c. the need to provide schools with high quality textbooks and programmes (including those in the Georgian language elaborated specifically for

the Gal District).

d. an acute shortage of qualified teachers, especially in language teaching.

6. Although the Abkhaz authorities are taking steps towards the rehabilitation of the social and transport infrastructure of the Gal district (repair of hospitals, schools, kindergartens, roads, the railway, etc.), it is impossible to attain a real increase in the quality of life of the population without the participation of international donor organisations.

7. There are real prerequisites for the reintegration of the returnees into local society owing to the specificity of this District, its geographic position and its ethnic composition.

## Recommendations

### To the Government of Abkhazia:

1. With due account of the new political context, it is necessary to exercise greater responsibility with regards to the needs and requirements of the returnees to the Gal District in conformity with international standards of human rights and the rights of ethnic minorities. It is important to expedite the elaboration and adoption of the Law on Residence Permit which would meet internationally accepted norms. At the same time, those residents of the Gal District who wish to be issued with Abkhaz passports should receive them in a most expeditious manner.

2. It is necessary to determine and promulgate the order and corresponding legal procedures for the Gal residents to cross the Ingur border with due account of the interests of national security and the legal rights and interests of the returnees.

3. It is necessary to promote the creation of feedback mechanisms between various levels of Abkhaz authorities and returnees to the Gal District in order to take into account their interests and to involve them in the decision-making process. To that end, a new position could be created in the district administration in the form of an officer responsible for co-operation with NGOs and village communities.

### To the Government of Abkhazia and international organisations:

1. The elaboration and implementation of large-scale rehabilitation programmes should start in the

Gal District which would include its infrastructure, communications and roads. This will help to improve the daily life of the people and contribute to their reintegration into the Abkhaz society. Special attention should be devoted to the most vulnerable categories of the population; that is, retired persons and pensioners, women with children, disabled, etc.

2. Steps should be taken towards supporting civil society institutions such as the local self-government in the Gal District, in particular. Equally important is the support for the Gal Centre for the Protection of Human Rights and the expanding of the network of free-of-charge legal services (the so-called "reception centres"). The implementation of such projects with the participation of civil society activists from other parts of Abkhazia will help to promote an improvement in the human rights situation and to establish civil control over the activities of the local law enforcement bodies.

3. It is necessary to expedite the reform of school education in Abkhazia and put a greater emphasis upon increasing its quality in the Gal District. To that end, co-operation should be established with the relevant organisations and agencies of the United Nations, the European Union and the Council of Europe, amongst others, for the implementation of programmes for refresher courses for teachers, the renovation of facilities and providing technical equipment for schools and kindergartens.

4. It is necessary to expand the participation in the training programmes and workshops for the protection of human rights, conducted by the UN Mission of Observers, by including not only officers of the law enforcement bodies but also representatives of local administrations.

### To the European Union:

1. Support needs to be given to the civil society initiative aimed at the preparation and publishing of modern textbooks in history and geography for the schools in the Gal District of Abkhazia with the help of experts from the EUROCLIO. These materials should be devoid of any over-idealised content.

2. In consideration of the difficult socio-economic situation facing the residents of the Gal District, it is necessary to implement small business projects with the participation of both returnees and other citizens of Abkhazia. To that end, a special fund should be set

up and managed by authoritative leaders of local civil society in Abkhazia (including returnees).

#### To the leaderships of Abkhazia and Georgia and international organisations:

1. A mutually agreed upon decision should be reached as concerns the registration of the returnees to the Gal District within the framework of the legal procedures of the UNHCR which will stabilise the situation in the Gal District and create conditions for the greater involvement of donor organisations in the implementation of projects aimed at the economic rehabilitation and the development of local communities, civil society, health care and educational system.

#### To the leadership of Georgia:

1. The returnees to the Gal District wishing to integrate into Abkhaz society should stop being regarded as “collaborators” but, rather, be given all-round support and encouragement for their full participation in the socio-political life and activities of the local administration which will contribute to the further democratisation of the society and expedite the rehabilitation of the population of the Gal District.

2. It is necessary to discontinue the use of the mass media for spreading premeditated misinformation and ideological clichés that strengthen the “image of the enemy” and impede the overcoming of ethnic hostility and mutual intolerance between the conflicting sides. It is necessary to contribute to the dissemination of true and unbiased information about the events taking place in Abkhazia and Georgia.

#### 6.4. Arda Inal-Ipa. The Problem of Border Security for the Gal Population in Abkhazia

The entire population of Abkhazia is suffering from the consequences of the war and the protracted political conflict. The situation in the Gal District, however, is even more difficult. The proximity to the border with Georgia and the incidents which sporadically occur, often taking people’s lives, create extremely challenging conditions for a normal life. On the other hand, the lack of serious rehabilitation programmes, high unemployment and imperfect laws do not create favourable conditions for carrying out legal businesses. All these factors together encourage the spread of criminal values and crime. Problems in

the sphere of security make an impact upon practically all aspects of the people’s life in the border zone and significantly limit their possibilities for participating in the economic and political life of the country.

The security level in the Gal District is not only a consequence of the Georgian-Abkhaz confrontation but in itself is a factor influencing the conflict and the region’s stability in general. Crimes committed there often lead to a serious deterioration of the situation in general. The safety of the inhabitants of the Gal District, therefore, is not only a serious humanitarian challenge but also a problem whose solution will contribute to establishing peace and stability in the entire region.

The events of August 2008 had a strong impact upon the situation in the Gal District. The introduction of a sizeable Russian military force on the territory of Abkhazia precludes the renewal of military conflict between Georgia and Abkhazia although these new circumstances do not reduce the urgency for investigating the situation regarding human security in the border areas of Eastern Abkhazia and in the Gal District in particular.

Although to some extent Abkhazia has achieved its political aim, the conflict with Georgia has not been solved, the confrontation is still acute and there is still a sporadic exchange of fire at the border, while the population in the frontier zone remains in a vulnerable position.

Any guarantees of security for the Gal residents will require solutions addressing both general and specific problems. The general problems, which are characteristic of the post-war situation, include: economic stagnation, alcoholism, drug addiction and the spread of criminal activities. The general problems for the border zone are: border proximity, the relative ease for conducting criminal activities (for members of criminal groups) which can be committed on one side and covered up on the other; illegal business close to the border in which representatives of official structures are involved in corrupt and delinquent activities. All of these problems are related to the transition period and the under-development of social and democratic institutions which include: a flawed legal framework, the weakness of the judicial system, poor juridical culture, inadequate professional level of members of law-enforcement officials, an undeveloped policy in relation to minority groups and the fragility of civic society, amongst others.

The Gal District's specific problems are, in the first instance: the uncertainty concerning citizenship and the non-registered status of the returnees.

Each of the abovementioned problems contributes to the overall problem of human security. Changing the situation can only be accomplished through consistent work towards reaching the proposed solutions to each of these difficulties.

### Research tasks

- To outline the past and present security situation in the Gal District.
- To define how the political situation influences human safety in the Gal district.
- To study the public opinion of the residents in the border zone.
- To assess the work of the law enforcement bodies.
- To define the possible role of the authorities and local and international civil organisations in improving the security level of the population in the border zone.

### Conclusions

1. From the point of view of security, the situation in the Gal District of Abkhazia remains complicated. Certain threats are connected with the conflict between Georgia and Abkhazia whilst others are related to the criminal situation. In this regard, it is clear that the increase in crime itself is the result of the unresolved conflict. The Gal District will remain a hostage of the situation as long as the menace of renewed military actions remains.

2. The policy of destabilisation in the Gal District (conducted over many years by the special services of Georgia) has established conditions causing mistrust towards the Gal population amongst the Abkhazian society and prevents an effective system of security from being established.

3. Whilst the Gal District continues to be in the zone of contradictory political projects, the actions of both sides will have an adverse effect upon its security situation. It will be impossible to promote security measures in the Gal District without mutual agreements and co-ordinated actions which could be the subject of bilateral negotiations in the future.

### Recommendations

The investigator proposes the following lists of recommendations for the local and international actors.

#### To the Government of the Republic of Abkhazia:

1. To enhance the effectiveness of police work in the Gal District through the improvement of facilities, interaction with the residents of the district, improvement of employees' professionalism and human rights training.

2. To accelerate the issuing of passports to those Gal residents who wish to acquire Abkhaz citizenship.

3. To encourage the strengthening of the Gal local self-government bodies.

4. To encourage representatives of the Gal population to participate more actively in the structures of the Gal administrative bodies.

5. To organize a large-scale inspection of the activities of all regional subdivisions of the Gal law-enforcement authorities.

6. To establish standards (such as entry into police-training colleges on preferential terms, for example) in order to recruit local residents for work in law-enforcement structures.

7. To elaborate the system of standards for improving the professional level of border zone law enforcement officials whilst taking into account and using the training resources of the UN police.

8. To promote security and order on the Ingur border so as to provide the Gal residents with proper conditions for crossing the border and to maintain control of border operations so as to prevent corrupt practices and human rights abuse.

9. To find resources to organise the broadcasting of the Abkhaz television channel in the Georgian language in order to provide people with better information about the situation in the Gal District and about the processes which are taking place in Abkhazia. This would prevent rumours, falsehoods and fears from spreading.

10. To conduct inspections and investigations upon

every report on racketeering and other types of crimes committed by criminals or any administrative officials against the Gal population as a means of putting an end to this practice.

11. To organise control over the current taxation system in the Gal District in order to detect cases of abuse and to establish a standardised and transparent taxation system.

12. To provide registered companies with proper working conditions in order to purchase farm produce in the Gal District and to ensure that the work in the receiving centres is carried out in an uninterrupted fashion.

#### To the Abkhaz Parliament:

1. To standardise legal regulations as concerns residence permits in order to ensure that the legal rights of the population—and, in particular, of the Gal District—are guaranteed in all questions of purchase, sale, inheritance and business.

#### To the Abkhaz civic organisations:

1. To recruit representatives of the Gal NGOs to work in different districts of Abkhazia to inform the young and civic activists about the problems and needs of the Gal population, in the first instance, and about the security problems in the border zone.

2. To elaborate measures to stimulate the co-operation of activists and civic organisations with the structures of local self-government in the Gal District.

3. To encourage citizens' participation in campaigns for greater transparency in administration, law enforcement and tax institutions, to develop and establish the mechanisms of civic control and to use the options which are available through the Public Chamber and President's Plenipotentiary Representative on Human Rights.

#### To the Abkhaz and Georgian Governments:

1. To begin negotiations on the agreement on the non-renewal of hostilities.

2. To facilitate the registration of the returnees to the Gal District with the help of the UNHCR in order to strengthen their legal status in Abkhazia and to

create conditions for international aid which would help to restore their lost properties.

3. To favour the search for an appropriate form of interaction between the Georgian and Abkhazian sides to co-operate against crimes (multilateral meetings, regular exchange of information).

#### To the Georgian government:

1. To find ways to control the actions of some specific Georgian structures whose aim is to conduct sabotage activities on the territory of Abkhazia.

#### To the international organizations:

1. To assist Abkhazia's economic development, in general, and the development of the border zones, in particular:

2. To contribute towards achieving a compromise on a new mandate and new name for the UN Mission to continue its work in Abkhazia, and to the resumption of the work under the auspices of the UN joint working group on security.

3. To encourage an agreement between the Georgian authorities and the UNHCR on the necessity to register the Gal returnees.

4. To influence Georgian political circles to discourage all forms of sabotage work carried out in Abkhazia.

5. To influence the Government of Georgia to renounce its pressure tactics against the Gal population such as, in particular, its negative attitude towards those cooperating with the Abkhaz governmental structures.

6. To encourage a renewal of co-operation in the security sphere on both sides in the form of bilateral meetings and the exchange of updated information by those responsible for law-enforcement in both countries.

7. To organise a mission of international experts for the assessment of the needs of the Gal population.

8. To consider organising a donor conference to attract the financial resources needed for providing full-scale assistance to the Gal returnees and the restoration of the socio-economic infrastructure in

Gal as well as in other districts of Eastern Abkhazia.

9. To support cooperation of the UN mission, EU monitors and Russian representatives within the framework of the Medvedev-Sarkozi plan and the Geneva process to work towards promoting security in the Georgian-Abkhaz border area and implementing measures to stop the penetration of criminal groups across the border.

10. To find a way to organise a special training programme for law-enforcement officials on such problems as the observance of human rights, tolerance and work with minorities.

## 7. Crosscutting Issues

A comparison of the four Abkhaz papers reveals that two of them—those by Natella Akaba and Arda Inal-Ipa—have an obviously common field in that they touch upon the humanitarian issues in the Georgian/Megrelian populated Gal District. One can, therefore, point out common recommendations in both of these papers such as a need to elaborate Abkhaz laws regarding the residence permit which will allow those in the Gal District not wishing to acquire Abkhaz passports to obtain their residence permits which will allow them to enjoy all legal property, inheritance and business rights. Another commonality in these two papers is the need to strengthen law and order on the part of the law-enforcing agencies of Abkhazia. A common theme within is the need to register the returnees to the Gal District with the participation of the UNHCR and the collaboration of the Government of Georgia.

Another crosscutting topic is the recommendation to the Government of Georgia to stop the activities of various saboteur groups coming from Georgia which lead to a serious deterioration of the security situation in the Gal District and beyond. Common conclusions and recommendations are also seen in relation to the need for the dissemination of reliable information in the Gal District and the strengthening of the Gal self-governing bodies.

The two other papers, on the socio-economic development of the disadvantaged areas of Eastern Abkhazia (Baratelia) and the maintenance and joint (Georgian/Abkhaz) exploitation of the Ingur hydroelectric power station (Gamisoniya), are devoted to individual specific issues. Gamisoniya's paper investigates a good example of effective and mutually

beneficial co-operation and collaboration around the Ingur HPS and purports that similar projects could also arise in the future. Some of the conclusions proposed by Baratelia correspond with those made by other Abkhaz and Georgian investigators (cf., for instance, the recommendations by Akaba, Inal-Ipa and Pichkhadze) in that the socio-economic rehabilitation of the disadvantaged districts, the improvement of the standards of living and the stimulation and support of local business activities for the population of these areas, including the Gal District, will help to alleviate the current acute problems which the residents of these areas, including the returnees, encounter in practically all aspects of their lives.

Some other crosscutting recommendations from both sides are:

- The acute need for the registration of returnees to the Gal District.
- The need to provide assistance in training the police force by relevant international organisations (the UN in the Abkhaz case and the EU in the Georgian case).
- The establishment of civic control over the activities of the local law-enforcement bodies, including the institution of the Ombudsman.
- The dissemination of reliable information through media concerning the security situation in the respective areas of Abkhazia (viz. the Gal District) and Georgia (Zugdidi District).
- The publishing of de-ideologised textbooks in history and geography for Georgian schools in the Gal District with assistance from such international institutions as, for instance, EUROCLIO.

## 8. Conclusions

The findings of the researchers from the Abkhaz team of the project can be formulated in the following way:

The current nature of relations between Abkhazia and Georgia, the changed political context after the August 2008 war and the freezing-point of the trust level between the parties<sup>3</sup>, make it highly problematic for the Abkhaz and Georgian sides to engage in any meaningful co-operation or confidence building initiatives. For this reason, it was decided to concentrate on the situation in the border area from the point of view of its economic rehabilitation, security measures and the protection of human rights and the rights of ethnic minorities in this area.

This said, we have a vivid example of effective co-operation between the sides as concerns the Ingur HES which proves that a certain modus operandi can be found even in conditions of a virtual “Cold War” between the parties in order to effectively and jointly exploit such a technologically complex enterprise which is equally important for the economies of both Abkhazia and Georgia. The Abkhaz team’s second point of emphasis proceeds from this reality; that is, to identify areas of common interests and common concerns and to develop these particular directions rather than engage in far-fetched and unrealistic co-operation projects.

It is the general understanding of the Abkhaz team of experts that we should move along a path of economic rehabilitation of the disadvantaged border areas, the creation of normal and dignified socio-economic living conditions in these areas, raising the importance of local self-governing and civic control over the law-enforcement bodies, catering to the cultural needs of ethnic minorities, developing ties and co-operation between the economically prosperous Western Abkhazia with the economically backward Eastern Abkhazia and easing trans-border humanitarian communication to include a certain level of economic co-operation. All of these factors will help to change the general political and socio-economic climate in the currently volatile border areas and create conditions and a socio-psychological context which, when the right time comes, will be much more conducive for the general normalisation of relations between Abkhazia and Georgia.

## Endnotes

<sup>1</sup>Here and elsewhere, “sides” refers to the Georgian and Abkhaz sides.

<sup>2</sup>The term “border” here and elsewhere refers to the Ingur border.

<sup>3</sup>The term “parties” refers to the Georgian and Abkhaz sides.



**PART THREE:**  
**Synthesis paper by the Russian**  
**Co-director of the project**





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## GEORGIAN AND ABKHAZ PERSPECTIVES ON HUMAN SECURITY AND DEVELOPMENT IN CONFLICT-AFFECTED AREAS

### General Aim of the Project

In March 2008, CITpax launched a second-track CBM process with the initial general aim of making an attempt to reframe the conflict resolution process between the Georgian and Abkhaz sides by opening new channels of communication between the parties, involving new actors at both the internal level (civil society actors and experts) and the external level (foreign facilitators or experts) and engaging with all stakeholders in examining the main issues which could promote co-operation at functional levels whilst not overlooking conflict resolution as the final goal.

The researchers who have taken part in the process comprise a group of eight investigators forming two teams working in parallel and concentrating their efforts around the following issues:

- I. Human Rights
- II. Security
- III. Trade and Economic Development
- IV. Energy and Transport<sup>1</sup>

As a means of fulfilling their assignments, the Abkhaz and Georgian investigators drew upon their vast collective experience of being involved in various peace-building initiatives and conducted polling and other field work, mainly in the Gal/i District of Abkhazia and the Zugdidi District of Georgia.

### Composition of the Teams

The Abkhaz team comprised four investigators (Beslan Baratelia, Ilya Gamisonia, Natella Akaba and Arda Inal-Ipa), a chief investigator (Vyacheslav Chirikba) and a project co-director (Liana Kvarchelia).

The Georgian team comprised four investigators (Lasha Tughushi, George Katcharava, Shalva Pichkhadze and Alexandre Kukhianidze), a chief investigator (George Khutsishvili) and a project co-director (Archil Gegeshidze).

Vitaly Naumkin, as a representative of Russia, served as one of three co-directors of the project. Antje Herrberg and Luis Peral worked as international

co-facilitators of the project.

### Team Meetings

In the course of the implementation of the project, the teams and international facilitators had a series of meetings at which they discussed crucial issues pertaining to the project, including particular points of discord between the teams and adjustments to the original plan of actions. These meetings were held in Madrid (3-4 March 2008), Istanbul (20-21 June 2008), London (10-11 October 2008) and Yerevan (8-9 December 2008).

The London meeting, which was held in the wake of the August 2008 war, was of particular importance in that the project co-facilitators and co-directors were engaged in a series of consultations in order to evaluate the new situation. It was agreed that the project's focus should be upon areas of common concern rather than confidence building. In particular, they came to a common understanding of the possibility to continue the work of the Abkhaz and Georgian teams in the abovementioned fields within the following reorganisation:

**Human Rights:** It was agreed to focus upon the rights of displaced persons and the situation of those who returned to Abkhazia, primarily to the Gal/i District.

**Security:** It was agreed that the focus of the ongoing research on the security situation and the activities of law enforcement agencies would remain unchanged.

**Trade and Economic Development:** It was recognised that the August war had rendered the prospects for Georgian-Abkhaz economic co-operation very unlikely to occur in the near future. Despite this, the participants expressed their interest to examine possible development policies for the economically depressed areas on both sides of the Ingur/i border.

**Energy and Transport:** It was agreed that research would be focused upon energy policies regarding the Ingur/i Hydroelectric Power Plant (HPP) which was the most relevant existing example of joint Georgian-Abkhaz co-operation in this field.

## Project Results

Under the guidance of their respective co-directors, each of the investigators wrote a recommendations-oriented policy paper on their individual research topic, which will be published and disseminated following the completion of the work of the editorial board. The policy papers have also been reviewed by a group of international experts in the field. The chief investigators, in their turn, wrote synthesis papers which summarised the results, conclusions and recommendations made by the investigators. This final report represents the last of the project's written outputs in the form of a summary of all the written materials, including the appraisals of the international experts focusing upon recommendations addressed to different local, regional and international actors.

### I. REINTEGRATION PROBLEMS OF RETURNEES TO THE GAL/I REGION FROM THE PERSPECTIVE OF HUMAN RIGHTS

The process of the return of ethnic Georgians to their abandoned homes in the Gal/i district of Abkhazia is one of the most highly politicised issues in Georgian-Abkhaz relations. The interested sides, as well as the intermediating states and international organisations, have repeatedly declared their preparedness to do their utmost in promoting the improvement of the situation in the Gal/i District and arranging for normal living conditions for the population who came back to the homes from which they fled. In reality, however, this area has become a point of discord between the conflicting sides in that each—at both the official and public levels—displays an extreme polarisation of opinions in this respect in both the Georgian and the Abkhaz sides. Together this impedes any overall decisions regarding the stabilisation of the situation, the rehabilitation of the district and the improvement of the quality of life of the returnees in that any attempt thereto faces political differences.

Such a polarisation of views regarding the return of the displaced persons may be accounted for in part by the fact that 14 months of a fierce war in 1992-93 divided the Georgians and the Abkhaz in which both sides were guilty of human rights violations. In all of the issues connected with the problem of the returnees and their rehabilitation—be it the numbers of the returnees, their legal status, citizenship and passports, security or even access to education in

their mother tongue—there are strong differences in the views between the conflicting sides. Even the very fact of the return of the displaced persons to the Gal/i District is viewed by Tbilisi and Sukhum/i from diametrically opposite positions. The Abkhaz leadership, for example, offers Abkhaz citizenship to the returnees whilst Georgia accuses the Abkhaz side of pressuring the returnees to take Abkhaz passports and refusing to apply the procedure of the UNHCR with regards to the registration of the returnees. Until today, no large scale project for the rehabilitation of the social and transport infrastructure, agriculture or the development of civil society has been implemented in the areas of return.

According to different assessments made by both the Georgian and Abkhaz sides, approximately 55,000 of the approximately 90,000 Georgians who had been living in the Gal/i District of Abkhazia before the military phase of the conflict returned on their own. Of these, between 30,000-35,000 of them permanently reside in Gal/i whilst others shuttle to and from across the River Ingur/i which divides the conflicting sides. Practically all of them still hold documents attesting Georgian citizenship. The “spontaneous returnees” are registered by the Abkhazian authorities.

The opposing views and the assessment of the situation together with the absence of mutually acceptable approaches prevent the establishment of stability in the region and hamper any improvement of the social and economic living conditions for the local population. The much needed rehabilitation of the Gal/i District and its residents requires bringing the positions of the conflicting sides closer to the need of stabilising the situation in the conflict affected areas. Account should also be taken of the fact that there is a growing common understanding on the part of the authorities and civil society in Abkhazia of the need to address the situation in the Gal/i District.

As a working hypothesis, it has been suggested that a joint and co-ordinated determination of the lines and dimensions of possible co-operation in resolving the problems of the returnees to the Gal/i District and their social, economic and political rehabilitation will help to depoliticise the issue and will, in some measure, relax the tension in this most important aspect of a full-scale settlement of the conflict. The desire and preparedness of the returnees themselves to participate in the process of rehabilitation will also ease the tension at their destinations and improve

the level of their personal safety.

The investigation conducted by the experts allows one to conclude that politicising the issue of the registration of the returnees and their social, economic and political rehabilitation can only damage the process of a peaceful settlement of the conflict. At the same time, one of the Georgian experts indicated that the conflicting sides should do the following as regards the issue of the returnees:

1. Refrain from further politicising the issue of returnees to the greatest possible degree.
2. Make a clear-cut determination of reasonable interests as regards the issue of the returnees and bring them to the knowledge and understanding of the other side.
3. Try to understand the interests of the other side and take them on board.
4. The returnees themselves should demonstrate more preparedness for co-operation with the other side than the respective authorities do.

Furthermore, one of the Abkhaz experts believes that:

1. The events of August 2008 and the subsequent escalation of tension on both sides of the Ingur/i border produced a destabilising effect upon the situation in the Gal/i District.
2. The official recognition of the independence of Abkhazia by Russia makes the Abkhaz leadership feel more responsibility towards observing international principles and standards in the sphere of human rights and the rights of ethnic minorities.
3. The refusal of the Georgian leadership and international organisations to recognise the fact of the return of the population to Gal/i renders the returnees more vulnerable and raises serious obstacles to the determination of their legal status as well as to the implementation of programmes for their social, economic and psychological rehabilitation.
4. The uncertain status of the returnees to the Gal/i District creates their desire to be legally identified. Some wish to take an Abkhaz passport whilst others prefer to obtain a residence permit in Abkhazia whilst holding their Georgian passport.
5. In addition to security, the most acute problems in Gal/i are:
  - a. the need for a better healthcare system,
  - b. the need for modern education and access to more impartial and varied information,
  - c. providing schools with high quality textbooks

and programmes (including those in the Georgian language elaborated specifically for the Gal/i district) and

d. an acute shortage of qualified teachers, especially in language teaching.

6. Although the Abkhaz authorities are taking some steps towards the rehabilitation of the social and transport infrastructure of the Gal/i District, it is difficult to attain a real improvement of living conditions therein without the active participation of international donor organisations.

7. There are real pre-requisites for the reintegration of the returnees into local society owing to the specificity of Gal/i, its geographic position and ethnic composition.

The results of the study as conducted by the Georgian and Abkhaz experts demonstrate a very participative and inclusive character of their approaches and allow, therefore, for a good overview of the perspectives from all possible sides. Despite the unresolved conflict and some reservations and speculations as concerns the intentions of each of the other sides, these approaches are practical and forward-looking. In the absence of hope for a political settlement of the conflict in the near future, the following recommendations, in the view of a reviewer, present a good variety for a preliminary modus operandi in the interest of improving the humanitarian situation of the displaced population.

## Recommendations

To the leadership of Abkhazia:

- With due account of the existing political context, it is necessary to exercise greater responsibility with regards to the needs and requirements of the returnees to the Gal/i District in conformity with international standards of human rights and the rights of ethnic minorities. It is important to expedite the elaboration and adoption of the Law on the Residence Permit which would meet internationally accepted norms. At the same time, those residents of the Gal/i District who wish to be issued with Abkhaz passports should receive them in a most expeditious manner.
- It is necessary to determine and promulgate the orderly and legal procedures for the Gal/i residents to commute across the River Ingur/i with due account of the interests of national security and the rights of the returnees.
- It is necessary to promote the creation of feedback mechanisms between various levels of

Abkhaz authorities and returnees to Gal/i in order to take their interests into account and to involve them in the decision-making process. To that end, a new position may be created in the district administration in the form of an officer responsible for co-operation with NGOs and village communities.

**To the leadership of Abkhazia and international organisations:**

- The elaboration and implementation of large-scale rehabilitation programmes should start in Gal/i and include its infrastructure, communications and roads. This will help to improve the daily life of the population and contribute to their re-integration into Abkhaz society. Special attention should be devoted to the most vulnerable categories of the population: the retired and pensioners, women with children, the disabled, etc.

- Steps should be taken towards supporting civil society institutions, particularly local self-government in the Gal/i District. Equally important is the support for the Gal/i Centre for the Protection of Human Rights and the expanding of the network of free legal services (the so-called "reception centres"). The implementation of such projects with the participation of civil society activists from other parts of Abkhazia will help to promote an improvement in the human rights situation and to establish civil control over the activities of the local law enforcement bodies.

- It is necessary to expedite the reform of school education in Abkhazia, putting greater emphasis upon improving its quality in Gal/i. To that end, co-operation should be established with the relevant organisations and agencies of the United Nations, the European Union, the Council of Europe, etc., for the implementation of programmes for refresher courses for teachers, the renovation of facilities and technical equipment of schools and kindergartens.

- It is necessary to expand training programmes and workshops for the protection of human rights conducted by the UN mission, involving not only officers of the law enforcement bodies but also those from the local administration.

**To the European Union:**

- Support researchers and civil activists in the preparation and publishing of modern, de-ideologised text books in history and geography for Georgian schools in Gal/i District. To this end, it is advisable to attract European experts from EUROCLIO or the Centre for Democracy and Reconciliation in

Southeast Europe.

- Taking into account the difficult social and economic situation of the returnees and taking into account the EU experience in depressed areas, it is recommended that the EU start on the promotion projects for youth, sports and culture as well as the stimulation of business initiatives with the joint participation of the returnees and the rest of the population of Abkhazia. To this end, the creation of a locally based and internationally supported fund for the development of small business in the Gal/i District is proposed which will be administered with the participation of representatives of civil society, including displaced persons.

**To the Abkhaz and Georgian sides and international organisations:**

- Contacts should start aimed at reaching a mutually accepted agreement on the registration of the returnees to the Gal/i District within the framework of the legal procedures of the UNHCR which will stabilise the situation in Gal/i and create conditions for the greater involvement of donor organisations in the implementation of projects aimed at the economic rehabilitation and the development of local communities, civil society, healthcare and the educational system.

- It is necessary to stop the use of the media for spreading misinformation and ideological clichés which strengthen the 'image of the enemy' and impede the overcoming of ethnic hostility and mutual intolerance between the conflicting sides.

- It is necessary to contribute to the dissemination of true and unbiased information about the events taking place on both sides of the conflict divide.

- International organisations should make efforts for engaging parties (at official and NGO levels) in supporting civil society institutions amongst returnees in Gal/i District.

- Those returnees to Gal/i who wish to integrate into Abkhaz society should no longer be regarded as 'collaborators' but, rather, be given all-round support and encouragement to their full participation in the socio-political life and activities of the local administration, the further democratisation of society and in efforts to expedite the rehabilitation of the population of the Gal/i district.

**To civil society and international organisations:**

- Given the existing deficit of objective information in the Gal/i District, efforts should be made to develop

a programme or a project for raising and sharing information amongst the returnees on the existing situation on both sides of the Ingur/i border. This can be achieved through providing training to journalists or through the development of a technical basis for local independent printed and electronic media. The establishment of contacts and the exchange of information with the journalists from other regions should also be supported.

## II. SECURITY OF THE POPULATION ALONG THE RIVER INGUR/I

The population living across the conflict divide has been suffering from the consequences of the war and of the prolonged political conflict more so than the population in other Georgian and Abkhaz districts. The proximity to the Ingur/i border and the incidents which sporadically occur in the Gal/i District, often taking the lives of ordinary people and the lives of Abkhaz law enforcement representatives, create extremely difficult conditions for a normal life. On the other hand, the lack of serious rehabilitation programmes, high unemployment and imperfect laws do not create favourable conditions for carrying out legal businesses but only encourage the spread of crime. Problems in the security sphere exert an impact upon practically all aspects of the daily life of those living along the Ingur/i border and significantly limit their opportunities for participating in the country's economic and political life.

The security level in the Gal/i District is not only a consequence of the Georgian-Abkhaz confrontation but in itself is a factor influencing the conflict and the region's stability in general. Provocations and crimes committed therein often lead to a serious deterioration of the whole situation and so it is for this reason that the safety of the inhabitants of Gal/i is not only a serious humanitarian challenge for all those involved but it is also a problem which must be solved in order to contribute to establishing peace and stability in the region overall.

Despite the extreme tensions between the conflicting parties along the cease-fire line, Georgian representatives of the law enforcement structures and civil administration authorities—as well as organisations championing civil rights together with the majority of the common residents of Zugdidi and those living in close proximity to the cease-fire line—are in favour of the resumption of Georgian-Abkhaz relations through multilateral meetings with a view to

exchanging information and enacting other forms of co-operation as regards security issues. The Abkhaz side supports the idea of creating a multipartite commission within the framework of the Geneva process in order to prevent incidents in the areas along both sides of the River Ingur/i.

The studies conducted by each of the two investigators working on this particular issue overlap with the studies conducted by another pair of researchers on the problem of the returnees from the perspective of human rights. Despite the proximity of the topics, the investigators put forward different goals within their research work with the results of these studies well complementing those which tackled the problem from the angle of human rights.

Furthermore, the two investigators—one from the Georgian team and another from the Abkhaz team—approached and conducted their individual studies differently. Not surprisingly, the paper drafted by the Georgian investigator focused upon measures towards improving human security which would aid in the future reconciliation between the two sides on the national level whereas the contribution of the Abkhaz expert attached more importance towards improving the situation within the current status quo. The Georgian expert focused mainly upon law enforcement structures and international actors (the EU and UN) whilst possible governmental confidence-building measures or civic initiatives remained less addressed. The study conducted by the Abkhaz expert focused upon the situation prior to August 2008 which was complemented by an analysis of the situation in the post-August period. According to a reviewer's view, the statistics as registered by the UNOMIG differ from those of the Information Centre of the Abkhaz Interior Ministry. This can be explained by the use of different definitions or the fact that not all reported crimes appear within the statistics of the Interior Ministry.

Despite the sensitivity of this issue and the difference in their approaches, both experts demonstrated commonalities in their conclusions and recommendations which an external reviewer has advised them to further expand.

A common position of the investigators concerns the need to strengthen the civic control of law enforcement structures. In order to facilitate an increased control over the law enforcement structures

in the conflict affected areas, the Georgian expert proposed that the Heads of Police, the Prosecutors and the Heads of the Local Administration in both the Gal/i and Zugdidi Districts should have regular tri-partite meetings in order to address the security situation in their respective sectors and which include the participation of civil society and the institution of the Ombudsman. The Abkhaz investigator also mentioned that the capacity of the local administration and self-government as well as civil society organisations should be strengthened in order to ensure more transparency in the law enforcement in Gal/i. At the local level, citizens should be involved in their security through the establishment of citizens' advisory groups or community safety councils which meet regularly with members of the local law enforcement in order to discuss local solutions to local problems.

Both experts agreed that further work needs to be done in terms of professionalising their respective law enforcement structures according to international standards. For Georgia, this could be done by an increased co-operation with the EU, the OSCE and the UN along the lines of what is hitherto being done. For Abkhazia, this would mean stepping up co-operation with the UN and Russia. The UN Police has adequate local experience and a good understanding of the law enforcement problems in Abkhazia. An additional international needs-assessment could be conducted which should certainly include Gal/i.

The local Georgians from the Gal/i District should be stimulated towards working in the local law enforcement structures. This means recruiting and training men and women of Georgian ethnicity as policemen or at least auxiliary staff in Gal/i. There are many international examples which could be studied and adapted to the local needs.

The fact that the Gal/i area residents lack credible information concerning the overall security situation in Gal/i is cited as one of the factors contributing to the feelings of insecurity amongst the local population. In order to address this issue, it might be worthwhile to look into the proposal to launch a Gal/i-based media outlet, be it television or printed media. This outlet should be run by a board made up of local residents which represents both ethnicities.

The question of Abkhaz citizenship for the local residents of the Gal/i District needs to be handled with utmost care. The Abkhaz side needs to refrain

from any discriminatory measures vis-à-vis the local population. The Georgian side needs to refrain from any pressure upon the returnees to the Gal/i District.

As overall confidence- and security-building measures, the need for demining and preventing the mining of new areas is an obvious consideration which was concluded by both experts alike. In the view of one international expert, the proposal to mutually sign declarations for the non-resumption of hostilities can also serve as important confidence- and security-building measures.

## Recommendations

### To international organisations:

- To organise regular multilateral meetings on the issues of human security with the participation of the Georgian and Abkhaz sides, the EU and the UN, as well as Ombudsmen representatives.
- To encourage a consensus between the Georgian authorities and the UNHCR as to the urgency that the Gal/i residents be registered as returnees.
- To promote negotiations towards the signing of an agreement for the non-resumption of military actions.
- To influence Georgian political circles to discourage all forms of sabotage in Abkhazia.
- To find the means to influence the Government of Georgia to renounce pressure upon the population of Gal/i, especially upon those working for the local authorities.
- To contribute to achieving a compromise on a new mandate for a UN mission, to continue co-operation with the UN mission in Abkhazia and to resume activities under the auspices of the UN joint working group on security.
- To encourage a renewal of co-operation in the security sphere on both sides in the form of bilateral meetings and the exchange of updated information by those responsible for law-enforcement on both sides.
- To organise a mission to define the needs of the population of Gal/i in partnership with international experts.
- To consider the possibility of organising a conference to mobilise financial resources in order to provide full-scale assistance to the returnees to Gal/i and to restore its local infrastructure as well as that in other districts of Eastern Abkhazia.
- To develop a programme for raising the level

of professionalism and awareness with regards to human rights protection for Georgian and Abkhaz law enforcement bodies (with the involvement of the EU and the UN).

- To include respective Russian structures into security promotion programmes in Abkhazia given that this kind of co-operation strengthens stability and serves the interests of all sides.

#### To the Georgian and Abkhaz sides:

- To encourage the development of mechanisms for the exchange of information and mutual assistance with respect to human rights violations in the areas along the Ingur/i border for representatives of the Ombudsmen and human rights organisations on both sides.

- To find opportunities for accelerating the issuing of Abkhaz passports for the Gal/i residents who want to acquire Abkhaz citizenship.

- To the Abkhazian Parliament: to standardise regulations with respect to the residence permit for the Gal/i population and for those other residents of Abkhazia who do not want to acquire Abkhaz citizenship.

- To encourage the strengthening of the local self-government in Gal/i.

- To encourage representatives of the Gal/i population to participate more actively in local administration.

- To implement better public and civic control over the activity of all regional subdivisions of the law-enforcement agencies in Gal/i.

- To establish standards (entry into police-training colleges on preferential terms, for example, amongst others) for recruiting the local population for work in law-enforcement structures.

- To work out a system of standards towards improving the professional level of officials of the border zone using the training resources of the UN police.

- To launch a television channel in Gal/i for broadcasting in the Georgian language and providing the population of the region with reliable information about current events.

- To combat racketeering and other types of crimes committed by criminals or administrative officials against the Gal/i population.

- To establish a standardised and transparent system of taxation in Gal/i in order to detect cases of abuse.

#### To Abkhaz civil society organisations:

- To engage representatives of Gal/i NGOs in the work of those in different parts of Abkhazia in order to inform, in the first place, young and civic activists about the problems and needs of the Gal/i population and, in the second place, about the security problem in the border zone.

- To work out measures to stimulate the co-operation of activists and civic organisations with the structures of local self-government in the Gal/i district.

- To encourage citizens' participation in campaigns for greater transparency in administration, law enforcement and tax institutions; to develop and establish mechanisms for civic control and to use the options which are open through the Public Chamber and the President's Plenipotentiary Representative on Human Rights.

- To encourage the creation of reliable television and radio programmes about the situation in Abkhazia, including the security problems in the areas on both sides of the Ingur/i border.

#### To the European Union:

Based upon the foregoing, the Georgian investigator who conducted this research envisages three scenarios for the role which the European Union can play in the area of the Georgian-Abkhaz conflict as follows:

##### *Scenario I*

In the case wherein the UN mission continues its work in the conflict area and the European Union is not admitted to the territory of Abkhazia (since Abkhazia does not regard the EU as an impartial party):

- the European Union continues training Georgian police in exercising police surveillance and protection of human rights in the conflict area and co-ordinates its activities with the United Nations which simultaneously trains Abkhaz police in the same line.

- the European Union and the United Nations co-ordinate their activities aimed at the organisation of Georgian-Abkhaz meetings upon a regular basis for insuring security in the conflict area, the protection of its population and combating crime.

- the European Union and the United Nations co-ordinate their activities aimed at the organisation of co-operation between representatives of non-governmental organisations and the Ombudsmen in

the cities of Zugdidi and Gal/i and the promotion of people's diplomacy.

#### *Scenario II*

In the case wherein the UN mission discontinues its work in the conflict area, the European Union offers the Abkhaz side its services as mediator in the abovementioned three points of Georgian-Abkhaz co-operation outlined in Scenario I.

#### *Scenario III*

In the case wherein the Abkhaz side rejects the mediation of the European Union (that is, in the case of Variant II), the latter offers similar services to the Georgian side, where it:

- creates a model of participation of the European Union in insuring security in the conflict area which could later be extended over other districts of Georgia and used therein.
- promotes a rapprochement between the police, the local administrative structures and the non-governmental organisations of Georgia and the European Union regarding the issues of security which would meet the EU strategic tasks of its European Neighbourhood Policy (ENP) and promote the democratisation of Georgia proper.

In the case of Scenario III, co-operation between the European Union and Georgia could be extended in the following two directions:

Increase of the role of the European Union in the professional training of Georgian police

1. The mandate of the EUMM should include the protection of human rights and the security of the local population by way of the introduction of European police forces.

2. It is imperative to carry out professional training programmes for Georgian police officers and special troops acting in the Zugdidi District and along the course of the River Ingur/i with a view to upgrading their efficiency in ensuring their personal security as well as that of the local population.

3. Assessment of the needs and logistical support of the law enforcement structures acting in the Zugdidi District and along the course of the River Ingur/i.

4. Co-ordination of activities between the EUMM and the Georgian law enforcement structures in exercising anti-criminal operations.

5. In the remote future, mutually acceptable forms

of co-operation should be sought between the Georgian and the Abkhaz law enforcement structures with the mediation of international organisations such as the UN and the European Union. There should be an exchange of information concerning crime and meetings between representatives of the law enforcement structures of both sides.

Democratic control over the police forces acting in the Zugdidi District and along the Georgian side of the River Ingur/i

1. Establishment of efficient control over the activities of the police by the Ombudsman's office in Zugdidi in the protection of human rights.

2. Organisation of training programmes for police officers on the issues of tolerance with the participation of international and Georgian NGOs.

3. Dissemination of information amongst the local population concerning the problems of security, combating crime and the violation of human rights.

4. Arrangement of meetings upon a regular basis between representatives of Georgian law enforcement structures and local administration authorities with the general public for discussing problems of security, combating crime and the violation of human rights. Such meetings should be arranged by the non-governmental sector.

Given appropriate political conditions and with the mediation of the European Union, an exchange of experience could be organised between the Georgian and Abkhaz sides in the remote future as regards the issues of democratic control over the police, relations between the law enforcement structures and representatives of civil society with a view towards jointly discussing the problems of security, crime and the protection of human rights of the population residing along the course of the River Ingur/i.

### **III. TRADE AND ECONOMIC DEVELOPMENT OF THE CONFLICT AREAS**

Owing to the political tension around the development of the conflict areas<sup>2</sup>, their economy and population are almost fully isolated from the world economy and have no free access to present-day technologies, investments, commodity and services markets. At the same time, the dependence of the economy of these areas upon a single market decreases the possibility of its diversification which, against the backdrop of today's world economic crisis, will greatly influence the possibilities for their

economic development. Trade and economic relations between the Abkhaz and Georgian sides are practically non-existent pending the resolution of the conflict. Currently, the entire scope of their relations remains unofficial. Despite the absence of official trade, the trans-boundary turnover was assessed by experts to be not less than USD 10 million a year in the period preceding the August 2008 events.

The Samegrelo-Zemo Svaneti District of Georgia and, especially, the Gal/i-Tqarchal/Tqarcheli-Ochamchira Districts of Abkhazia, in accordance with the criteria of the EU, may be described as depressed areas. These particular districts of Abkhazia have suffered the most of all from the protracted conflict wherein the local population experiences the harsh realities of meeting basic human needs in the conflict environment. Given the background of wider international events, peace-builders are seeking new ways, new thinking and new instruments in order to transform and resolve the conflicts in such a way which provides a basic infrastructure for those populations having to live and survive socially and economically in such a complex conflict zone. With a comprehensive analysis of the social and economic challenges facing the population living in the depressed areas, transparent solutions should be found in order to rehabilitate a basic infrastructure which provides security, food, shelter, employment, health and well-being for the population living in depressed conflict areas by those entrepreneurs hoping to invest there or the authorities attempting to administrate the region.

This social and economic regeneration framework should be based upon security, legalised deals and growing economic activity in the conflict-affected areas. Access to food, shelter, employment, health and well-being can be widened whilst the larger political conflict is resolved. There is no alternative but to develop mutually beneficial social and economic relations which maximise local resources to service basic needs for the sustainable rehabilitation of a secure and functioning socio-economic infrastructure. International assistance is badly needed but focus should be made upon using the local resources which are available, however limited. Growing local capacity as a means of solving local problems will overcome the current isolation and dependency upon outside donors.

An analysis of the data measuring the types of transactions currently taking place amongst the local

population shows that the three main sources of social interaction are in services, purchases and sales. These types of interactions come primarily from trade deals with sales predominantly in 'finished products' and indicating that current relations between the populations are based upon the supply and demand concepts of interdependency. This trading relationship demonstrates that the local population interacts mainly to buy and sell those commodities required to sustain their basic human needs. In this regard—and in the absence of public or external resources and despite the conflict—the local population is already dependent upon local trade in order to survive in such depressed areas across the conflict divide.

The local population has already developed mutually beneficial systems in services, purchases and sales in order to sustain a basic infrastructure. Peace-building activities, therefore, need to focus upon these already established inter-personal and micro-regional entrepreneurial trading interactions if they are to have any long-term impact in rehabilitating a stable social and economic infrastructure in the conflict affected areas. The Georgian and Abkhaz investigators assume that a focus upon re-energising the local abundant agricultural resources may offer an effective and constructive solution on how to transform the region's depressed social and economic state within the current global economic climate.

Agricultural production dominates the conflict affected areas. As the studies conducted by the Abkhaz and Georgian investigators show, fostering creative economic enterprises for processing agricultural products can generate greater social interaction in services, purchases and sales between the Gal/i District and other districts of Abkhazia, on the one hand, and improve the political climate between the two sides of the conflict, on the other. Promoting growth, stability, income and self-employment will increase trust and mutual understanding. Developing this type of a local conflict transformation process has the potential to attract further international investment for greater social and economic growth. In providing a strategic framework for the social and economic regeneration of the conflict areas, the paper demonstrates how the creation of a mutually beneficial format for the implementation of economic and social projects will have many-sided consequences. Not only will economic stability promote job creation but the improving relations will also open up new opportunities for local entrepreneurs to develop new markets, both regionally and internationally, and

thereby increase the potential for greater investments and long-term stability.

In the absence of sufficient public resources, the investigators proposed a creative solution on how to rehabilitate the conflict affected areas in the form of a process which requires a long-term perspective and which necessitates dialogue between and within all sides to the conflict. If the rehabilitation process is to succeed within such limited resources, local farmers and entrepreneurs -whose income will subsequently increase- need to work with local residents as potential employees at enterprises within the conflict areas. A special regime of tax incentives will be required in order to encourage such mutually beneficial enterprises with new partners, entrepreneurs and international investors then being encouraged to help sustain a secure social and economic framework which can begin to develop greater trust and co-operation in the vicinity of the Ingur/i border. This approach can help the population, administrators and authorities to explore how trust and relations can be rehabilitated constructively. Such a constructive dialogue could eventually open up trade and economic relations both regionally and internationally.

Providing legitimate sources of social and economic activities will help the population move away from criminal endeavours before they become normalized. In Abkhazia, the local population can become active participants in the visualised economic development through a range of short, medium and long-term social and economic regeneration strategies. The authorities can also employ creative tax incentives between districts in order to encourage short, medium and long-term growth and investment opportunities for local, regional and foreign entrepreneurs. The Government should encourage tourism which will create broad employment opportunities in Abkhazia.

The major dilemma facing all those populations living in the depressed areas is the volatile and unstable political situation which deters the population from making a long-term strategic investment in the conflict affected areas. For those living in those areas, therefore, it is important for them to learn that they need to develop a common understanding of what their future will look like if they wish to stay and prosper and, as well, what role they will play in making the region prosperous for all. With such a common understanding between the local communities, wider socio-economic development programmes can be initiated by the authorities, academics, educationalists

and civil society partnerships which can regenerate the local population, villages, roads and infrastructure as a means of attracting further economic investment.

The opinion polling of various entrepreneurs attests to the presence of already considerable levels of economic activity in areas along the Ingur/i border. Single trade operations with local agricultural products, however, are the predominant ones with the deals made therein in the form of short-term operations involving small batches of goods valid for only one occasion and effected by individual petty traders upon paying-in-cash terms. Other forms of economic relations (services, co-operation and production) are practically non-existent. Economic activity reaches its peak in the summer and autumn during the harvest season and the selling of the agricultural produce.

According to polling results, longer-term and large scale deals are of an exceedingly rare occurrence. The current political and economic situation has contributed to the emergence of such economic relations when dealings between two entrepreneurs are no longer based upon medium- and long-term expectations. The majority of deals, therefore, are in the purchase and sale format which brings immediate returns and minimises commercial risk. The fact that few investments come into the economy of the conflict affected areas, owing to the absence of a political resolution, aggravates the existing problems. The economic agents and international organisations have to operate under rather specific conditions to which they are generally unaccustomed. Nevertheless, the polling results attest to the existence of some positive inclination towards the making of investments.

The investigation conducted by the Georgian and Abkhaz experts identifies the positive and non-threatening role which academics and educationalists can develop as a means of creatively engaging both internal and external experts and the local population in discussions on how to create the social and economic conditions necessary for a sustainable social and economic regeneration of the conflict affected areas on both sides of the divide. Civil society groups are also identified as key local resources necessary for obtaining the social capital required to create confidence in local employment/ investment or regeneration opportunities within business and micro-industries, tourism, education, training and health and social care programmes.

Working with the relevant authorities, tax incentives can be used to increase the level of local investment under international support mechanisms and local multi-agency partnerships. Re-imaging the area can also attract further inward investment opportunities upon the basis that higher risk brings higher return. The reward and encouragement of this entrepreneurial type of economic activity can further develop 'fast track' transportation systems in order to get produce to markets. Encouraging bartering and the exchanging of goods and services—not just money—at an early interventionist stage in the regeneration process can increase local profitability.

Developing creative internal transportation systems and marketing campaigns can encourage others on the Abkhaz territory beyond the conflict affected area to purchase goods and services as a means of providing creative economic support to the local population. Local strategy partnerships can be used to research new business and agricultural opportunities and to spread investments in projects designed to address soaring unemployment and the falling standards of living. This can be achieved most cost effectively through re-training, reconstruction, education, health programmes, child care, community relations and community development initiatives which can all be delivered by the local population and which increase local employment opportunities and a 'buy-in' for the regeneration processes. Encouraging the local population to develop these kinds of economic initiatives can also have a major long-term impact in re-stabilising the economic productivity in the area.

As much as the banking sector, the population should also be encouraged to develop local credit unions as a means of increasing fiscal and social capital and directing local resources towards those economic activities deemed most likely to succeed. The Abkhaz authorities also need to establish multi-departmental initiatives in the eastern districts of Abkhazia which they can achieve by simply locating their offices in these districts and to providing well paid jobs for the local population. Again, a long-term public programme will show leadership commitment and increase the confidence for attracting other infrastructural investment opportunities from both the incumbent authorities and private/foreign investors. The authorities, therefore, need to develop an effective marketing campaign as a means of maximising the economic potential of the area. This can be done by promoting 'Fair Trade' type

programmes channelled through a special broader programme of development targeting Abkhazia's eastern districts.

Notwithstanding the practical and legal obstacles which are currently in place, the substantial support from the authorities through an amended tax legislation in Abkhazia could create innovative initiatives for rewarding those entrepreneurs working in the depressed areas by means of a preferential tax treatment in the near future. The paper demonstrates how a package of such investment proposals for Eastern Abkhazia can promote the conditions needed for investors to focus their capital into the agro-industrial complex, especially in the depressed areas. Such initiatives can be encouraged through the development of special international support funds. If local populations are to successfully regenerate their areas, they will have to re-establish links between Gal/i and the other districts in Abkhazia as well as across the Ingur/i border, if necessary. The depressed areas can only be regenerated through a mixture of special economic projects involving diverse partners and delivered at the local level. The economic regeneration in the depressed areas on both sides of the divide needs to have clearly focused strategies and the right conditions for investment and socio-economic growth. All partners will need to develop a strategic perspective on how they can work collaboratively and in parallel in order to achieve improved socio-economic conditions for all those living and working in the depressed areas.

Strategic developments need to be shaped and communicated in such a way that the local population is able to deliver them. Within this supportive and inclusive economic context, the depressed areas can play an active role in regenerating the socio-economic networks in the area. This outcome will contribute to the development of a positive transformation process which will improve the immediate and long-term living conditions of the population. This interventionist approach can become the catalyst for greater social and economic development in the depressed areas on both sides of the Ingur/i border.

### **Recommendations to the Georgian and Abkhaz sides:**

To both sides:

- To create the legal basis for a preferential regime for economically important (mainly agricultural)

products of local origin and the free and secure movement of goods, services and humans across the border of the conflict affected areas.

- To create a simplified regime of taxation in the conflict areas.
- To establish contacts between local and international businessmen.
- To improve the social situation in these regions.
- To study the possibilities for creating conditions for the trans-boundary movement of goods across the River Ingur/i thereby legalising the already existing trade.

To the Abkhaz side:

- To elaborate a special development programme for the eastern districts of Abkhazia.
- To grant entrepreneurs working in the depressed areas with a preferential tax treatment and to develop local credit unions as well as commercial banking.
- To work out a package of investment proposals for Eastern Abkhazia including preferential treatment for foreign investors.
- To create favourable conditions for co-operation between the entrepreneurs of Western and Eastern Abkhazia.

### Recommendations to the European Union:

In the near- and mid-term perspective:

- To implement programmes of micro-financing.
- To create business incubators giving priority to the cultivation of agricultural products, especially subtropical fruits, nuts, cereals and vegetables, as well as cattle and poultry breeding and fish farming.
- To offer consulting and other services.
- To launch a dialogue between the EU member states, international organisations and NGOs on the measures to support conflict affected areas in the region.
- To establish contacts between local and international businessmen.
- To allocate funds for educational programmes on the principles of the management of social capital and entrepreneurship for local businessmen.

In the long-term perspective:

- To establish a special fund (Interreg or Cohesion) for supporting the development of the depressed areas on either side of the River Ingur/i

for the financing of business projects in the small- and medium-enterprises sector (granting cheap short- and medium-term credits and non-returnable grants).

- To create international interregional programmes.
- To provide economic rehabilitation of the conflict areas.
- To enhance legal, less risky and more lucrative forms of participation in international economic processes.
- To encourage the free and safe movement of the population, products and raw materials between the conflict areas and the regions upon which they border.
- To jointly elaborate mid- and long-term action plans that identify the needs and obstacles for economic development.

### IV. THE INGUR/I HYDROELECTRIC POWER PLANT AS A PART OF THE POWER COMMUNICATION SYSTEM AND A FACTOR FOR REGIONAL STABILITY

The project of the rehabilitation and development of a united power system for the North Caucasus and Transcaucasia with prospects for its further growth and connectivity to other systems upon the condition that the power generating cascade of the Ingur/i hydroelectric power plant should be an active part of it in full capacity (not less than 1500-1800 megawatts at full load) is becoming a profitable regional project from the technical point of view and a large-scale project for regional co-operation as well as a factor working in favour of the stability of the region.

The geographical position of the Ingur/i HPP presupposes definite forms of co-operation between Abkhaz and Georgian power engineers and, as the investigation suggests, such co-operation is relevant even today after the August war and the recognition of Abkhazia by Russia.

The only possible prospect for such co-operation is the continuation of work for the further rehabilitation of the Ingur/i HPP cascade to include all the Perepad (lit. Overfall) stations. In addition to the rehabilitation of the entire cascade of the power plants at the Ingur/i HPP, the rehabilitation of the power transmission lines on the route from Ingur/i to Psou is also of great importance.

Owing to the fact that the Tquarchal/Tquarcheli

Regional HPP and the Sukhum/i HPP are currently out of operation, the power transmission line Sukhum/i-Psou has practically no in-feed and is devoid of balancing possibilities. Given that the line has been in operation for a sufficiently long period of time and its carrying capacity no longer meets the needs of the country, its urgent rehabilitation is of the utmost necessity, even more so because the Ingur/i-Psou line is part of the potential closed ring.

Provided that the outstanding political contradictions and conflict situations which currently challenge the South Caucasus are settled, energy communications can gradually be brought together within optimum arrangements for the benefit of all the countries in the region.

Today, Abkhazia features as a full-fledged participant in all the ongoing processes in the region and, as such, it is also an interested party in the issues connected with the rehabilitation of South Caucasus' power system. Abkhazia's active position in these issues is accounted for by the fact that the main power generating installations of the Ingur/i HPP are located on its territory whilst the power transmission line Ingur/i-Psou plays a leading role in the future South Caucasus "closed ring" system.

Which mechanisms could have been activated for the elaboration of a more efficient approach to the process of the further rehabilitation of the Ingur/i HPP complex? Undoubtedly, there is an urgent need for the further rehabilitation of the Ingur/i HPP in the interests of the entire united power system or power grid of the South Caucasus. At the same time, however, there is an immediate interest on the part of the Joint Stock Company Inter RAO UES, as the main actor in the energy policy of the South Caucasus, and of the European Union which, in principle, should consider the power grid of the South Caucasus as a part of the potential Black Sea energy ring. In this regard, it is not difficult to infer that both the Abkhaz and the Georgian sides must contribute towards attracting the financial and power engineering structures of the Russian Federation and the European Union in participating in the rehabilitation of the Ingur/i HPP and its further exploitation. It seems possible to set up a special fund under the aegis of Russian and European structures for supporting the most interesting projects contributing to the rehabilitation of the republic's depressed areas, promoting the revival of the economic potential of the parties to the conflict and consolidating regional stability. One such project for this fund could be to

finance the rehabilitation of the entire Ingur/i HPP cascade, the Sukhum/i HPP and the Ingur/i-Psou power transmission line. Further to this end, it would be logical for the European Union and, particularly, the EBRD to assume a constructive position in the negotiation process with the Abkhaz side as concerns the problems for the further rehabilitation of the Ingur/i HPP.

By the time this study was about to be completed, the mass media, including electronic means of communication, had disseminated information about the signing of a "Memorandum of Mutual Understanding of the Problems of the Efficient Operation of the Ingur/i HPP" between the Ministry of Power Engineering of Georgia and the management of the Inter RAO UES. The particular interest which Inter RAO UES had continually been displaying towards the Ingur/i HPP complex has been already highlighted in the course of this research and so these developments were not unexpected for experts in the field. Nevertheless, any attempts at forecasting the future destiny of this "Memorandum" would be premature because any projects connected with the Ingur/i HPP have to be considered within a multilateral format. In view of the fact that the main part of the Ingur/i HPP cascade is on the territory of Abkhazia, the implementation of any projects will be nearly impossible without the Abkhaz side on board. As a result, it is necessary to explore the feasibility of formats of co-operation which would be inclusive and imply a buy-in of all relevant stakeholders and, thus, would be sustainable and lead towards mutually beneficial and trusted relationships. Given the circumstances, the Georgian expert working on this issue proposed the creation of a Consortium which would be an instrument for identifying the ways and means for implementing new rehabilitation and construction work in the region. Furthermore, the Consortium could also be used as an effective tool for creating a confidence-building environment not only for the implementation of economically viable projects but also for changing the attitudes towards the political aspects of the process of the settlement of the conflict. His paper discusses three different formats for the joint management of the Ingur/i HPP. Based upon the discussion of the pros and cons of each of these formats, the most advantageous seems to be an the option for the establishment of a Consortium consisting of equal representation from the Georgian, Abkhaz, Russian and EU sides which is supported by several arguments. Firstly, all partners participate upon an equal footing which thereby makes this

format indiscriminate and which will serve as a basis for developing trust and agreeable working relations between the partners whilst eventually ensuring the sustainability of the proposed format. Secondly, this arrangement ensures additional incentives for reinforcing Georgian-Abkhaz co-operation within a positive experience which can be used in the future as concerns other aspects of peace-building and Georgian-Abkhaz reconciliation. Thirdly, it will be the first time that international actors and donors participate in a multilateral format of co-operation which in turn will increase the credibility of the whole process. Fourthly, this option, if successful, can serve as a role model for other potential plans of co-operation across the conflict divide which will benefit and positively influence the dynamics of the conflict transformation. Fifth and lastly, one of the primary merits of this format is its depoliticised nature which provides a basis for sustainability despite political difficulties which may arise around the conflict resolution issue.

A summing up of all of the research materials allows us to make the following conclusions:

1. The Ingur/i HPP still remains an important constituent part of the potential power grid of the South Caucasus.
2. Despite the political processes, both the Georgian and Abkhaz sides must seek forms of co-operation with a view to finding such forms which would provide for the security of the entire Ingur/i HPP cascade as well as its complete rehabilitation and subsequent operation.
3. The JSC Inter RAO UES is interested in the operation of the Ingur/i HPP as part of the future united power grids of the South Caucasus. In its turn, the European Union may also be interested in the operation of the Ingur/i HPP as part of the energy ring to be located around the Black Sea.
4. As a project involving multilateral co-operation, the Ingur/i cascade is thereby an important factor of stability in the South Caucasus.

#### Recommendations to all sides:

- It is necessary to set up a special fund under the aegis of the interested parties (the Russian Federation and the European Union) with a view to supporting projects aimed at the rehabilitation of the vitally important structures and depressed areas in the South Caucasus. The further rehabilitation of the Ingur/i HPP could be financed from this fund.

## SOME GENERAL OBSERVATIONS AND CONCLUSIONS

The results of the studies conducted by the investigators and their recommendations addressed to different official and non-official, local, regional and international players allow us to make some general observations and conclusions.

The common point in all of the studies is that it is still possible to develop programmes in areas of common concern on both sides of the River Ingur/i through addressing the needs of the population in the conflict affected areas even though direct co-operation between the two sides in a wide range of areas is not feasible. To this end, the EU should take a proactive stance in promoting communication channels and problem-solving mechanisms.

As the Georgian chief-investigator suggests, a number of messages have been sent by the investigations:

**Message One.** There is both a need and an expectation in statistically representative groups of Georgians and Abkhaz respondents to revive a multi-partite format of regular meetings preferably under the aegis of the UN, the EU or the US (the last of the three is the expressed preference of the Georgian side) after the Chuburhinji format has been abolished whilst some powerful factors on both sides hinder a timely and due consideration of this matter. The EU input would be extremely important in order to promote a mutually accepted systemic form of communication for activating the dialogue between the two sides and facilitating problem-solving. This will objectively lead to more predictability and reduce tension.

**Message Two.** The politicisation of the issues negatively affects the prospects for solution. Discussions on all matters which represent a stumbling block for developing communication between the two sides—such as the question of the status of territories and citizenship of the returnees—must be postponed until the basic conditions for overcoming the current critical situation are moved sufficiently forward. From the situation which exists in the researched areas, it becomes obvious that the Georgian authorities are not able to promote the trade, co-operation and dialogue between the conflict-affected communities. According to one of the investigators, the whole area

resembles a front-line with the constant expectation of hostilities to be renewed on either side, on the one hand. On the other hand, as another investigator insists, the Government of Georgia will not create obstacles for the activities of those international organisations with a mandate for operating on the spot (at the moment, the UNOMIG is the only organisation with a mandate accepted on both sides whilst the EUMM is accepted only by the Georgian side).

**Message Three.** The Russian authorities can contribute to the abovementioned confidence-building measures and proposals or, at least, not prevent them from developing, especially when it comes to the Gal/i Georgian population's taking part in rehabilitation programmes. It should be understood that the development of the confidence-building measures and mutually beneficial proposals is in the interests of all sides.

In the view of the Georgian chief-investigator, focus has to be made upon the following main recommendations which sum up a number of proposals to which he added his perspective:

(a) With due account of the complicated socio-economic situation of the returnees and proceeding from the experience of European Union activities in disadvantaged areas, it is recommended that the EU begin to stimulate and promote business initiatives in which returnees would take an active part. To that end, it is proposed by the experts that international business funds (including income-generation and grant- and or credit-giving programmes) be established in order to promote small-businesses in the Gal/i District of Abkhazia.

It is desirable that the abovementioned fund be managed or co-managed by representatives of civil society, including the returnees' non-governmental organisations on site. According to all the experts, increasing the role of civil society is an important factor in achieving the necessary link between the impoverished population and the local government so that the situation with regards to human rights is monitored.

(b) One of the most promising areas for possible co-operation between the two sides is the joint exploitation and development of the potential of the Ingur/i hydroelectric power plant although this largely depends upon the developments in light of

the Memorandum signed by the Georgian Ministry of Energy Supply and the JSC Inter RAO UES in December 2008. The text of the Memorandum has been declared a commercial secret. This has given rise to a discussion of several scenarios which can describe the possible development of events with a greater or lesser probability until the document is made public or the agreements implied by the Memorandum are signed.

(c) It is very important that the EU support the projects designed to prepare and publish up-to-date and de-ideologised textbooks and instruction materials in history and geography, which would be distributed in Georgian schools in the Gal/i District of Abkhazia, as a means of promoting dialogue, reconciliation and post-conflict co-operation between the communities on both sides of the conflict. This would be a serious step forward towards overcoming the present state of distrust between the Georgian and Abkhaz communities and facilitating the ground for successful confidence-building programmes in the near future.

The Abkhaz chief-investigator, in his turn, highlighted a number of commonalities and crosscutting points in the recommendations proposed by the Abkhaz and Georgian investigators. Amongst these, the most important recommendations are as follows:

- To elaborate Abkhaz laws on the residence permit which will allow those in the Gal/i District who do not wish to acquire Abkhaz passports to preserve their Georgian citizenship and enjoy all the legal rights of property, inheritance and business.
- To strengthen law and order by improving the work of the law-enforcement agencies.
- To the Government of Georgia: to stop the activities of various saboteur groups.
- To disseminate reliable information about the events in the conflict affected areas in both the Georgian and the Abkhaz sides.
- To strengthen the self-governing bodies in Gal/i.
- To economically rehabilitate the depressed regions, to improve living standards and to stimulate and support local sport, art, youth and business activities of the population of the conflict zones.
- To register the returnees in the Gal/i District.
- To provide assistance in training a police force by relevant international organisations (the EU in the case of the Georgian side, the UN in the case of the Abkhazian).
- To establish civic control over the activities of the

local law-enforcement bodies, including through the institution of the Ombudsman.

- To publish de-ideologised textbooks in history and geography for Georgian schools in the Gal/i District through enlisting assistance from international institutions.

Georgian-Abkhaz co-operation on the Ingur/i HPP is a graphic example of the particular importance for the successful implementation of the goals of peace-building and reconciliation. Despite the prevailing mistrust and hostility which are characteristic of the present stage of Georgian-Abkhaz relations, the two sides are able to find a certain *modus operandi* in order to effectively jointly exploit such a technologically complex enterprise which is equally important for the economies of both the Abkhaz and Georgian sides. This illustrates the imperative to seek areas of common interests and common concerns and to develop these particular directions rather than engage in far-fetched and unrealistic co-operation projects.

By implementing the proposed initiatives —as all of the participants in the project believe— it will be possible to influence the general political and socio-economic climate in the currently volatile border districts along the divide line with the aim of creating the necessary conditions for development and peace-building.

## Endnotes

<sup>1</sup>At a later stage of the research it was agreed not to focus upon transport within the framework of this project.

<sup>2</sup>This refers to the depressed districts along the Ingur/i border such as Gal/i, Tquarchal/Tqvarcheli, Ochamchira, Zugdidi and Tsalenjikha.

# Glossary

**Conflict** – stands for the Georgian-Abkhazian conflict

**Displaced persons** – stands for Refugees/IDPs

**Ingur/i border** – stands for the Georgia-Abkhaz border

**Parties to the conflict** – stands for the Georgian and Abkhaz sides

**Returnees** – stands for those who returned to the Gal/i district

**Trans-border, cross-border** – refers to Ingur/i border

With regard to geographic names, the slash (e.g. Gal/i) is used in the foreword, the introduction and the synthesis paper by Vitaly Naumkin.



## PRESENTATION

The Toledo International Centre for Peace (CITpax) is an independent, non-profit Spanish foundation, geared toward contributing to the prevention and resolution of conflicts, the management of crises and the consolidation of peace within a framework of respect and promotion of basic human rights and democratic values. In addition, CITpax aims to bring an end to violence or preventing it from taking place, and recognises that the search for lasting peace involves the implementation of actions concerned with social change, development and the strengthening of institutions.

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In contexts where official channels are insufficient or blocked, CITpax facilitates the transformation of conflicts by establishing contacts and dialogue to generate confidence among the parties involved, to build bridges between their positions, unblock communication paths, find alternatives to conflicts, and thus make concrete proposals that may contribute to peace-building processes. To achieve these ends, CITpax works with non-official actors with leverage and the capacity to influence decision-makers (Second Track Diplomacy), as well as with different sectors of civil society and other stakeholders, including local communities and minorities organisations. The objective of CITpax mediation activities is to move towards official levels of negotiations with solid proposals in order to have an impact on decisions taken at that level.

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### **Eurasia Programme**

#### Themes:

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- Caucasus: National Identity Conflicts and Territorial Power Distribution

### **Crisis Management and Peacebuilding Programme**

#### Themes:

- EU Foreign Policy
- Development of Mediation Capacity
- International Responses to Crisis Situations: an Integrated Focus

Founding letter of CITpax (18 June 2004)

I- The Centre was linked to and named after the city of Toledo with the aim of contributing to the cause of peace by fostering dialogue and understanding among societies. The name was chosen as a recognition of the symbolic importance of a city that gave birth to a universal model of tolerance and fruitful co-existence among three cultures and religions.

<http://www.uclm.es/escueladetraductores/indexdef.html>

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Pierre Schori, Director, FRIDE. Former Special Representative of the UN Secretary-General for Cote d'Ivoire  
Francesc Vendrell, former EU Special Representative for Afghanistan

\* In absentia, while in office

## Corporate Advisory Council:



URÍA MENÉNDEZ





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