IMPLEMENTATION REVIEW:
SIX-POINT CEASEFIRE AGREEMENT
BETWEEN RUSSIA AND GEORGIA

THE NATIONAL COMMITTEE ON
AMERICAN FOREIGN POLICY

AND

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August 2011
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INTRODUCTION

Implementation Review: Six-Point Cease-Fire Agreement between Russia and Georgia is prepared by David L. Phillips, Director of the Program on Peace-Building and Rights at Columbia University's Institute for the Study of Human Rights, a Fellow of the Project on the Future of Diplomacy at Harvard University's John F. Kennedy School of Government, and a member of the National Committee on American Foreign Policy's Board of Advisors. It summarizes events leading up to the 2008 war between Georgia and Russia, international mediation, the cease-fire agreement, steps taken by the signatories to fulfill their commitments, and stakeholder interests. It also highlights current conditions and assesses the risk of renewed hostilities. This report offers recommendations to Georgian and Russian officials, the de facto authorities in Abkhazia and South Ossetia, as well as the United States and other international stakeholders. It is based on interviews with U.S. Government and European officials, experts on the Caucasus from the United States, Georgia and Russia, the author's fact-finding trips to Georgia including Abkhazia in 2008 and 2010, and Tbilisi in April 2011.

Findings

Russia has not fulfilled its commitments. Russia occupied additional territories after signing the Agreement, such as Akhaltori and the Kodori Gorge, and established buffer zones around South Ossetia that expanded its territory beyond the pre-war Administrative Boundary Lines (ABLs).

Humanitarian access is restricted by Russia and the de facto authorities. Only supplies coming from Russia via the Roki Tunnel are allowed into South Ossetia. Access by humanitarian and human rights monitors is also restricted. Russia used its veto to terminate mandates of the United Nations Observer Mission in Georgia (UNOMIG) for Abkhazia on June 15, 2009 and the Organization for Security and Cooperation in Europe (OSCE) for South Ossetia (June 30, 2009). Access of the European Union Monitoring Mission (EUMM) is blocked by Russia and the de facto authorities in Abkhazia and South Ossetia.

Russia has deployed new weapons systems, including attack helicopters, tanks, and offensive rockets where they were not before the war. It established an ongoing military presence in Abkhazia and South Ossetia, signing 49-year lease agreements in Gudauta and Tskhinvali. Military bases in South Ossetia are manned by approximately 5,000 troops and security personnel. Another 5,000 are based in Abkhazia.

Russia recognized Abkhazia and South Ossetia as independent states on August 26, 2008. It entered into “bilateral” agreements with the newly recognized states signing Friendship, Cooperation and Mutual Assistance agreements on September 17, 2008. The agreements preempted discussions on stability arrangements called for in the cease-fire.

Beginning in October 2008, Russia withdrew from checkpoints along Georgia’s Tbilisi-Senaki Highway enabling more than 100,000 internally displaced persons (IDPs) to return to villages previously behind Russian lines.

There have been 16 rounds of talks in Geneva since October 15, 2008. The 3+3 format includes the UN, EU and OSCE as mediators. Meetings also include officials from Georgia, Russia, and the United States, as well as the EUMM. The governments in-exile of Abkhazia and South Ossetia participate as part of the Georgian delegation. The de facto authorities are included in Russia's delegation.

Geneva has led to the establishment of Working Groups on Security and on Humanitarian Issues. Adopted in February 2009, the Incident Prevention and Response Mechanisms (IPRMs) have helped prevent disputes along the ABLs from spiraling out of control. A hot-line connects Georgia’s Defense Ministry and Interior Ministry to Russian field commanders, Abkhazian and South Ossetian de facto security officials, and the EUMM.

The Geneva talks are a useful forum to prevent conflict escalation, but not for serious peace-settlement
negotiations. On June 10, 2011, Georgia warned that it might withdraw from the Geneva talks in response to alleged plots by Russia to bomb targets in Georgia.

The Government of Georgia (GoG) issued a unilateral declaration on the non-use of force towards Russia and the de facto authorities on November 23, 2010. The de facto authorities followed with their own declarations on the non-use of force. Russia refuses to issue a declaration or sign a bilateral agreement on the non-use of force with Georgia, claiming it is not a party to the conflict.

**Recommendations**

This report proposes a carrots-and-sticks approach coordinated between Georgia, the United States, the EU, and other international stakeholders aimed at getting Russia to change its calculus.

Preventing a renewal of hostilities between Russia and Georgia is the top priority. To this end, the international community should call upon Russia to withdraw its armed forces from occupied territories in Georgia. It should seek greater transparency of Russia’s military activities in the conflict zones and expanded access by the EUMM.

To incentivize a positive change in Russia’s approach, the United States should promote Russia’s membership in the World Trade Organization (WTO) by the end of 2011. Progress with the WTO should be accompanied by greater transparency at border crossings between Russia and Georgia.

The United States is also in position to influence private-equity markets if Russia plays a more constructive role in the South Caucasus. Russia needs long-term private equity investment and venture capital to fuel its economic growth. It is also needs private equity to capitalize privatization plans and generate revenue to reduce its budget deficit.

The way forward involves gradually transforming the conflict through engagement between Georgians, Abkhaz, and South Ossetians. Engagement will gradually build trust and foster reconciliation, while weaning Abkhaz and South Ossetians from Russia’s control.

Regional economic development benefiting Georgia, Russia and the breakaway regions would establish a web of shared interests. This report proposes specific transactions such as an Enguri Sand and Gravel Export Project; whose materials could be used for construction of facilities at the Sochi 2014 Winter Olympics. The restoration of agro-industries along the ABL, including tea plantations and processing facilities on both sides of the Enguri River as well as citrus and hazelnut production, would co-mingle populations and derive mutual benefit.

The GoG adopted the “State Strategy on Occupied Territories: Engagement through Cooperation” on January 27, 2010 and the “Action Plan for Engagement on the Implementation of the State Strategy” in July 2010. Humanitarian, health care and educational exchanges should be emphasized, and the Liaison Mechanism with Abkhazia strengthened. A similar liaison mechanism under the UNDP or OSCE umbrella could also be established for South Ossetia.

Engagement and non-recognition are not mutually exclusive. Restrictions on international air and sea connections to Abkhazia, especially ferry links to Turkey, should be relaxed. The GoG should allow consular officials from Tbilisi-based embassies to visit Sukhumi and Tskhinvali to issue visas on a stapled attachment rather than as a stamp in Russian passports for Georgian citizens in Abkhazia and South Ossetia choosing to travel using Russian travel documents. The GoG could be more flexible on travel if the de facto authorities participated in elements of the Action Plan. Flexibility should be calibrated to benchmarks (e.g. enhanced access and an upgraded crossing regime).

The Action Plan would get a boost if representatives of Georgia, Russia, and the de facto authorities signed a “Declaration of Principles on the Non-Use of Force.” Since the declaration is not a treaty
between sovereigns, it would not represent creeping recognition. The declaration would bolster Georgia’s demand that Russian troops withdraw. It would also show that the GoG is serious about engagement. The declaration could be linked to a parallel agreement expanding the EUMM’s access in the conflict zones.

The EU should renew support for the UN Development Programme (UNDP) Confidence Building Early Response Mechanism (COBERM), which ended in February 2011. The European Union (EU), which mediated the Six-Point Cease-Fire Agreement, should establish a mechanism to review implementation of the agreement. This could involve a resolution of the European Parliament requiring an annual report by the European Commission (EC) in conjunction with the EU Special Representative (EUSR) for the South Caucasus.

The Geneva talks are a tedious yet useful forum to prevent conflict from escalating. They may also serve as a framework for peace settlement negotiations when political conditions change. The GoG should stay at the table, despite protests over Russia’s activities fomenting violence. Russia should investigate recent attacks allegedly supported by the main Intelligence Division of the Ministry of Defense (GRU) and the Federal Security Service (FSB), punish those responsible, and take steps to prevent future attacks.

Fully implementing the Six-Point Cease-Fire Agreement between Russia and Georgia is the best way to safeguard peace and promote stability in the South Caucasus. Efforts should be guided by the principle: “do no harm.”

**U.S. INTERESTS**

Why should the United States be concerned about Georgia’s security, stability and sovereignty?

The situation in Abkhazia and South Ossetia remains volatile with detentions, killings, arson, and bombings occurring across the ABLs. Deadly attacks combined with creeping annexation could spiral out of control. A resumption of hostilities between Georgia and Russia would affect the “reset” in U.S.-Russia relations.

Not only does the status quo in Georgia institutionalize a high level of instability, it also sets a negative precedent by condoning the use of force to settle disputes and redraw territorial boundaries. Accepting Russia’s claim on spheres of influence contributes to neo-imperialist tendencies with potential impact on other countries in the region.

Leaving Abkhazia and South Ossetia in limbo creates black spots on the map. South Ossetia is a center for organized crime and a trafficking hub. There are also reports of nuclear materials from countries in the former Soviet Union being smuggled via Abkhazia.

Under the guise of protecting Russian citizens and compatriots from “aggression,” Russia has misused the “responsibility to protect” (R2P). Allowing the distortion of R2P politicizes its principles and makes it harder to apply in other circumstances.

Allowing any signatory to the Six-Point Cease-Fire Agreement to abuse its commitments is a negative example to parties in other conflict zones that enter into agreements to end violent conflict.

Failure to implement the agreement makes the European Union (EU) look weak, incapable, or insincere. Continuing confrontation between Russia and Georgia postpones indefinitely Georgia’s NATO and Euro-Atlantic aspirations.

Georgia is a strong ally of the United States, with more than 1,000 troops in NATO’s International Security Assistance Force for Afghanistan (ISAF). U.S. credibility is undermined by the failure to resolve Georgia’s conflicts within its internationally recognized borders.
HISTORY OF THE CONFLICT

When South Ossetia’s pro-Soviet leadership demanded to stay within the Soviet Union, President Zviad Gamsakhurdia abolished South Ossetia’s status as an “autonomous region” within Georgia in December 1990. As many as 2,000 people died and tens of thousands were displaced in the ensuing conflict. South Ossetia was bereft of its population (only 25,000 Ossetians and about 20,000 Georgians remained when hostilities concluded). On June 24, 1992, Russia brokered the Sochi Ceasefire Agreement establishing the Joint Peacekeeping Forces (JPKF). Consisting of 530 Russian, 300 Georgian, and 300 North Ossetian troops, the JPKF was supervised by the Joint Control Commission (JCC) comprising Russia, Georgia, South Ossetia and North Ossetia, and facilitated by the OSCE.

The Soviet Union organized the New Union Treaty referendum on March 17, 1991. Abkhazia and South Ossetia participated. However, some republics such as the Baltic States, Azerbaijan, and Georgia, did not. In Georgia’s own referendum on March 31, 1991, 97 percent of citizens voted for independence, including 53 percent of the population in Abkhazia and South Ossetia. Georgia declared independence from the Soviet Union on April 9, 1991. Russia recognized Georgia on July 1, 1992 within its borders including Abkhazia and South Ossetia. Later that month, Georgia (including Abkhazia and South Ossetia) was admitted as a full member of the UN.

Fighting broke out between Georgia and Abkhazian forces on July 23, 1992 after Georgia’s Parliament nullified an Abkhazian decree reinstating the 1925 draft constitution that established the Abkhazia Soviet Socialist Republic. Russia armed Abkhaz forces and fought with Cossacks and mercenaries from the North Caucasus to capture Sokhumi on September 27, 1993. About 250,000 people, mostly ethnic Georgians, fled as the Georgian armed forces retreated. Russia’s President Boris Yeltsin brokered the Moscow Ceasefire agreement on May 14, 1994. Sanctioned by the UN under auspices of the Commonwealth of Independent States (CIS), about 1,500 Russian troops were sent as “CIS collective forces” to Abkhazia.

With a few exceptions, the conflicts remained static until 2003 when the “Rose Revolution” brought Mikheil Saakashvili to power in Georgia. Saakashvili initiated a period of dramatic political and economic reform. He vigorously renewed efforts to restore Georgia’s territorial integrity and demanded internationalization of peacekeeping forces. Georgia peacefully re-established control over Ajara on May 6, 2004, which was under control of a local warlord. Saakashvili sought a similar outcome in Abkhazia and South Ossetia. The GoG tried to marginalize the South Ossetian de facto authorities by taking steps to restore rail links between Tbilisi and Tskhinvali, closing the Erneti contraband market, and distributing fertilizer directly to South Ossetian farmers. Georgia’s ill-fated 2004 police operation in South Ossetia hardened opposition in Tskhinvali. It also stirred concerns in Russia, which was acting as both protagonist of conflict and guarantor of the peace.

Saakashvili’s embrace of the West challenged Russia’s influence in the South Caucasus and elsewhere in the so-called near-abroad. Ukraine’s December 2004 “Orange Revolution” heightened President Vladimir Putin’s concern that the Rose Revolution could inspire similar pro-democracy trends in the post-Soviet space. Russia pursued a policy of confrontation with the goal of weakening and ultimately undermining Saakashvili’s government. Beginning in 2006, Russia severed ties to Georgia. It banned air and postal links, and imposed a boycott on the import of Georgian products such as wine and bottled mineral water. It harassed ethnic Georgians and deported thousands of Georgian migrant workers.

ESCALATING TENSIONS

After Kosovo’s coordinated declaration of independence on February 17, 2008, Putin cited the “Kosovo precedent” threatening to recognize or annex Abkhaz and South Ossetia (but not Transnistria or Nagorno-Karabakh). Saakashvili reached out to Abkhaz leaders on March 28, 2008, with new and far-reaching proposals offering “unlimited autonomy” through a federal arrangement and special measures to guarantee
the culture, language and identity of Abkhazia. He proposed Abkhaz representation in Georgia's executive and legislative branches, and pledged to appoint an Abkhaz as vice-president with the authority to veto all decisions affecting Abkhazia's status and rights. The proposal also envisioned a free economic zone in the Gali District and Ochamchire. International security guarantees were envisioned, including a role for the Russian Federation. A similar proposal for South Ossetia was endorsed at the 2006 OSCE Ministerial Meeting in Ljubljana.

Putin resisted Georgia's aspiration to join NATO. He was wary of encirclement and viewed NATO as an existential threat. On July 17, 2007, Russia suspended its participation in the Conventional Armed Forces in Europe Treaty, which limited its troop presence and restricted their movements within the Treaty area. Russia reacted angrily to the final communiqué from NATO's Bucharest Summit on April 3, 2008, which promised that “Georgia and Ukraine will become members of the Alliance.” It responded by intensifying diplomatic and military support for Abkhazia and South Ossetia. In April 2008, it established legal connections between its ministries and their de facto counterparts in Abkhazia and South Ossetia, opening fifteen new checkpoints across the Enguri River that divides Gali and Zugdidi Districts. Beginning in 2002, Russia had started issuing Russian passports to its “citizens” in Abkhazia and South Ossetia, entitling them to full pension benefits, as well as visa facilitation for travel to EU countries. In the spring of 2008, Russia withdrew from the CIS sanctions regime that prevented private weapons supplies to Abkhazia.

Military tensions were fueled by acts of aggression against Georgian-controlled territories. On March 11, 2007, three Russian helicopters attacked Chkhalta village in the Kodori Gorge damaging a school and local administration building. A Russian war plane dropped a Kh-58 ARM missile that did not detonate on Tsetelubani village near Gori on August 7, 2007. A Russian fighter jet crossed the border and shot down an unarmed Georgian surveillance drone over the Gali District on April 20, 2008. That spring, Russia contravened relevant agreements, deploying 500 extra paratroopers to Abkhazia equipped with howitzers, SA-11 anti-aircraft systems, and other offensive weapons. It also deployed 400 “railroad troops” to build a logistics system to transport armed forces and their equipment. Four Russian warplanes illegally entered Georgian airspace during a visit to Tbilisi by U.S. Secretary of State Condoleezza Rice on July 8, 2008. Code-named “Caucasus 2008,” land, air, and sea forces staged a mock counterattack later that month against threats to Russian peacekeepers and Russian citizens in Georgia.

The Georgia-Russia War

Fighting erupted between Russia and Georgia on August 7, 2008. In response to Russian and South Ossetian military provocations, Georgian armed forces shelled artillery positions and moved into Tskhinvali. Russian troops and armor of the 58th Battalion crossed Georgia's border via the Roki tunnel and Russian warplanes hit targets cross Georgia early in the morning of August 8. Russia's President Dmitry Medvedev affirmed, “Historically Russia has been, and will continue to be, a guarantor of security for peoples of the Caucasus.”

As part of its “peace enforcement mission,” Russia established a 12 kilometer buffer zone around South Ossetia damaging or destroying 90 percent of villages within it. Militias burned and looted Georgian villages around Tskhinvali and on the road to Gori. Russian forces crossed the Enguri River into the Zugdidi District and expelled Georgian police and civilian administration from North Kodori (also known as Upper Abkhazia). Russian military operations extended from the port of Poti in the west, where Russian troops seized the Georgian base in Senaki, to Igoeti just 40 kilometers from Tbilisi.

Hundreds of Georgian security personnel and civilians were killed and 185,000 persons were displaced. Russia's victory did not succeed in destroying Georgia's statehood or changing Georgia's Western orientation. In strategic terms, however, Russia destroyed Georgia's military, humiliated Saakashvili, and succeeded in projecting its influence in the South Caucasus. The prospect of restoring Georgia's territorial integrity has been lost for the foreseeable future.
International Response

France occupied the EU rotating presidency when war broke out; President Nicolas Sarkozy took upon himself the initiative to act as a mediator. Sarkozy saw his role as crisis management. He felt that the paramount objective was stopping Russia's military advance and potential attack on Tbilisi. Beginning on August 10, Sarkozy had extensive phone conversations with Medvedev and Saakashvili. Sarkozy assured Saakashvili that no binding commitments would be made on Georgia's behalf. He reached out to U.S. President George W. Bush, as well as German Chancellor Angela Merkel and other European leaders to coordinate diplomatic efforts.

Georgia announced a unilateral ceasefire on August 11. The next day, Sarkozy presented a peace plan to Medvedev on behalf of the EU. The proposal included four principles:

1. A lasting cessation of hostilities.
2. No recourse to the use of force.
3. Access for humanitarian aid providers.
4. Withdrawal of Georgian and Russian forces to pre-conflict positions.

At Russia's insistence, the draft eliminated reference to the “full respect for the sovereignty and territorial integrity of Georgia,” as well as the deployment of international peacekeepers by either the UN or EU. Sarkozy got Medvedev to accept the ceasefire terms then went to Tbilisi on August 12. The agreement incorporated Medvedev's demands for “Russian peacekeepers to implement additional security measures until an international monitoring mechanism is in place” (point 5), and discussions on the “future status” of Abkhazia and South Ossetia (point 6).

Saakashvili strongly objected to the second sentence in point 5. He complained that it gave Russia permission for an open-ended occupation. Despite Saakashvili's protests, point 5 remained unchanged. Point 6 was revised to call for “the opening of international discussions on the modalities for security and stability of South Ossetia and Abkhazia.”

Rice met Sarkozy on August 13. They drafted a side letter clarifying point 5 of the agreement. Rice then flew to Tbilisi with the side letter in hand. It indicated that “additional security measures may only be implemented in the immediate proximity of South Ossetia to the exclusion of any other part of Georgian territory. More precisely, ‘these measures’ may only be implemented inside a zone of depth of a few kilometers from the administrative line between South Ossetia and the rest of Georgia.” The letter emphasized that the additional security measures would “take the form of patrols undertaken solely by Russian peacekeeping forces at the level authorized by existing agreements.” It highlighted the “provisional character” of these measures, specifically excluding Russia's military from Gori.

Saakashvili felt he had no choice and signed the agreement on August 15. Russia's armed forces were an hour's drive from Tbilisi and its warplanes controlled Georgia's air space. The agreement allowed Georgia to avoid the worst: Russia's assault on Tbilisi, its occupation of Georgia, and Saakashvili's arrest.

There is no single sheet of paper bearing the signatures of both Medvedev and Saakashvili. There is one paper in French signed by Medvedev with Sarkozy as “witness.” (The signatures of the de facto Abkhazian and South Ossetian authorities, Messrs. Bagapsh and Kokoity, were added later). There is another paper signed by Saakashvili and Sarkozy. The papers are largely similar, but not entirely the same. The translation into Russian refers to the “security of Abkhazia and South Ossetia,” whereas the French-language version signed by Saakashvili refers to “security in Abkhazia and South Ossetia.” The former suggests protection from external threats (i.e. Georgia) while the latter leaves open that the threat could come from within.

Sarkozy and Medvedev signed a follow-on agreement spelling out “implementation measures” on September 8. These focus on the withdrawal of Russian troops from areas outside the ABLs (e.g. Perevi
The agreement stipulated that Georgian troops would return to their barracks by October 1, 2008. It also stipulated that the current group of international observers from the UN and OSCE would remain, and an additional 200 EU observers constituting the EUMM would be deployed. While the agreement did not require Russia to reduce the number of its troops to pre-conflict levels, it required Russian forces to withdraw from buffer zones by October 11. An international conference on regional peace, stability, and humanitarian issues was planned for October 15, which was the first round of the Geneva talks.

Medvedev welcomed the agreement. “The aim of Russia’s operation for coercing the Georgian side to peace has been achieved. The aggressor has been punished.” For its part, Georgia welcomed that the agreement clearly established Russia and Georgia as parties to the conflict. These documents taken together – the six point agreements (of August 12 and 15), the clarification letter (of August 13), and the document on implementation measures (of September 8) – represent the ceasefire plan.

Implementation Review

Following is an implementation review of the Six-Point Cease-Fire Agreement between Russia and Georgia.

Point 1: (No recourse to the use of force)

The agreement ended the war and enshrined the non-use of force. During the war's immediate aftermath, however, violent conflict continued as a result of cease-fire violations by Russia. Today there are occasional shootings and bombings along the Abkhazia and South Ossetia ABLs. Local militias, with assistance from the FSB, are suspect.

Point 2: (A lasting cessation of hostilities)

The Georgian armed forces did not engage in hostilities after its unilateral ceasefire on August 11, 2008. Georgia’s military capabilities were destroyed, and the GoG wanted to avoid more civilian and military casualties.

Russia pressed forward occupying more territory after signing the cease-fire agreement. Russian forces occupied the Ksani Gorge (Akhalgori District) between Tbilisi and Gori. They continued pillaging Poti and blocking trade until September 13. The troops also engaged in forays from Senaki during which they looted, destroyed infrastructure, and laid land mines. Russian troops withdrew from Perevi adjacent to South Ossetia on October 19, 2010, but they still occupy Akhalgori and the Kodori Gorge. Occupied territories represent 20 percent of Georgia’s total territory, as recognized by the international community.

Point 3: (Unfettered access)

Russia and Georgia agreed that humanitarian supplies could be provided via both Georgia and Russia. However, the de facto authorities in Tskhinvali vetoed this arrangement. With the exception of a few inspection visits by the International Committee of the Red Cross, only humanitarian assistance coming from Russia via the Roki Tunnel is allowed into South Ossetia. Delivery via Russia is more expensive and less predictable as a result of road closures during winter months.

The conflicts in South Ossetia (1991–92) and Abkhazia (1992–94) were covered by two different legal instruments each with its own monitoring regimes. The OSCE was designated the lead agency in South Ossetia by the 1992 Sochi Agreement. After the 2008 War, the OSCE increased its monitoring presence in Georgia by adding 20 unarmed “new monitors” adjacent to South Ossetia that would supplement the 8 “old monitors” mandated to monitor the ceasefire and JPKE. Before the war, the old monitors were often denied access to parts of their mandate area, including the television tower in Tskhinvali where heavy weapons may have been sequestered. Their presence could not be verified absent UAV or satellite capabilities by the OSCE.
In 2009, Russia proposed two separate OSCE missions: one to Georgia and another to South Ossetia. No other OSCE member state accepted this plan, though Kazakhstan and Belarus remained neutral. The OSCE wanted to add another 100 monitors, but the additional deployment was blocked by Russia and the de facto authorities in Tskhinvali. At Russia’s instigation, the OSCE’s old monitors were evicted on January 1, 2009 and the OSCE Mission in Georgia was closed down on June 30, 2009.

UNOMIG was mandated to monitor the 1994 Moscow Agreement. At its peak, it consisted of 130 monitors and a police component. Russia exercised its veto at the UN Security Council (UNSC) to terminate UNOMIG’s mandate on June 15, 2009. Closing UNOMIG reduced the number of humanitarian programs, diminished the international presence in Abkhazia, and eliminated an important information channel for Abkhazia to the international community. A skeletal UN country team, comprising various relief and assistance agencies, currently monitors aid and humanitarian programs in Abkhazia.

The EUMM’s mandate calls for “civilian monitoring of the Parties’ actions, including full compliance with the six-point Agreement and subsequent implementing measures throughout Georgia” (emphasis added).14 Consisting of 200 personnel, the EUMM was inaugurated by Javier Solana on October 1, 2008. Though it has been denied access to the conflict zones, the EUMM has been a reliable and effective trip wire preventing conflict escalation in South Ossetia. Deploying on the Georgian side of the ABLs has kept the EUMM from monitoring criminal activities that are widespread in Abkhazia and South Ossetia.

The EUMM has adequate equipment but limited technology. For example, satellite photography generated by the European Satellite Center in Spain takes several weeks to provide images. The EUMM has no capability or mandate to monitor the Roki tunnel, Psou River, and the Russian military bases further afield in Mozdok, Maikop, and Sevastopol whose forces are deployable to Georgia.

Point 4: (Georgian forces must withdraw to their usual barracks)

Georgian forces returned to bases where they had been stationed before the conflict, except those bases that had been seized by Russia. The EUMM signed Memoranda of Understanding (MoU) with the Georgian Ministry of Defense and Ministry of Internal Affairs limiting the deployment of certain troops and equipment within a distance of 15 kilometers from the conflict zones, opening facilities for inspection, providing notification of troop or police movements, and allowing for spot checks. To date, the EUMM has found no violations by the GoG. Both Russia and the de facto authorities “claimed that Georgian troops tried to remilitarize.” However, the EUMM could not substantiate this claim.

Point 5: (Russian forces must withdraw to positions they held prior to the outbreak of hostilities. Pending an international peace-monitoring mechanism, Russian peacekeepers will take additional security measures)

Russia not only failed to withdraw, it expanded territory under its control beyond the pre-war conflict zones. In addition to its buffer zones around South Ossetia, Russian forces were deployed as far as Poti, more than 40 kilometers from Zugdidi and 220 kilometers from the Kodori Gorge. Maintaining that they were invited by Tskhinvali, Russian troops occupied the Akhalgori District and the village of Perevi just outside South Ossetia. According to the GoG, Russia established a troop presence in 51 villages it did not control before the war and conducted military patrols on territory it did not previously hold.15

Russia also deployed new weapons systems, such as attack helicopters and tanks where they did not exist before the war. By October 2010, Abkhazia and South Ossetia became host to “Smerch” type offensive rockets, “Tochka-U,” and S-21, a tactical rocket that can carry nuclear, cluster, or chemical agents up to 150 kilometers. S-300 surface to air missiles were based in Abkhazia. Russia signed 49-year lease agreements with automatic 5-year renewals in Gudauta and Tskhinvali. Russia has built 5 permanent military bases in South Ossetia manned by approximately 5,000 security personnel. Another 5,000 are based in Abkhazia. Both deployments include regular army troops, border guards and FSB personnel. Russia’s Ministry of Defense revamped its military command in the North Caucasus, linking it to Russian forces in Georgia.
Beginning in October 2008, Russia withdrew armor and infantry units from checkpoints along Georgia’s Tbilisi-Senaki Highway (M-27). More than 100,000 IDPs, about 80 percent of those displaced during the 2008 war, were able to return to villages previously behind Russian lines.

**Point 6: (Launch of international discussions on security and stability arrangements for Abkhazia and South Ossetia)**

Russia recognized Abkhazia and South Ossetia as independent states on August 26, 2008. This action was heralded by the Russian Duma, which had called for recognition the previous day. Unilaterally recognizing Abkhazia and South Ossetia preempted discussions on stability arrangements.

Russia opened embassies in Sokhumi and Tskhinvali on September 14–15, 2008. It signed Friendship, Cooperation and Mutual Assistance agreements with Abkhazia and South Ossetia on September 17, 2008 institutionalizing cooperation in 20 fields and unifying civil, tax, welfare, and pension systems, as well as energy, infrastructure and telecommunications systems with those of Russia.  

Russia has undertaken a campaign for international recognition of Abkhazia and South Ossetia. To date, only Nicaragua, Venezuela, and Nauru have recognized Abkhazia and South Ossetia. No former Soviet republics, including Belarus, have recognized, nor have any members of the Collective Security Treaty Organization. China and other countries in the Shanghai Cooperation Organization have rebuffed Russia’s entreaties.

**Geneva Talks**

The Geneva talks were launched on October 15, 2008. There have been 16 rounds to date, with the most recent occurring on June 7–8, 2011. The 3+3 format includes the UN, EU and OSCE as mediators. Meetings also include officials from Georgia, Russia, the United States, as well as the EUMM. The Geneva talks provide the only useful format for discussion between Georgia and Russia on problems between them. The participation of international mediators also serves the GoG’s goal of internationalizing its dispute with Russia. However, the GoG recently warned that it would consider withdrawing from the Geneva talks to protest alleged Russian plots to bomb targets in Georgia.

Delegations are allowed to invite guests; Russia invites representatives from the de facto authorities. Representatives from the Abkhazia and South Ossetia governments-in-exile accompany the Georgian delegation. There are no name cards. While status is never included as an agenda item, status issues creep into discussions, undermining progress on practical issues. Agendas of the parties are different. Whereas Georgia wants to advance its goal of de-occupation and reintegration, Russia, Abkhazia and South Ossetia seek legitimization of “new realities.”

Working Groups on Security and on Humanitarian Issues have been established. However, IDP returns is a taboo topic for the de facto authorities in Abkhazia and South Ossetia. Approximately 250,000 persons were displaced from Abkhazia by the conflict in 1992–1993. The UN, OSCE, GoG and others insist they have a legal right to return to their homes in safety and with dignity. After nearly 20 years in limbo and with no recourse, most have found permanent homes or emigrated overseas.

Sokhumi recognizes that returns would have a dramatic impact on Abkhazia’s demographics. The 2003 Abkhazian “official” census identified only 94,000 ethnic Abkhaz residents. When the GoG raises property issues and the return of IDPs, Abkhaz and South Ossetia representatives refuse to engage in a substantive exchange.

Adopted in February 2009 (at the 8th round), the Incident Prevention and Response Mechanisms (IPRM) in Abkhazia and South Ossetia were instigated by the EUMM to help prevent disputes along the ABls from escalating. The original IPRM agreement called for joint visits. However, Russia did not allow joint investigations of violence or detentions. The IPRM involves meetings every 3 weeks between Georgians, Russians with Abkhaz chaired by the UN in Gali. The EUMM and OSCE co-moderate
meetings of the IPRM for South Ossetia in Ergneti and recently in Dvani. There have been long gaps, including a year-long interval when the IPRM for South Ossetia did not meet. A hot-line links Georgia’s Defense Ministry and Interior Ministry to Russian field commanders, Abkhaz and South Ossetian de facto security officials, and the EUMM.

At the 14th round of the Geneva talks on December 16, 2010, the GoG provided a dossier implicating 6 people in bombing attacks against targets in Georgia in September and October 2010. The GoG maintained that the operation was orchestrated by an FSB officer based in Abkhazia and on Interpol’s “red list.” The GoG accuses the FSB of plotting “terrorist” attacks in early June 2011. In addition to attacks, the GoG objects to the harassment of civilians including the lengthy detention of those who stray across the ABL.

At the 14th round, the parties prepared a list of “Agreed Undertakings.” These included confidence building measures (CBMs) in the fields of water supply and shelter rehabilitation. However, Russia objected and these CBMs were never adopted. The Geneva talks incorporated “information sessions” with outside experts on humanitarian topics relevant to the working group. This format focuses on technical issues and enables the parties to more constructively interact.  

Urged by the co-chairs, Georgia issued a unilateral declaration on the non-use of force towards Russia and the de facto authorities at Saakashvili’s address to the European Parliament on November 23, 2010. Affirming that there is no military solution to restoring Georgia’s sovereignty and territorial integrity, he reiterated his non-use of force pledge at the OSCE Astana Summit on December 2, 2010. The de facto authorities in Abkhazia and South Ossetia followed with their own unilateral declarations pledging the non-use of force. Russia demands a formal agreement between Georgia and Abkhazia and South Ossetia. However, the GoG rebuffs its overtures. It is wary of elevating their status. It maintains that only Georgia and Russia are parties to the conflict and responsibility lies with Russia, which exercises effective military control of Abkhazia and South Ossetia. Russia refuses to issue a unilateral declaration or sign a bilateral agreement on the non-use of force with Georgia. According to Russia’s Deputy Foreign Minister Grigory Karasin, “Russia was not and is not a party to the conflict, so we will not give any unilateral declarations of the non-use of force. It is not necessary. We did not and do not threaten anybody there.”

A Special Fund of the Secretary General on Unforeseen and Extraordinary Expenses has been used to pay for the UN’s participation in the Geneva Talks, activities of the UN Representative for Georgia Ambassador Antti Turunen, and the UN’s work with the IPRMs. However, funds ran out in April 2011. A disagreement between Georgia and Russia over the wording and mandate arose threatening to end UN activities. After a compromise, the UN team is currently financed through the regular UN budget.

The IPRMs are useful to Russia, as they help maintain the status quo. Russia wants to avoid instability and conflict, which can adversely affect the 2014 Sochi Winter Olympics. The Geneva talks are a diplomatic process that helps contain disputes. According to a former U.S. official, the Geneva talks are “painful,” but “Geneva’s a nice place.”

DONOR ASSISTANCE

The Six-Point Cease-Fire Agreement between Russia and Georgia did not include a specific commitment from donors to provide humanitarian and reconstruction assistance. Nonetheless, bilateral donors, regional organizations and international financial institutions responded generously.

The Russia-Georgia war occurred on the eve of the global economic crisis, which compounded economic consequences of the conflict. The war resulted in an estimated $2.8 billion in damages to Georgia’s infrastructure and civilian economy, including loss of fiscal revenue. Economic growth during the first 6 months of 2008 was at 12.3 percent (annual rate). As a result of the war, it ended up at 2.4 percent for the year. In 2009, economic growth was negative 3.9 percent, but rebounded to 6.4 percent in 2010. The World
Bank reports that foreign direct investment (FDI) decreased from $328 million in 2008 to $134 million in 2009. Georgia's credit rating was downgraded after the war, and National Bank reserves decreased 40 percent.

The United States responded quickly and comprehensively to assist Georgia and deepen trade and investment ties. In September 2008, Senator Joe Biden introduced legislation committing $1.06 billion to Georgia, on top of existing commitments through the FREEDOM Support Act, the Millennium Challenge Corporation, and other programs. About a quarter of U.S. assistance went to direct budgetary support. The EC provided €500 million to supplement the EU’s Eastern Partnership. EU member states committed an equal amount at the EU-World Bank donor's conference on October 22, 2008. The International Monetary Fund made $750 million available to Georgia's Central Bank in the form of a Stand-By Arrangement. Even the Asian Development Bank contributed $40 million. Donor assistance gave Georgia visibility and was invaluable in restoring investor confidence. Georgia's Ministry of Finance indicates that $3.69 billion has been spent as of September 30, 2010.

The donor community responded to acute needs born from crisis. In the current climate, Georgia can not expect donors to continue their support at such high levels. Though the GoG averted a debt crisis by taking steps to defer its 2013 obligations until 2023, Georgia's economic challenges are compounded by difficulties securing FDI given existing uncertainties.

Georgia's so-called democracy gap also has a negative effect on investor confidence. Lincoln Mitchell and Alexander Cooley write that, beginning in 2007, Georgia became increasingly dominated by Saakashvili's United National Movement (UNM) with power concentrated in the executive. The weaknesses of civil society and independent media are conspicuous, with media under the strong influence of the GoG. Lack of democratic consolidation hinders economic development, as well as the realization of Georgia's Euro-Atlantic aspirations, especially joining NATO.

Beginning in the early 1990s, the United States and other funders have provided a range of assistance aimed at enhancing democracy. For example, electoral assistance focuses on upgrading the election law, building the capacity of the election administration, and strengthening the capacity of civil society organizations to provide oversight over election cycles. Good governance emphasizes improving the human and institutional capacity of Parliament. Judicial independence highlights improved court administration and case management through the training and mentoring of judges and prosecutors. Political party development promotes political pluralism and the participation of young political leaders. Assistance to independent media involves media partnerships and production subsidies, as well as measures aimed at improving public access to a range of more politically balanced, editorially independent, and professional media. A small-grants program supports civil society development, free flow of information, transparency in government, public education and advocacy, rule of law and legal reform, conflict resolution, human rights, and minority rights. The OSCE, EC and other bilateral donors also provide democracy assistance.

**STAKEHOLDERS**

Implementation of the Six-Point Cease-Fire Agreement occurs within the broader context of relations between Georgia and the de facto authorities, between Georgia and Russia, between Georgia and the West, and between Russia and the West.

**Georgia - De Facto Authorities**

The GoG contends that both Abkhazia and South Ossetia are “occupied territories” under Russia's control and pursues a policy of non-recognition. While it previously sought to isolate Abkhazia and South Ossetia, it is now more flexible on “de-isolation” of war-affected populations in Abkhazia and South Ossetia.

The “State Strategy on Occupied Territories: Engagement through Cooperation” was published on January 27, 2010. The “Action Plan for Engagement on the Implementation of the State Strategy” was adopted in
July 2010, and “Modalities for Conducting Activities in the Occupied Territories” in October 2010. The State Strategy rejects violence as a tool for resolving conflicts with Abkhazia and South Ossetia, and does not address status issues. Including status-neutral mechanisms for interaction, it seeks to bypass the de facto authorities to promote interaction that improves socio-economic conditions on all sides. The Action Plan is a “people-oriented policy” seeking “connectivity and reconciliation [in order to] restore the social fabric of the Georgian state.” The approach is motivated by an understanding that isolating Abkhazia and South Ossetia pushes the de facto authorities closer to Russia, and that the best way to stop Russia’s creeping annexation is through incentives to Abkhaz and South Ossetians. It is based on the hope that Abkhaz and South Ossetians will eventually become disillusioned with Russia and return to Georgia to reap the benefits of its political and economic system.

By mentioning “Occupied Territories” in its title, the State Strategy gives no ground on recognition. Engagement must conform to Georgia’s Law on Occupied Territories, which was adopted on October 15, 2008, as the primary bulwark supporting the GoG’s policy of non-recognition. It regulates diplomatic contact, commercial activity, travel to the territories, and travel by Abkhaz and South Ossetians who do not use Georgian passports. The principles that “underlie this strategy, namely the territorial integrity of Georgia and the task of ensuring non-recognition and final de-occupation” are aimed at reversing “the process of annexation by the Russian Federation.”

Abkhaz civil society representatives believe that the GoG’s State Strategy is too politicized and has little chance of being realized. The de facto authorities claim that they have not even read the State Strategy, dismissing it as a political text. Preoccupied with state building, they reject de-isolation vis-à-vis Georgia in favor of enhanced ties to Russia and other countries. Russia’s strong presence gives credence to Georgia’s labeling of Abkhazia as an occupied territory.

“Below the radar” contacts between Georgians and Abkhaz are increasing. Each day as many as 1,800 persons cross the Enguri River to conduct suitcase trade of commodities and agricultural goods. Medical equipment and pharmaceuticals are also procured in Georgia for sale in Abkhazia. As a member of the WTO, Georgian imports goods at a lower cost than Russia making Georgian-origin products less costly. Agro-enterprises include tea, tomatoes, citrus and apple products, and hazelnuts. In addition, a growing number of Abkhaz receive health care at facilities across the ABL. Georgia provides insulin drugs, polio vaccinations, AIDS and tuberculosis medications. Nearly 1.6 million Lari was allocated by the GoG for State Strategy-related health care activities in 2010. Education exchanges are foreseen in the next phase of contact, as are commercial activities. The GoG has proposed issuing Status Neutral Travel documents to de-isolate populations of Abkhazia and South Ossetia. The communications and liaison mechanism has good relations on both sides, effectively assisting project development.

Commercial contact can be a tool for conflict transformation, while laying the ground for long-term rapprochement. The Enguri Hydroelectric Power Station has a design capacity of 1.3 GW, but is in need of substantial repair and operates well below capacity. The plant and distribution transformer are on the West side of the Enguri, while the reservoir is located in Georgian controlled territory. 40 percent of the electricity is used by Abkhazia with the balance used elsewhere in Georgia.

The South Ossetia gas-for-water proposal involves the flow of gas from Tbilisi to the Akhalgori District and water from South Ossetia to users in undisputed Georgian territory. The GoG together with OSCE supplies irrigation water to Ergenti. It has upgraded of the Nikosi pumping station, improved the supply of potable water to Znauri, and reinforced the Zonkari Dam. However, the ABL is closed apart from two checkpoints, one in Akhalgori and another near Perevi. Ethnic Georgian villagers are detained and sometimes shot by militia and/or FSB border troops for inadvertently crossing the ABL to collect wood or herbs, or for accessing traditional pasture lands.

South Ossetia is an impoverished enclave run by criminal gangs trafficking in drugs, weapons, and women. It
is more likely to merge with North Ossetia and be absorbed into the Russian Federation than stand on its own. Almost all the ethnic Georgians have been killed or driven from their homes in South Ossetia. In contrast, Abkhazia still has the vestiges of a multi-ethnic society made up of Abkhaz, Georgians, Armenians, and small groups of other minorities. Abkhaz have a long history of resistance to Russian domination; Czarist pogroms killed or displaced more than half of Abkhazia's population in the 19th Century.

Georgian scholars currently emphasize conflict transformation over conflict resolution. Conflict transformation is based on the realization that there is no quick resolution to conflicts in Georgia. It focuses on “the gradual establishment of mutually beneficial cooperation in humanitarian, economic and other areas, without resolving sensitive political issues” aimed at fostering “mutual dependence and building confidence.” Excluding the military option, no side is expected to abandon its strategic objective. Conflict transformation is based on the belief that engagement and non-recognition are not mutually exclusive goals.

Georgia–Russia

Georgia severed diplomatic relations with Russia on August 29, 2008; Russia responded by closing its embassy and recalling its ambassador. Absent diplomatic relations, diplomats interact through the Geneva talks and via the Swiss interest sections in Moscow and Tbilisi. The GoG insists that it cannot resume relations with Russia as long as Abkhazia and South Ossetia remain “occupied territories.” It also accuses Russian security forces of plotting a series of attacks against Georgia beginning in December 2011.

The Georgia-Russia narrative is highly polarized. Relations will likely get worse as United Russia panders to nationalist sentiment in upcoming parliamentary and presidential elections. Russia refuses to acknowledge the cease-fire agreement with Georgia referring to it as the “Medvedev-Sarkozy commitments.” Medvedev has repeatedly called Saakashvili a “criminal” and a “political corpse.” In contrast, Georgia calls for negotiations with Russia “any time, any place, and without preconditions.” Saakashvili has used anti-Russian sentiment to bolster support for the UNM and to discredit domestic political opposition, which he accuses of being pro-Russian.

Georgia and Russia still have extensive economic relations. Russian investment in Georgia was at a record level in 2009. Russia is Georgia's fifth largest trading partner, the fifth largest exporter of goods to Georgia, and the ninth-largest destination of Georgian goods (transported via third countries). Vimpelcom, a Russian telecommunications company, is one of three providers of cellular phone service in Georgia. Russia's InterRAO co-owns Sakrusenergo with Georgia's Energy Ministry. InterRAO owns 75 percent of Telasi, which accounts for a third of electricity distribution in Georgia. It wholly owns Mtkvari, which is Georgia's largest thermal power plant and has long-term operating contracts for 2 large hydroelectric power stations. Other steps enabling commercial relations include opening of the Verkhny-Lars Kazbegi land crossing in March 2010 and the resumption of charter flights between Tbilisi and Moscow in August 2010.

Electricity from the Khudoni HPP Station would augment current electricity sales with benefits to Krasnodarsky Kray, a region in Russia with Sochi as its capital.

Russia is not a monolith. Putin no longer talks about international recognition or modernization, which would result in the gradual distancing of Abkhazia and South Ossetia from Russia's sphere of influence. Medvedev more often emphasizes sovereignty and independence. Russia's failure to convince countries to recognize Abkhazia and South Ossetia is an embarrassment. Recognition of Abkhazia and South Ossetia is a sore spot in Russia's international relations. Obama administration officials raise concern about the “occupied territories” at the highest levels.

Russians are increasingly skeptical about commitments to Abkhazia and South Ossetia. Militarization of the conflict zones comes at a high cost. There is a growing clamor about reconstruction expenditures in South Ossetia, which is mired in corruption and incompetence. In 2009, Russia financed 98.7 percent of South Ossetia's budget. Abkhaz resent being a vassal under Russia's control. They are concerned about the impact of construction for the Sochi Olympics on the environment. Prices in Abkhazia are rising and will
go even higher as the Olympics approach.

United States–Georgia

Georgia emerged as a high-value ally after the events of September 11, 2001. The Pentagon launched a Train and Equip Program to enhance Georgia’s counter terrorism capabilities in April 2002. Georgia was one of the first countries to join the multinational force in Iraq. Bush and Saakashvili developed a close personal relationship based on shared values and Georgia’s support of Bush’s war on terror.

The “U.S.-Georgia Charter on Strategic Partnership” was adopted during the final days of the Bush administration, on January 9, 2009. It affirms support for Georgia’s “legitimate security and defense needs” as well as “regional peace and stability.” The Strategic Partnership Commission engages both sides in bilateral working groups on democracy, defense and security, economic, trade and energy issues, and people-to-people and cultural exchanges.

The GoG initially feared that the Obama administration would downgrade Georgia’s importance. However, the United States did not sacrifice Georgia for strategic relations with Russia. A quarter of the extraordinary aid package proposed under the Bush administration was deferred for action by the Obama administration, in order to demonstrate the continuity of America’s commitment. Secretary of State Hillary Clinton has referred to Abkhazia and South Ossetia as “occupied territories.” The U.S. State Department Country Report on Human Rights Practices also calls them “occupied territories.” The Obama administration is careful not to take any action that potentially elevates Abkhazia’s status. U.S. officials have no official contact with de facto authorities outside of the Geneva talks. They urge “strategic patience” to restore Georgia’s sovereignty and territorial integrity in Abkhazia and South Ossetia.11

Extensive security cooperation is underway between Georgia and the United States, as well as between Georgia and NATO. The North Atlantic Council (NAC) held a historic meeting in Tbilisi on September 15-16, 2008. Led by NATO Secretary General Jaap de Hoop Scheffer and attended by ambassadors from the Alliance’s 26 members, the meeting launched the NATO-Georgia Council symbolizing NATO’s solidarity with Georgia.

The United States does not provide a security guarantee or weapons that could be used by Georgia for its territorial defense. However, the Pentagon is working with the GoG to modernize its military, focusing on training, planning, and organization of Georgian forces bound for Afghanistan.12 Georgia contributes approximately 1,000 troops to ISAF. The GoG recently announced plans to send additional troops next year, which would make Georgia the greatest non-NATO troop contributor to ISAF. The southern line of the Northern Distribution Network to Afghanistan runs through Georgia, and the GoG provides overflight rights to NATO. Making Georgia an important part of ISAF was a smart and politically strategic decision by the GoG.

Georgia’s location makes it a vital trans-Eurasia energy-transit country enhancing geographic diversification of energy resources to the West. The East-West Corridor transports oil and natural gas supplies from the Caspian via Georgia to Western markets. The Baku-Tbilisi-Ceyhan pipeline cost $3.5 billion and now delivers a million barrels of oil each day. The South Caucasus gas pipeline, which follows the same route through Georgia, and the smaller Baku-Tbilisi-Supsa line are other Caspian pipelines not under Russia’s control. Estimated to cost $12 billion, the Nabucco pipeline will expand trans-Caspian projects by transporting 30 billion cubic meters (BCM) per year of natural gas from Azerbaijan and Turkmenistan via a 4,000 kilometer pipeline stretching from the Caspian across Georgia and Turkey to Bulgaria, Hungary, Romania and Austria. While these supply routes are essential to diversifying energy sources, Gazprom’s purchase of 1 BCM of natural gas from Azerbaijan in 2010 and 2 BCM in 2011 significantly limits Nabucco’s viability and increases Europe’s dependence on Gazprom’s supplies.
United States–Russia

Relations reached a low-point during the Bush administration over differences on Iraq, Kosovo, and Georgia’s NATO accession. Russia may have been too weak or indecisive to assert its interests after the financial crisis of 1997, but it has since made a spectacular comeback spurred by petro-dollars from its vast energy resources.

Russia has become more confident and assertive on the world stage. It has also become more confrontational. Putin likened the United States to the “Third Reich” at the Munich Conference on February 10, 2007. He suspended Russia's commitment to the Treaty on Conventional Forces in Europe on July 14, 2007. He denounced U.S. plans for a missile defense system in Poland and the Czech Republic, and suggested that Russia would consider withdrawing from the 1987 treaty on intermediate-range nuclear missiles. Russia actively counters Western influence in the post-Soviet space, and strongly opposes the accession of Georgia and Ukraine to NATO.

The Obama administration has taken a conciliatory approach aimed at diffusing tensions. Pressing the “reset button” has enabled the United States and Russia to work more effectively together on a range of issues, including non-proliferation, as well as multilateral initiatives before the UNSC such as sanctions aimed at preventing Iran from developing a nuclear weapons program. Russia supported UNSC Resolution 1929, which went further than any previous measure excluding arms sales to Iran. Not only did Russia lose tens of billions of dollars from sanctions, it returned Iran's down-payment for S-300 missiles.

Obama spoke with Medvedev more than any other foreign leader during the first two years of his administration. Signed on March 26, 2010, the new START Treaty is a major contribution to strategic stability. The “1-2-3 Agreement” on civilian nuclear cooperation is another diplomatic accomplishment. The NATO-Russia Council agreed in Lisbon on November 20, 2010 to develop a “true strategic partnership between NATO and Russia.” The U.S.-Russia Bilateral Presidential Commission includes 60 working groups spanning a spectrum of issues from health, energy and environment to counterterrorism and counternarcotics. Russia agreed to facilitate the surface transport of non-military equipment to ISAF. The Northern Distribution Network starts in Latvia, traverses Russia and goes by rail to Afghanistan. In May 2011, the number of over-flights through Russian air space to Afghanistan passed 1,000. While 80 percent of U.S. supplies presently transit through Pakistan, 75 percent will come via Central Asia by the end of 2011.

The United States and Russia have also worked closely together on other regional issues where their national interests converge. Russia did not oppose UNSC 1973, which authorized air strikes against Libya. The United States and Russia cooperated on last year’s ouster of President Kurmanbek Bakiyev from Kyrgyzstan. The Manas Transit Center is a U.S. strategic asset in proximity to a major Russian air base. The United States did not contest political developments in Ukraine, including the winding down of the NATO-Ukraine Commission and the 25-year extension of Russia’s naval base lease in Sevastopol.

U.S. officials avoid hot-button issues that could inflame U.S.-Russia relations, such as Russia’s business and legal climate, as well as its systematic harassment of civil society and media representatives. The United States has avoided strident criticism of law enforcement in Russia, which is used to settle scores, or the Prosecutor General’s Investigative Committee that results in stifling conformity.

However, underlying tensions still exist. Constituencies on both sides are wary of the “reset.” Members of the Russian Duma have a worldview that sees the United States in competitive terms. Russia’s official military doctrine continues to designate NATO as Russia’s prime external threat, thereby justifying military spending and strengthening of Russia’s strategic nuclear force. While Obama talks about a “strategic partnership,” NATO’s more tentative communiqué of November 29, 2010 indicated, “We want to see a true strategic relationship between NATO and Russia, and we act accordingly, with the expectation of reciprocity from Russia.” The communiqué also rejected the Russian notion of a “privileged” region in the former Soviet space. The Obama administration recognizes that Russia has special interests in the former
Soviet space, but not the notion that Russia has a sphere of influence. It has also publicly and repeatedly called on Russia to reverse its recognition of Abkhazia and South Ossetia.\(^6\)

The United States-Russia relationship is still fragile. After 17 years of negotiations on Russia’s membership in the WTO, Kremlin insiders believe that the United States holds Russia to a higher standard than other BRIC countries.\(^6\) Both the United States and Russia see the other in decline. Moreover, benefits to strategic cooperation are not as great as they seem. The new START Treaty is in Russia’s interest. Missile defense deters other systems to defend against long-range ballistic missiles, which are under development by Iran. The U.S. is paying a large fee for transiting supplies via Russia to Afghanistan.\(^9\) Economic ties are shallow. Russia is America’s 32nd largest trading partner with trade representing less than one percent of exports and imports for each country.

**EU–Georgia**

The EU maintains a balance between its goals of bolstering commercial relations with Russia, strengthening ties with Georgia, and de-isolating the conflict zones. Adopted in December 2009, the EU’s Non-Recognition and Engagement Policy mirrors the U.S. approach with both calling on Russia to rescind its recognition of territories in Georgia. There are, however, tactical differences. The United States emphasizes de-occupation and restoration of Georgia’s territorial integrity. The EU emphasizes de-isolation and transformation, while holding the line on non-recognition.

The EU has no stated, formal policy towards the conflict zones. Articulating a policy would require the EU to show its hand, imposing limitations on its role. The EU prefers to set aside discussion of sovereignty focusing instead on more practical issues involving work with Abkhaz and South Ossetian civil society. Abkhaz are prepared to accept non-recognition by the EU as an interim basis for interacting. They were mollified by the European Parliament (EP) resolution of April 7, 2011 that emphasized de-isolation, but angered by the EP resolution of June 9, 2011 referring to “occupied territories.”

Today, the EU engages Georgia through a variety of economic tools and policy instruments such as its European Neighborhood Policy, the Instrument for Stability, the Eastern Partnership, and the Black Sea Synergy initiative. The NATO-Georgia Council, which involves leading EU member states, is a forum for discussing strategies and trans-Atlantic cooperation. On June 17, 2010, the EU adopted the EU-Georgia Visa Facilitation Agreement cutting visa fees and enabling multiple-entry visas with a long period of validity. Discussions with Georgia, Armenia and Azerbaijan on Association Agreements within the framework of the Eastern Partnership opened in 2010. Draft negotiation directives have recently concluded, signaling the imminent start of negotiations including talks on a Deep and Comprehensive Free Trade Area.

Peter Semneby served as EUSR from 2006 to 2011. His mandate included assistance to carry out the EU’s policy objectives, including political and economic reforms, return of displaced persons, and conflict resolution. The position was eliminated last year as Brussels launched its new European External Action Service under the Lisbon Treaty and established a High Representative for Foreign Affairs and Security Policy. The EUSR position was restored on June 7, 2011.

**EU–Russia**

Widely divergent views characterize EU member states. Countries in Central and Eastern Europe are vocal supporters of Georgia. On August 12, 2008, heads of state from nations once controlled by the Soviet Union — Latvia, Lithuania, Estonia, Ukraine and Poland — joined the Georgian people at a rally in Freedom Square rebuking Russia for its aggression.

Other countries, like Germany and France, place a higher priority on commercial relations with Russia. The EU is Russia’s largest trading partner. Two-way trade between the EU and Russia involves the sale of energy supplies to consumers in Europe and the provision of EU goods and services to Russians. Chancellor Angela Merkel may have called Russia’s recognition of Abkhazia and South Ossetia “totally unacceptable,”
but Germany's dependence on Russia for natural gas defines the relationship. Russia's 2006 interruption of natural gas supplies to Ukraine sent a chill to consumers in Germany and across Europe, while Russia's withdrawal in mid-2009 from the Energy Charter Treaty underscored the EU's lack of leverage.

The EU and Russia established “common spaces” for dialogue and economic cooperation at the St. Petersburg Summit in May 2003. These include the Common Economic Space, including the EU-Russia Energy Dialogue, the Common Space on Freedom, Security and Justice, the Common Space on External Security, and the Common Space on Research, Education and Culture. Economic dialogues have “produced little tangible results” due to “organizational difficulties or lack of real interest on the Russian side.” Russia introduced protectionist measures including import, road, and rail tariffs, as well as over-flight fees and barriers to the import of pharmaceutical supplies.

While Germany is the leading proponent of business as usual, France has taken trade normalization a step further through its sale of military equipment to Russia. France is concluding the $2 billion sale of four Mistral class assault ships. Each ship can carry 15 helicopters and 70 armored vehicles. Had Russia possessed these vessels in 2008, it would have been able to invade Georgia in just a few hours. The Mistral transaction is the first of its kind between Russia and a NATO member.

**RECOMMENDATIONS**

*Change Russia's Calculus through a Carrots-and-Sticks Approach*

The United States should:

- Emphasize that the interests of both Russia and the United States are served by stability in Georgia, and that reducing tensions between Georgia and the de facto authorities also contributes to stability in Russia, especially the North Caucasus.
- Insist that Russia withdraw its troops to pre-war positions.
- Urge Russia to be more transparent about its troop presence, movements, training, and equipment in the conflict zones by accepting expanded access of the EUMM.
- Use the NATO-Russia Council as a forum for expressing concern about the permanent basing of Russian troops in the conflict zones.
- Keep Georgia's sovereignty and territorial integrity on the agenda of bilateral meetings between U.S. and Russian officials.
- Reiterate support for Georgia's future membership in NATO at NAC meetings.
- Call on Russia to investigate alleged attacks sponsored by the GRU and FSB against targets in Georgia, punish those responsible, and prevent future attacks.
- Advance Russia’s economic interests by promoting its WTO membership by the end of 2011, while satisfying Georgia's concerns about border transparency.
- Help Russia secure long-term private-equity investment and venture capital in exchange for cooperation on Georgia and other issues in the South Caucasus.
- Encourage working-level interaction between Georgian and Russian officials with the ultimate goal of normalizing relations.
- Continue U.S. AID funding for the UNDP's Abkhazia Community Revitalization Project enhancing social services and infrastructure rehabilitation projects, as well as cross-ABL engagement through the Internet and other technologies.

The EU should:

- Stop talking about an exit strategy for the EUMM focusing instead on enhancing its effectiveness. This can be achieved by deploying additional civilian monitoring tools to Georgian-controlled territories (e.g. helicopters, mobile radars, UAVs, speed boats), overcoming the gap between headquarters and field operations, streamlining procurement procedures, and using enhanced monitoring technology (e.g., aerial and naval surveillance).
- Convey that it is prepared to condition Partnership and Cooperation Agreement talks on Russia’s transparency in the conflict zones; signal its readiness to suspend the Visa Facilitation Regime if Russia provokes renewed hostilities; and impose sanctions on Russian individuals and corporations illegally acquiring property in Abkhazia and South Ossetia.
- Make clear that the EUMM’s effective monitoring of Georgian Special Forces, which Russia accuses of conducting raids across the ABLs, requires unfettered access by the EUMM to the conflict zones.
- Renew support for the UNDP’s Confidence Building Early Response Mechanism, which will expire at the end of 2011.
- Emphasize democratization and civil society capacity building in the conflict zones targeting NGOs that are not involved in state-building (e.g. organizations focused on countering corruption).

Georgia should:
- Tone down its rhetoric, which is construed as anti-Russian.
- Support a consensus recommendation to the WTO General Council in favor of Russia’s membership this year, upon agreement with Russia for greater transparency at border crossings.
- Encourage preparations for the 2014 Sochi Olympics that are remunerative to Georgian businesses.
- Adopt a conflict transformation approach without consideration to political status, which is based on the recognition that there are no easy, quick solutions.
- Support a track-two process involving the Moscow Institute of International Relations and the Georgian Foundation for Strategic and International Studies (modeled on the “Polish-Russian Commission on Difficult Issues.”)

Russia can respond positively to these carrots and sticks by:
- Stopping personal attacks on Saakashvili.
- Establishing working-level consultations with Georgian officials outside of the Geneva talks.
- Lowering visa fees for Georgians visiting Russia.
- Lifting the boycott of Georgian wine and mineral water within the framework of its WTO accession.
- Addressing Georgia’s concerns regarding border transparency at the Roki tunnel and Psou bridge.
- Removing Tochka-U rockets from South Ossetia, S-300 missiles from Abkhazia, and other offensive weapons from the conflict zones.

The following recommendations are offered to directly affected parties and concerned stakeholders focus on conflict transformation and CBMs:

**Keep Talking**
- Continue the Geneva talks as a forum to prevent conflict from escalating. The Geneva talks may serve as the basis for peace-settlement negotiations when political conditions change.
- Raise EUMM access to the conflict zones at the Geneva talks.
- Use the Geneva talks as a forum to discuss environmental concerns resulting from Russia’s plan to build a major cement factory in Abkhazia to support construction of facilities for the Sochi Winter Olympics (35 km from Georgia’s border).

**Promote Regional Economic Development**
- Expand humanitarian assistance and monitoring in the ethnic Georgian areas of Gali, Kodori and Akhalgori districts.
- Discuss commercial opportunities on the sidelines of Geneva or at the IPRM level. (Note: Setting-up a new working group on trade-related issues would politicize business development with adverse impact).
- Emphasize projects of mutual benefit such as Enguri Sand and Gravel Export Project, which would dredge the dry bed of the Enguri River at a site 62 kilometers upstream from Anaklia producing up to 500 million cubic meters of gravel to be loaded onto barges for markets across the Black Sea, including cement facilities for construction in Sochi.
- Restore tea plantations in Gali and set up a collection and processing center on the east side of the Enguri, using bridges and infrastructure of the Enguri Sand and Gravel Project. The same model facilitating commercial contact between Georgians and Abkhaz could be explored for other agro-industries (e.g., hazelnuts, tomatoes, citrus, and apple products).
- Finish the Khudoni HPP, so that electricity can be exported to Krasnodarsky Kray in Russia.
- Support renovation of the Zonkari water reservoir in South Ossetia and other water related projects for both irrigation and potable water supply. Implement the water-for-food swap.

Implement the State Strategy and Action Plan

- Strengthen the Liaison Mechanism between Tbilisi and Sokhumi.
- Focus on youth and educational exchanges to reduce negative stereotyping by future generations.
- Expand humanitarian assistance programs such as demining and vaccinations.
- Increase U.S.A.I.D. projects in Gali, Kodori and Akhalgori Districts to act as a magnet for potential IDP returns.
- Amend language in the Law on Occupied Territories deemed inflammatory by Abkhaz and South Ossetians in order to create a climate conducive to realization of the Action Plan.
- Address Abkhaz and South Ossetian concerns that the Action Plan is a political agenda aimed at promoting dependency on Georgia, rather than a genuine effort to improve the quality of life for Abkhaz and South Ossetians.

Emphasize De-Isolation

- Study how other unrecognized entities have found outlets for interacting with the international community advancing de-isolation without creeping recognition.
- Enable Abkhaz to diversify their foreign contacts with littoral states of the Black Sea, thereby weaning Abkhazia from Russia's control.
- Set-up an EU information office in Sokhumi as a status-neutral liaison mechanism targeting civil society.
- Avoid official interaction with the de facto authorities that could be misunderstood as elevating their status, while reaching out to civil society.
- Support the GoG's effort to establish bilateral diplomatic relations worldwide as a buttress to its non-recognition policy.

Facilitate Travel

- Permit consular officials from Tbilisi-base embassies to visit Sokhumi and Tskhinvali to issue visas in the travel documents of Georgian citizens choosing to use Russian travel documents. (Note: Visas would be affixed on a stapled attachment not stamped in Russian passports).
- Relax restrictions on international air, and sea connections to Abkhazia especially ferry links to Turkey, while addressing GoG concerns about transparency at the border.
- Work with the International Civil Aviation Organization to arrive at a formula that would enable commercial flights to Sokhumi in a fashion that is consistent with sovereignty principles.
- Permit Sokhumi’s airport to be used as a transit area for the Sochi Olympics with transit fees going to support environmental NGOs in Abkhazia and Abkhaz activities associated with the Action Plan.
- Open the railway from Sochi via Sokhumi and Tbilisi to Yerevan and Baku.
- Link travel and trade openings with participation in the Action Plan calibrating incentives to benchmarks and encouraging the de facto authorities to wean themselves from Russia’s control.

Implement CBMs

- Emphasize predictable access across the ABLs for the local population, as well as donors and assistance agencies.
- Improve the crossing regime across the Enguri River and open additional crossing points to/from Gali.
- Urge the de facto authorities in South Ossetia to release Georgians detained for inadvertently crossing the ABL.
- Move forward with the EU-funded and OSCE-implemented rehabilitation of the Zonkari dam in South Ossetia, and the water-for-gas swap.

**Affirm the Non-Use of Force**
- Sign a “Declaration of Principles on the Non-Use of Force” by representatives of Georgia, Russia, and the de facto authorities.\(^4\)
- Affirm that, as a statement of principles rather than a treaty between sovereigns, the declaration does not represent creeping recognition.
- Encourage Georgia by pointing out that the declaration would bolster Georgia's demand that Russian troops withdraw, silence debate about Georgia's intentions, and signal the GoG's genuine support for engagement.
- Cite precedents such as the Ceasefire Agreement between Armenia and Azerbaijan of May 11, 2004 that was signed by the “Commander” of Nagorno-Karabakh’s forces, and the Moscow Ceasefire and Separation of Forces Agreement of May 14, 1994 that bore the signature of an Abkhaz representative.
- Back up the declaration with a parallel agreement to expand access of the EUMM in the conflict zones.

**Internationalize the Issue**
- Encourage the UN, EU, and OSCE to convene an “International Conference on the Caucasus.” If Russia balks at including the North Caucasus on the agenda, the conference could be more narrowly focused as a “South Caucasus Forum.”
- Create working groups emerging from the conference that enable civil society interaction on technical topics.
- Revitalize Turkey's proposed Caucasus Stability Pact, which should include the United States. The Caucasus Stability Pact would have the added benefit of enabling interaction between Washington and Tehran.

**Develop an Implementation Review Process**
- Include implementation review of the Six-Point Cease-Fire Agreement between Russia and Georgia in the mandate of the EUSR and the EUMM.
- Encourage the EP Rapporteur to draft a resolution that requires the European Commission to conduct an annual implementation review of the Agreement.
- Pass a resolution requiring the President to report to Congress on implementation of the Agreement.

**CONCLUSION**

The GoG has effectively focused discussions in Washington, D.C. on Georgia's important role in Afghanistan. They have also succeeded in defining Georgia’s conflicts as Russia's responsibility. While the United States has a vital role to play influencing Russia's calculus, a parallel effort is needed to improve relations between Georgians, Abkhaz and South Ossetians.

There is no short-term solution to restoring Georgia's sovereignty and territorial integrity. Conflict transformation requires engagement between Georgians, Abkhaz, and South Ossetians. Some U.S. officials are reluctant to pursue innovative activities and policy initiatives. They start with the premise that innovation will not work. A more pro-active and entrepreneurial approach is needed.

Instead of ad hoc strategic between the United States, the EU, and other stakeholders, such as Turkey, a working group could be established as a forum for regular interaction about the Russia-Georgia conflict as well as the West's approach to Russia. A Washington-based think tank, could serve as a platform for defining the scope and activities of the working group. Contact and cooperation between international stakeholders should be institutionalized.
Rightly aggrieved by the violent wrenching away of Georgian territory, GoG officials have adopted an attitude of “you’re with us or you’re against us.” Georgia’s interests would be better served through a more conciliatory and flexible approach. Criticism can be constructive; advice is not betrayal.

1. The observations and conclusions in this report are those of the author.
2. The de facto authorities dismiss the State Strategy and Action Plan as a public relations ploy and maintain they have no interest.
3. A Russian Army officer in Abkhazia was implicated in five bombings (December 2012). Two Georgians and a Russian border guard were killed by gunfire (April 2011). Two Georgians were shot by South Ossetian border guards (May 2011). The FSB allegedly sponsored plots to bomb the Tbilisi NATO Liaison Office (June 2011).
7. Interview with a Russian embassy official in Tbilisi on June 18, 2008.
12. EU foreign ministers did not see or discuss the plan until their meeting in Paris on August 13, 2008, the day after it was agreed.
17. “Russia’s isolation plays into China’s hands.” International Herald Tribune. August 30, 2008
19. Parties interact on the margins of meetings and socially. At the 14th round, the delegations had a farewell party for Ambassador Hansjörg Haber, head of the EUMM. The Abkhaz brought food and the Georgians brought wine and dessert.
22. Interview with Ambassador to the UN Alexander Lomata by the author. April 20, 2011.
28. Data provided by Georgia’s Ambassador to the United States, Temuri Yakobashvili (July 4, 2011).
38. BRIIC refers to Brazil, Russia, India and China.
41. The GoG currently resists signing a declaration including the de facto authorities, since it maintains that Russia is the party to the conflict.
Acronyms and Abbreviations

Administrative Boundary Line – ABL
Billion cubic meters – BCM
Brazil, Russia, India and China – BRIC
Commonwealth of Independent States – CIS
Confidence building measures – CBMs
Confidence Building Early Response Mechanism – COBERM
European Commission – EC
European Parliament – EP
European Union – EU
European Union Monitoring Mission – EUMM
European Union Special Representative – EUSR
Foreign direct investment – FDI
Government of Georgia – GoG
Incident Prevention and Response Mechanisms – IPRMs
Intelligence Division of the Ministry of Defense – GRU
Internally displaced persons – IDPs
International Monetary Fund – IMF
International Security Assistance Force for Afghanistan – ISAF
Joint Control Commission – JCC
Joint Peacekeeping Force – JPKF
Memorandum of understanding – MOU
North Atlantic Council – NAC
Organization for Security and Cooperation in Europe – OSCE
Responsibility to protect – R2P
Russian Federal Security Service – FSB
United National Movement – UNM
United Nations Development Program – UNDP
United Nations Observer Mission in Georgia – UNOMIG
United Nations Security Council – UNSC
World Trade Organization – WTO

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About the Author

David L. Phillips is Director of the Program on Peace-Building at Columbia University’s Institute for Study of Human Rights and a Fellow of the Future of Diplomacy Project at Harvard University’s John F. Kennedy School of Government. Phillips has worked as a senior adviser to the United Nations Secretariat and as a foreign affairs expert and senior adviser to the U.S. Department of State. He has held positions as a Visiting Scholar at Harvard University’s Center for Middle East Studies, Executive Director of Columbia University’s International Conflict Resolution Program, and Director of the Program on Conflict Prevention and Peace-Building at American University. He has experience in the Caucasus serving as Director of the Georgia Commission at the Council on Foreign Relations, Co-Director of the Study Group on U.S.-Russian and Georgian Relations at Columbia University’s Harriman Institute, Senior Fellow and Director of the Caucasus Program of the Atlantic Council of the United States, and Director of American University’s Conflict Resolution Program for Turkey and the Caucasus. Phillips is author of From Bullets to Ballots: Violent Muslim Movements in Transition (Transaction Press, 2008), Losing Iraq: Inside the Postwar Reconstruction Fiasco (Perseus Books, 2005), Unsilencing the Past: Track Two Diplomacy and Turkish-Armenian Reconciliation (Berghahn Books, 2005), as well as more than 100 articles in leading publications such as the New York Times, Wall Street Journal, Financial Times, International Herald Tribune, and Foreign Affairs. He has also written policy reports on the Caucasus:

- “Peacebuilding and Business: Fostering Commercial Interaction between Georgians and Abkhaz.” National Committee on American Foreign Policy (June 2010).
- “Post-Conflict Georgia.” The Atlantic Council of the United States (September 2008).
- “Restoring Georgia’s Sovereignty in Abkhazia.” The Atlantic Council of the United States (July 2008).