## Georgia's Reforms Associates (GRASS)

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## **Policy Brief**

# A new stage in the relations between Georgia and Russia: necessity to form an anti-annexation strategy

#### Overview

The Treaty on Alliance and Integration proposed by Russia to Abkhazia was perceived in Georgia as a new stage in sabotaging the sovereignty and statehood of Georgia. This assessment is true, although it should not be reviewed as a separate episode. By this treaty, Russia continues the sequence of steps aimed to annex Abkhazia and Tskhinvali region gradually. The actualization of the annexation threat is indeed a new step in the relations between Georgia and Russia that requires respective attention from the state and a new anti-annexation strategy.

The annexation of the occupied regions of Georgia by Russia aims to:

- Sabotage the European and Euro-Atlantic integration process of Georgia
- Include Georgia in the Eurasian integration process
- Maximally complicate the efforts to build confidence with the population of Abkhazia and Tskhinvali region
- Extremely complicate the restoration of the territorial unity of Georgia.

"The proposal" of the aforementioned treaty to Sokhumi is one, but not the only composite part of the annexation process. The analogous process is underway in Tskhinvali region as well and if the process is not interrupted timely, both occupied territories are likely to become full and formal entities of the Russian Federation. Clearly, the Government of Georgia should react co-ordinately and efficiently to the treaty. Nevertheless, it should be acknowledged that the country needs new, broader and long-term anti-annexation strategy.

Since 2008, Georgia has been successfully implementing the non-recognition policy and has been fighting against the occupation by a diplomatic strategy. The strategy resulted in the current condition in Abkhazia and Tskhinvali region being assessed as an occupation by nearly all important international organizations and partners. The successful non-recognition policy has been the reason why only Venezuela, Nicaragua and Nauru have been persuaded by Russia, whilst Tuvalu and Vanuatu readmitted the recognition of the territorial integrity of Georgia.

The transition from the occupation to the annexation stage requires the formation of a substantially new anti-annexation strategy. We assume that the anti-annexation strategy should include the following elements:

- Prepare a political basis for legal actions against Russia in international courts
- Consistent, coordinated and active diplomatic and political actions to prepare partners for imposing sanctions on Russia in case of the annexation

- Regularly enact the versatile legal, political, humanitarian and other levers existing in international organizations
- Enact trade and other levers and instruments against Russia in the World Trade Organization
  that primarily includes enacting of the treaty signed between Russia and Georgia in 2011 that
  has not been enacted until today (because of the passiveness of the Government of Georgia
  among all other reasons)
- Decrease economic and energetic dependence of Georgia on Russia
- Revise the security system, security strategy and strategy documents of Georgia considering the new threats stemming from the annexation
- Active cooperation with international press with the aim of forming the international opinion
- Introducing new international legal and political terminology stemming from the annexation
- Formation of new, realistic and efficient initiatives for the population of Sokhumi and Tskhinvali, including the status-neutral approach, where applicable
- Express readiness to revise political relations with the Russian Federation.

Naturally, existing relations with Russia will not be sustained if the aforementioned actions are carried out. Therefore, it is necessary to revise relations with Russia and analyse them considering the new threats, in parallel.

## **Background**

In the spring 2013, Russia activated the process of moving the occupation line and installation of wire fences. After the unconditional intervention of Russia and the resulting political processes, pro-Russian powers that are for the integration with the RF (Russian Federation) came to the government in both Tskhinvali and Sokhumi. A pro-Russian party, United Ossetia, won in the so-called parliamentary elections that took place in Tskhinvali region in June 2014. Another pro-Russian politician, Raul Khajimba, came into power after the so-called presidential elections in Sokhumi that took place on 24 August 2014.

## The Treaty on Alliance and Integration

From the autumn 2014, Russia began a substantively new stage of sabotaging the sovereignty of Georgia. The draft of the proposed Treaty on Alliance and Integration was published on 13 October 2014 that will supposedly be signed at the end of this year. At the end of October 2014, it turned out that same document would be signed with Tskhinvali.

The idea of signing the Treaty on Alliance and Integration with Abkhazia was voiced during the political crisis in Abkhazia in May 2014. One of the slogans of the main opponent of Ankvab, Raul Khajimba (the leader of the opposition) was to deepen the integration with Russia and the necessity of signing a new agreement. The necessity was explained by geopolitical changes, mainly by signing the Association Agreement by Georgia and ongoing events in Ukraine.

The treaty proposed by Kremlin gives a serious reason for concern both for Abkhazian and for Georgian societies. The treaty covers the creation of a common foreign policy, common defence and security area, including merging the military material resources, infrastructure and legislation with the Russian system. The draft treaty clearly indicates the necessity of forming common armed forces that will be

managed by a person appointed by Russia in case of a crisis. In addition, Russia offered the full integration of the Abkhazian defence system in the Russian legal area.

The treaty indicates that the Russian Armed Forces will be dislocated from the so-called Russo-Abkhazian border to the so-called Georgian-Abkhazian border, whilst five out of six checkpoints will be closed down.

Abkhazia is expected to align the legislation in the sphere of customs economy with the legal system of RF and regulations of the Eurasian Union. The treaty embraces the creation of the Common Coordinative Centre, directly subordinate to the Ministry of Internal Affairs of the RF. Moreover, the treaty includes the facilitation of the procedures of granting citizenship and supporting Russian citizens in Abkhazia.

In general, the treaty implies the full integration of Abkhazian defence, security and customs sphere in the Russian legal area. Most importantly, the high officials of the RF bound the treaty to the financial aid, eventually restricting official Sokhumi from rejecting the treaty.

The given treaty became a subject of discourse in the Abkhazian political spectrum and society during the political crisis back in May 2014. Part of the society started to discuss the threat of being annexed by Russia during the crisis and an open letter published by the Abkhazian intelligentsia on 10 June 2014 is an example of this. The idea of the aforementioned treaty was an important cornerstone of the pre-election period, but it was unknown before the elections what kind of treaty would be signed. After the visit of Khajimba to Moscow on 27 September, some Abkhazian nationalists even expressed a concern that the treaty was signed secretly.

It is noteworthy that the major part of the Abkhazian society itself expressed a drastically negative attitude about the main postulates of the treaty. Most often, the criticism concerned the form of offering the treaty, the phraseology used by Russia (demand on aligning the laws with the Russian legislature, handing over the defence sphere to Russia etc.) and the fear of losing Abkhazian "sovereignty" over certain directions.

Both the de-facto Government of Abkhazia and the civil society together with the opposition criticized the treaty to the different extent. Khajimba and his party underlined that the new treaty with Russia should be signed, although they expressed readiness to make certain amendments in the text.

The Parliamentary Speaker, Bgamba, had even more negative attitude towards the treaty, as he spoke about the possible threats to the "sovereignty" of Abkhazia, envisaged in the treaty. Certain MPs had negative position towards the treaty as well (Mr Gamisonia, for example). The *Amtsakhara* party and the reputable and politically influential representatives of the society expressed dramatically negative attitude towards the treaty.

Interestingly enough, the Parliament of Abkhazia published the amendments made in the draft treaty. The amendments clearly showed the sharply negative attitude of the Abkhazian politicians and societal actors towards the main elements of the treaty. The amendments can be summarized in a few paragraphs:

• The vocabulary and style have changed. The Abkhazian version speaks about the convergence and not the complete alignment of the legislation

- The necessity of the treaty is substantiated by the regional processes; the August 2008 Abkhaz-Russian treaty and the respect for the sovereignty and territorial integrity is underlined; for instance, the foreign policy coordination is proposed, instead of the "foreign policy matching" proposed by Russia
- Handing over the defence infrastructure to Russia has been practically rejected; the Abkhazian side agrees to merge the military divisions only under a certain condition, based on the rotation principle
- The Abkhazian side proposes joint actions only concerning the defence of the Georgian-Abkhaz border; the focus is on the defence of the territorial waters of Abkhazia, whilst the joint actions concerning the Russo-Abkhazian border are rejected
- Instead of integrating with the Russian defence and internal affairs infrastructure, the accent is made on even broader training the Abkhazian side by Russia, spending more funds and increasing the defensibility with the aim of increasing the capabilities of Abkhazia
- The Abkhazian side requests the financial support of the contractual commitments
- The Abkhazian side is practically refusing to facilitate the process of granting the citizenship to the citizens of Russia
- The Abkhazian side imposes the obligation on Russia to help develop the Abkhazian language.

In spite of these fundamental amendments, most likely that treaty will by still signed until the end of 2014. Nevertheless, the amendments show the main differences between the approaches of Moscow and Sokhumi.

### Attitudes towards the treaty in Moscow and Tbilisi

The attitudes in Russia and Georgia towards the aforementioned treaty is of special interest. The treaty does not represent an important issue of the political discourse in Russia. The first statement by a high official was made on 27 September 2014, when the Press Speaker of the President of Russia, Mr Peskov, announced the signing plan and the general outline of the treaty. An official comment was made after the Abashidze-Karasin meeting by the representative of the Ministry of Foreign Affairs of Russia, Mr Lukashevich and Mr Karasin himself. The main messages of these statements were: "nobody has right or power to hinder the signing of the treaty." The Russian side also underlined that the treaty does not concern Georgia and threatens neither the normalization of the relations between Georgia and Russia nor the Geneva Discussions (the statements of Mr Karasin and Mr Lukashevich). Russian journalists and researchers (Krilov, Markedonov, Kriveniuk) explain the signing of the treaty by the geopolitical necessity and directly connect the two to each other. In addition, the signing of the treaty is directly bound with the economic and social aid of Russia to Abkhazia.

The position and reaction of the official Tbilisi concerning this issue is especially interesting for us. Initially there was a poor coordination and disagreement between the messages. The statements of the Prime Minister and the President were substantially different, whilst the statement of the Ministry of Foreign Affairs seemed too soft. The ministry hoped that "the Government of Russia would abstain from signing the so-called new treaty; otherwise the given action would be assessed as yet another step to the annexation of the occupied Abkhazia that is Georgia and would implicate the respective international legal consequences."

The statements of the PM and the President are noteworthy as well. Both addressed the Abkhazian population and called for avoiding the steps that would cause the loss of their identity. Moreover, the PM's efforts to voice "a new offer" to Sokhumi against the background of the ongoing events should be mentioned. The "right of self-determination" for the Abkhazian community and the "autonomy within Georgia" were voiced in the PM's two statements.

The treaty proposed by Russia to Abkhazia and the reaction of the Government of Georgia to it caused highly negative assessment from the oppositional United National Movement party and resulted in announcing the rally against the Russian occupation.

In general, the treaty was assessed by the Georgian side as a new wave of annexation of Abkhazia by Russia that puts the sovereignty and territorial integrity of Georgia under threat. The President of Georgia addressed the Parliament to develop a position concerning the Treaty on Alliance and Integration between Russia and Abkhazia. The President invited the National Security Council as well. It was preceded by the meeting between the deputy secretaries of the National Security Council and the representatives of the civil society.

### The necessity of a correct diagnosis

The developments of the last months in Abkhazia are important for thoroughly analysing the processes taking place there and in Tskhinvali region. This analysis is fundamentally significant for correctly planning the responsive steps of Georgia.

We assume that there can be made three different conclusion from the ongoing developments in Abkhazia and Tskhinvali region.

The first conclusion is that nothing special is happening. This reality has been existing since 2008, the treaties between Moscow and Tskhinvali and Moscow and Sokhumi have been signed before and this is yet another episode. Indeed, since 2008, up to 80 treaties have been signed between Moscow on one side and Tskhinvali and Sokhumi on another.

According to the second analysis, the developments in Abkhazia represent the efforts of Russia to increase its influence over Sokhumi and the Government that came to power following the 2014 political crisis and Sokhumi elections. This idea is intensively promoted in the Russian and Abkhazian media.

We assume that the both diagnoses are incorrect and incomplete. Nevertheless the logic exists in both cases, it is still necessary to see the full picture of the Abkhazian and Tskhinvali region developments in the context of the processes in Ukraine and in the region, in general.

We believe that the RF is preparing the soil for annexation of Abkhazia and Tskhinvali region. If Georgia sticks with the European and Euro-Atlantic way of development, Russia will have no choice but to change the borders of Georgia and annex Abkhazia and Tskhinvali region.

## How do annexation and occupation differ?

It is important to understand the difference between the annexation and the occupation and why do both of them require different strategies.

In legal terms, the annexation means officially joining a territory of a neighbouring country. The occupation means military presence on the territory and the effective control of the latter. In fact, the annexation is a higher level of the integration, with its international legal consequences.

The most important problem that Georgia will face in case of annexing Abkhazia and Tskhinvali region, will concern establishing the legal assessment of this fact and, when the times comes, the concession of these territories by Russia.

Under the condition of occupation, when Russia only recognizes the independence of Abkhazia and Tskhinvali region, it is still possible to carry out a peace process in the framework of Geneva Discussions or other international format. If the annexation takes place, the peace process will come to a standstill and no international negotiations format will be suitable for the talks about Abkhazia and Tskhinvali region.

The Geneva Discussions format, that is the Georgia-Russia format for Georgia, continues to exist only thanks to the participation of the representatives of Sokhumi and Tskhinvali regions together with the Russian side. Without them Russia would most likely not participate in the Geneva Discussions and the peace format would not exist at all.

In addition, it will be difficult to determine the attitudes of the leading countries of the West and our partners regarding the annexed region and to reflect these attitudes in the particular actions. It is not a secret that in 2008, the EU and the United States were acting less efficiently as compared to 2014 Ukrainian crisis. This, among other reasons, was caused by the geographical remoteness of our region from the EU and the lack of influence that the ongoing developments in Georgia had on the European developments (for example the natural air supply). Therefore, if the revision of relations lasted only a few months, today, the context of the Ukrainian developments points out that the EU will find it difficult to revise the relations with Russia because of annexed territories. It is most likely that the alteration of the annexation process will be a long-term and difficult process that will not be likely to serve as a reason for the EU to spoil relations with Russia.

One more complication in case of the annexation concerns the establishing of political and legal terms and assessment. In case of occupation, establishing the political terms and assigning the status of occupant to Russia together with politically assessing the occupation, is easy. In case of the annexation, we will have to deal with the territorial integrity of Russia, as Russia itself considers it to be. Therefore, Russia will find it easier to pressure the international community, especially non-western states.

Besides, the annexation means that the EU and NATO will find it difficult to make a political decision regarding the membership of a country that is in an open territorial conflict with Russia. It is true that both NATO and the EU have enlarged with the countries having an open territorial conflict, but neither of them had a territory annexed by Russia. Therefore, Georgia will have to make even bigger efforts to persuade the partners as compared to the occupation case.

## Anti-annexation strategy and the inevitability of changing the approaches

Since 2008, the Government of Georgia has had notably efficient anti-occupational and non-recognition policies. These strategies have been reflected not only in the strategic documents of Georgia, but also in the list of the particular actions that the Ministry of Foreign Affairs and the Government have been carrying out.

The efficiency of the non-recognition policy in the last six years is undoubted. The RF has been able to "extract" only five recognitions (Venezuela, Nicaragua, Nauru, Vanuatu, and Tuvalu). Of these, two countries - Vanuatu and Tuvalu - changed their positions in July and March 2013 (Vanuatu - 14 July 2013 and Tuvalu - 31 March 2013) respectively, thus establishing the diplomatic relations with Georgia anew. Russia was practically unable to increase the number of recognitions in any region and, most importantly, to recruit any entity of regional importance. Besides, Russia was also unable to grant the membership of any international organization for Abkhazia and South Ossetia, excluding the International Domino Federation and the European Union of Futsal.

Georgia has also made important steps in establishing the occupation as a legal assessment of the condition of Abkhazia and Tskhinvali region. The US Senate, House of Representatives and the Executive Government, the representatives of Czech Republic, Latvia, Lithuania, Estonia, Sweden, Canada, France, Italy, Germany, Japan and United Kingdom use the term occupation in various documents, speeches and assessments. As for the international organizations, the Parliamentary Assemblies of NATO, the Council of Europe, OSCE, GUAM, *Francophonie*, Community of Democracies and Baltic Assembly use the term occupation. Of great significance is using the term occupation by the EU, mainly by the President of the European Commission, the European Parliament, and in the documents and the statements made by the EU-Georgia Parliamentary Cooperation Committee. Lastly, the representatives of the European People's Party and various influential non-governmental organizations, such as Human Rights Watch and Amnesty International, are using the term as well.

If the strategy and actions of the Government of Georgia concerning the occupation and non-recognition is understandable, it is unclear at this stage, what should Georgia do if Russia annexes Tskhinvali region and Abkhazia, or makes actual steps in this direction.

Before overviewing the necessary actions for the formation of an efficient anti-annexation strategy, we would like to outline the possible counterproductive steps.

#### What the Government of Georgia should not do

Before talking about what the Government of Georgia is expected to do, it is first important to point out, what should be done opposite to the Abkhazian-Russian treaty.

First, the Government of Georgia should cease to prove that the dialogue with Russia is positive and Abashidze-Karasin format is productive, whilst the steps made by Russia in the direction of Abkhazia and Tskhinvali region are a "misunderstanding", "unexplainable" and "surprising." Such assessments seriously weaken our international positions and is an indicator of weakness and lack of preparation for our most important partners.

Second: As intuitive, it may seem to claim that these regions of Georgia are occupied anyway and the new treaty does not change anything, the representatives of the Government of Georgia should still avoid sending such "defeated" messages to the society. Following this line practically gives a *Cart Blanche* to the RF on one side and additional arguments for avoiding decisive steps regarding Russia to our sceptic partners on another. Since 2008, Georgia has had even less influence on the processes in Tskhinvali region and Abkhazia, but it still possesses the opportunity to maximally mobilize and attract attention of the international community.

Third: Georgia should not soften its international rhetoric and change its terminology or attitudes towards the occupied regions because of the alleged annexation of Abkhazia and Tskhinvali region by Russia, hoping that it will awaken the Abkhazian society. The Abkhazian society is fully under the influence of the Russian and Abkhazian media now, so the messages sent from Tbilisi, however compromise they may be, mostly do not reach the destination. Nevertheless, the respective negotiators will definitely repeat our own messages such as "Abkhazia fights for the self-determination" or "We should recognize Abkhazia as a conflict side" to us at the Geneva Discussions and elsewhere.

Fourth: The rhetoric, voiced jointly by the Minister of Foreign Affairs, the Deputy Minister of Foreign Affairs and the Special Representative of the Prime Minister on 22 and 23 October, according to which the Russo-Abkhazian treaty will undermine the Geneva Discussions, is unfavourable for us and should be changed. The Geneva Discussions are Georgia-Russia negotiations, first of all. If Russia annexes Abkhazia and Tskhinvali region, exactly the Geneva Discussions should remain as a unique forum for dealing with the consequences of the annexation. Therefore, any message that will weaken the Geneva Discussions or provide Russia with additional arguments to blame the abolition of the format on us shall be ceased. The Deputy Minister of Foreign Affairs of Russia, Grigori Karasin, has exploited the warnings of Georgian diplomats concerning the Geneva Discussion and has stated that the Georgian assessment of the annexation of Abkhazia is "dishonest"; moreover, it is a "dangerous speculation" that seriously undermines the ongoing Geneva Discussions.

Fifth: The Georgian side should not maintain the efforts to soften the Law on Occupied Territories, as weakening the only legal framework against the background of the intensified annexation is a negative message to Moscow and leaves an impression that the policy of the RF is indeed efficient.

## The components of the anti-annexation strategy

The anti-annexation strategy is composed of various important components. Hereby we will overview the main components and estimated actions that may be carried out in the framework of each component.

<u>Direction №1: Prepare a political basis for legal actions against Russia in international courts</u>

Before the annexation as well as in case it actually takes place, Georgia will by any means need to initiate proceedings against Russia in international courts. These courts may be the International Court of Justice and the European Court of Human Rights.

An approval from Russia is needed to begin proceedings against it in the UN International Court of Justice that is impossible. Therefore, there are two ways to bring the case to court.

The first way is the UN General Assembly. As it was in the case of Serbia, Georgia can address the General Assembly and request that ICJ issue a judicial opinion about the legality of annexation.

In this case, it is necessary that the majority of the General Assembly countries support the address of Georgia, therefore the majority of voices is needed that means that serious preliminary diplomatic works should be carried out.

The second way to the ICJ passes through the "resurrection" of the claim, submitted against Russia in 2008. As is known, in 2011 the ICJ decided not to initiate the proceedings on the basis of the claim made by Georgia, as Georgia and Russia had not exhausted all possibilities of the bilateral cooperation in the

institutional framework of the International Convention on the Elimination of All Forms of Racial Discrimination. Since this decision, Georgia has addressed Russia on many occasions to begin the bilateral dialogue on the return of the Refugees and IDPs, although the efforts have decreased since 2012. In fact, the dialogue between Georgia and Russia has not been initiated and is not on the agenda. Therefore, we consider it necessary to activate this direction regarding the RF.

<u>Direction №2: Consistent, coordinated and active diplomatic and political actions to prepare partners</u> <u>for imposing sanctions on Russia in case of the annexation</u>

The most efficient lever in case of the annexation of the regions of Georgia by Russia can be imposing sanctions by the EU and the United States against Russia. Naturally, this goal is hard to achieve especially against the background of the developments in Ukraine.

Nevertheless, it is necessary to start working regarding the sanctions as soon as possible, so that the international community is prepared for our message. Both EU and United States will respond coldly to these actions, but the constant work, efficient use of the lobby and enacting the resources of the partner countries in this direction should start as soon as possible.

First, it is necessary that Georgia itself supports and join the sanctions imposed on Russia where needed and possible. Of special importance is to promote sanctions issue during the bilateral high rank meetings in Brussels (with the representatives of the European Parliament, European Commission, with the High Representative for Foreign Affairs and Security Policy) on one side and with the high officials of the current Administration of the United States and the influential leaders of the Republican Party on another.

<u>Direction №3: Regularly enact the versatile legal, political, humanitarian and other levers in international organizations</u>

Georgia has multiple levers to promote this issue in the international organizations regularly, both in versatile and bilateral formats. You can view more detailed description of the necessary steps to be made in this direction in another brief prepared by GRASS (<a href="http://grass.org.ge/wp-content/uploads/2014/02/GRASS-Policy-brief.pdf">http://grass.org.ge/wp-content/uploads/2014/02/GRASS-Policy-brief.pdf</a>).

<u>Direction Nº4. Enact trade and other levers and instruments against Russia in the World Trade</u>

<u>Organization that primarily includes enacting of the treaty signed between Russia and Georgia in 2011</u>

<u>that has not been enacted until today (because of the passiveness of the Government of Georgia among all other reasons)</u>

The Government of Georgia signed a Treaty on Customs Administration and Commodity Trade with Russia in 2011. The treaty allows Georgia to:

- a) Monitor the trade between Russia and the occupied territories using the monitoring mechanism;
- b) Use the mechanisms provided by the WTO and the treaty to receive information about the trade with the occupied regions and
- c) Use the dispute resolution mechanisms of the WTO and the mechanisms of the treaty (joint committee, international arbitration) to appeal the violations of the agreement.

Without a doubt, the annexation would violate the agreement. Therefore, Georgia will have the opportunity to use the international mechanisms and instruments of the WTO for imposing sanctions on Russia and gaining the political support.

However, a serious problem emerges here. Even though the agreement came into force after 2012, its implementation has not started. GRASS will issue a separate document about the reasons of the delay of the implementation, but on this stage, it can be said that one of the most important reasons of the delay was the passiveness of the Government of Georgia and inability to make a decision about several important issues. Therefore, without any progress regarding this issue, it will be extremely difficult to carry out an efficient anti-annexation policy.

## <u>Direction №5: Decreasing the economic and energetic dependence of Georgia on Russia</u>

The economic dependence of Georgia on Russia is increasing nowadays.

In 2012, Russia was on the 11<sup>th</sup> position with USD 47 million and 2% share of the gross export among the countries of export of Georgia.

In 2013, Russia moved to the 4<sup>th</sup> place with USD 191 million and 6.6% share of the gross export.

In January-September 2014, Russia moved to the 3<sup>rd</sup> place with USD 212 million and 9.9% share. It is noteworthy that Azerbaijan holds the first place and Armenia holds the second that is due to the lightweight cars re-export. Considering the aforementioned facts, Russia is on the first place by the export of the locally produced goods, including the agricultural product export.

In the first nine months of 2014, the export to Russia increased by 104%. The gross export increased by 6.7% in the nine months that would have been 1.3% without the increase in export to Russia. In the third quarter (July-September) of 2014, the export of Georgia decreased by 6.2% and the decrease in this period would have been 9% without the increase in the export to Russia.

The common picture is as follows: in the last months, the export of Georgia is decreasing as compared to the same periods of the last year and if not the notable increase in the export to the Russian market, this decrease would have been even more dramatic. The export-oriented economic growth is vital for a country with such a small inner market, as Georgia. Against the background, the notable increase is only in the export to the Russian market. The economy of Georgia is becoming increasingly dependent on Russia. Not only is the Russian market considered to be a source of diversification and export increase, the export of Georgia would decrease without it to such a big extent that the planned parameters of the economic growth would not be achieved, the budget expenditures would experience even bigger shortfalls and the social background would worsen.

The availability of the Russian market directly influences the accession of other markets (including European), as it is possible to access the Russian market without coming into accordance with the strict sanitary and technical standards that is impossible in the European market. The Russian market makes the local entrepreneurship reluctant to increase the reliability and quality of the produced goods (especially agricultural), to become competitive in the European market of 500 million, to exploit the Deep and Comprehensive Free Trade Agreement effectively and to play an important role in the long-term stable economic development of the country.

Today there exists a threat that Georgia will find it difficult to refuse the Russian market if needed. The price of refusing the Russian market is increasing on a daily basis in parallel with the increasing necessity to implement the anti-annexation strategy efficiently, whilst the price for our economy is increasing as well.

One more side of the economic dependence of Georgia on Russia are the money transfers made by the Georgians employed in Russia. There is a decrease by USD 25 million in the first nine months of 2014. Nevertheless, Russia holds the first place by the money transfers according to the nine months gross data with USD 554 million and 51% share of the gross money transfers.

<u>Direction №6: Revise the security system, security strategy and strategy documents of Georgia considering the new threats stemming from the annexation</u>

The strategic documents of Georgia are not designed for the threat of annexation from Russia. Neither the security concept, nor the threats assessment document and foreign policy strategy imply the fight against the annexation. Therefore, revising the strategic documents and rearranging the foreign and defense policy institutions considering the new threats is an imminent precondition for carrying out the anti-annexation policy.

<u>Direction №7: Active cooperation with international press with the aim of forming the international opinion</u>

In the last two years, the Government of Georgia has not been working with the lobby groups in the foreign press in the direction of publishing the articles reflecting the relations between Georgia and Russia. The practice of working with lobbyists is demonized in Georgia and is often used for political speculations and against political opponents.

At the same time, it is crucial to promote and describe the threat connected with the annexation in the US and European press, academic and political debates. The most favorable condition for it was in 2014, in parallel with the developments in Ukraine, but the opportunity was missed. In the coming months and especially in 2015 when the Ukraine-Russia relations will still be in a crisis phase, it is important that the serious publishing houses, such as The Economist, New York Times, Washington Post, Wall Street Journal together with the influential local press regularly publish the articles concerning the threat of Russian annexation of Abkhazia and Tskhinvali region.

Such publications of course are not connected with the purchase of the newspaper space! High officials of the government often assume that lobbyism and promoting the important issues for Georgia is connected with directly paying a publishing house that is fundamentally wrong. Such publications result from activity of the Georgian diplomatic corps, regular provision of acquainted journalists by information and intensive contacts with academic and non-governmental communities.

<u>Direction №8: Introducing new international legal and political terminology stemming from the</u> annexation

The current legal terminology concerning Tskhinvali region and Abkhazia is connected only to the occupation, effective control, illegal military presence and establishment of the occupational regimes.

One of the ways to fight the annexation is to establish new terms, such as annexation, threat of annexation, unacceptability of annexation etc. It is of great importance that the phraseology and

messages about the unacceptability of carrying out the annexation emerge in the assessments and resolutions of the international organizations, together with the statements of the partner countries. First, it is essential that the high representatives of the government integrate such terminology in their rhetoric.

<u>Direction №9: Formation of new, realistic and efficient initiatives for the population of Sokhumi and Tskhinvali, including the status-neutral approach, where applicable</u>

It is of crucial importance to propose new initiatives to Sokhumi and Tskhinvali. GRASS will prepare an additional brief concerning these initiatives. Although, on this stage it is necessary to realize that publically voicing the proposals without initially processing them is completely counterproductive and fruitless. Proposing the ideas used in the past on multiple occasions is ineffective as well.

The Government of Georgia should choose the status-neutral approach to the new initiatives. The status-neutrality does not mean that Georgia refuses the status of Abkhazia within the territorial integrity of Georgia, as it may initially seem to the reader. Status-neutrality implies the solution of an issue in such a way that the status, recognition and non-recognition are not concerned.

More precisely, the issues such as education, free movement, trade, humanitarian connections, healthcare and the issues of people-to-people cooperation. Each of the aforementioned directions needs to be processed thoroughly. However, principally voicing the readiness to accept the status-neutral approach to the difficulties in Abkhazia and Tskhinvali region can only be profitable for the long-term peace-making process and us.

<u>Direction №10: Readiness to revise the bilateral relations and the bilateral negotiations format with the Russian Federation</u>

We do not think that Karasin-Abashidze format is problematic for Georgia. Rather, conducting dialogue in the bilateral format can be profitable for Georgia. Although, if this format puts the international peace process under threat, then its usefulness should be questioned.

If Georgia realizes that Russia has planned to annex Abkhazia and Tskhinvali region, then one of the components of the anti-annexation strategy should be necessarily the readiness to abolish the bilateral negotiations format, if needed. The failure or abolition of the Geneva Discussions should be the red line for Georgia and crossing it should be sufficient to reject Karasin-Abashidze meetings and continue the dialogue in the international format.

#### Conclusion

Today is the most critical stage of the Georgia-Russia relations, as the intention of Russia to annex our occupied regions and manipulate the political course and security condition using this threat is clear. GRASS believes that only a timely and multicomponent anti-annexation strategy can stop the annexation process and have an efficient legal and diplomatic response to it.

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