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| **NEWS DIGEST ON GEORGIA**  **October 15-21** | | | |
| *Compiled by:* | ***Aleksandre Davitashvili*** | *Date*: | October 22, 2020 |

* **Occupied Regions**
* **Tskhinvali Region (*so called South Ossetia*)**

1. **Reports: Occupied Akhalgori Resident Dies after Denied Transfer to Georgia Proper**

Occupied Akhalgori resident Vera Kotolova died of health complications on October 14, after Moscow-backed Tskhinvali/South Ossetian authorities denied her transfer to the Tbilisi-controlled territory for medical treatment, Akhalgori Municipality head in-exile, Nugzar Tinikashvili confirmed today.

According to Georgian media reports, Kotolova, ethnic Ossetian who taught Russian language in a local school, was first admitted with a fever to the Akhalgori hospital, where the doctors, unable to find a diagnosis, redirected her to Tskhinvali. Reportedly, doctors in Tskhinvali suspected that Kotolova might have suffered from a stroke, but discharged her home anyway, where she passed away.

The Kremlin-backed authorities of Tskhinvali Region/South Ossetia have been maintaining the closure of crossing points to Georgia proper since September 2019, following the disagreement with Georgian authorities over the Chorchana police checkpoint *(Civil.ge, October 15, 2020)*.

* **Foreign Affairs**

1. **Georgia in Freedom House’s Internet Freedom Report**

Georgia retains its place among the “free” countries with freedom on the net, according to the latest report released by Freedom House, the U.S.-based rights watchdog, on October 14. The score of the country has increased by one point compared to last year, coming in at 76 (on a scale of 0-100).

The report, covering the developments between June 1, 2019 – May 31, 2020, says that “digital freedom is generally protected in Georgia,” however “several challenges related to the increase in the number of cyberattacks and in domestic content manipulation were observed during the coverage period.” *(Civil.ge, October 15, 2020)*

1. **UK Destroyer Makes Port Call in Batumi**

UK warship HMS Dragon, a Type 45 air-defense destroyer, arrived on a four-day port call in Batumi on Georgia’s Black Sea coast on October 15.

Captain Ramaz Papidze, acting Batumi Mayor Archil Chikovani, as well as, UK Defense Attaché in Georgia, Lieutenant Colonel Anthony Brumwell welcomed the Portsmouth-based destroyer’s first visit to Georgia’s territorial waters, according to the Georgian Interior Ministry.

Interior Ministry said that during the UK destroyer’s visit, Georgian Coast Guard officers will undergo NATO SEL-2 certificate program evaluations on board *(Civil.ge, October 15, 2020)*.

1. **U.S. Indicts Russian GRU Officers for Cybercrimes Against Georgia**

U.S. Justice Department stated on Monday that a federal grand jury in Pittsburgh, on October 15, indicted six Russian GRU Military Unit 74455 officers, who were involved in various cyberattacks worldwide, including against a Georgian media company, and a wide-scale cyberattack on Georgian government and private websites, as well as attacks on the 2017 French elections, the Ukrainian government and critical infrastructure, the 2018 winter Olympics and UK bodies involved in investigating Sergei Skripal’s Novichok poisoning and others.

According to the Justice Department, one of the Russian hackers also conducted technical reconnaissance of the Georgian Parliament domain and attempted to gain unauthorized access to its network in 2019. The GRU group had also targeted businesses and critical infrastructure in the U.S., causing some USD 1 billion in losses *(Civil.ge, October 20, 2020)*.

* **Parliamentary Elections – 2020**

1. **Watchdog on Opposition Majoritarian Candidates’ Donations, Business Activities.**

A study presented by Transparency International Georgia, a local watchdog, on October 16 looked into majoritarian candidates of seven opposition parties, their political donations, business activities and asset declarations.

Similar studies were released previously on the ruling Georgian Dream party and opposition United National Movement party majoritarian candidates. This time the watchdog looked into the candidates – European Georgia, Strategy Aghmashenebeli, Alliance of Patriots, Georgian Labor Party, Aleko Elisashvili – Citizens, Lelo for Georgia and New Political Center – Girchi – the parties which had a rating of more than 1% in an August IRI public opinion survey.

**European Georgia**

The watchdog found that out of 20 European Georgia (EG) majoritarian hopefuls, seven are involved in entrepreneurial activities, either personally or through their family members, overall being connected to 15 companies.

The study revealed that companies tied to four candidates, Giga Bokeria, Otar Kakhidze, Tariel Nakaidze and Levan Tarkhnishvili, have a history of public procurement, having received GEL 798,222 (USD 250,000) during 2011-20.

According to the watchdog, Giga Bokeria declared incompletely the companies his spouse owns in a 2019 asset declaration.

Regarding political donations, the study found that 16 out of the 20 candidates, together with their family members and business partners, have made donations to the EG during 2017-20, totaling GEL 466,818 (USD 145,000), with Giga Bokeria, Akaki Bobokhidze and Levan Tarkhnishvili being among the largest donors, including their family members and business partners.

**Strategy Aghmashenebeli**

The study found that out of the two Strategy Aghmashenebeli majoritarian contenders – Giorgi Vashadze and Tamar Charkviani, running for Tbilisi’s Isani and Saburtalo constituencies, are both involved in entrepreneurial activities, being connected to four companies personally or through their family members. The watchdog found that candidates have donated GEL 194,500 (USD 60,00) to their own party.

**Alliance of Patriots**

The watchdog reported that out of 29 Kremlin-friendly Alliance of Patriots’ majoritarian contenders, 14 are involved in entrepreneurial activities, either personally or through their family members, overall being connected to 24 companies.

The study found that companies tied to three candidates, Soslan Garsevanishvili, Archil Benidze and Erekle Saghliani, have a history of public procurement, having received GEL 67,172 (USD 20,000) during 2013-20.

According to the watchdog, the Kremlin-friendly party’s leader and incumbent MP Irma Inashvili did not delegate her company shares to another person, as required by the Georgian Law on Conflict of Interest and Corruption in Public Service.

Regarding donations, the study found that nine candidates have donated GEL 362,530 (USD 110,000) to the party, with nearly four-fifths of the amount being donated during this September.

According to the report, 11 AoP candidates are not involved in entrepreneurial activities and have not made political donations either.

**Georgian Labor Party**

According to the TI study, out of ten Labor Party majoritarian hopefuls, three are involved in entrepreneurial activities, overall being connected to four companies.

The watchdog reported that seven majoritarian contenders donated GEL 41,845 (USD 13,000) to the Georgian Labor Party during 2014-20, while three candidates, Shalva Natelashvili, Temur Tsiklauri and Samson Gugava have neither made political donations nor are involved in business activities.

**Aleko Elisashvili – Citizens**

The watchdog reported that out of eight Citizens majoritarian candidates, only two, Levan Ioseliani and Ioseb Kenchadze, are involved in business activities, connected to four companies.

The study found that only Levan Ioseliani has donated to the party, an amount of GEL 40,000 (USD 12,000) in 2020. A company owned by Ioseb Kenchadze made GEL 700 (USD 217) through two simplified public procurement deals during 2017-18.

**Lelo for Georgia**

The watchdog found that out of 28 Lelo for Georgia (EG) majoritarian hopefuls, 14 are involved in entrepreneurial activities, either personally or through their family members, overall being connected to 73 companies.

The study found that companies tied to seven candidates have received GEL 1,156,881 (USD 360,000) in public procurement deals and GEL 3,033,996 (USD 940,000) from funds allocated to Georgia by international donors.

According to the watchdog, Levan Koberidze, former Georgian Dream MP, insufficiently declared his business connections in a 2020 asset declaration.

Regarding political donations, the study found that six out of the 28 candidates, together with their family members and business partners, have made donations to Lelo during 2019-20, totaling GEL 419,950 (USD 130,000), with Badri Japaridze’s business partners being the largest donors.

According to the report, ten Lelo candidates are not involved in entrepreneurial activities and have not made political donations either.

**New Political Center – Girchi**

The watchdog reported that four out of six Girchi majoritarian contenders, Zurab Japaridze, Iago Khvichia, Vakhtang Megrelishvili and Vakhtang Zenaishvili are involved in entrepreneurial activities, overall being connected to 8 companies. The four candidates have also made donations to the party amounting to GEL 182,051 (USD 56,000).

1. **OSCE/ODIHR Interim Report on Election Campaign**

The pre-election environment is “marked by political and social tensions, and economic challenges amid the ongoing COVID-19 pandemic,” an interim report by the OSCE/ODIHR Limited Election Observation Mission (LEOM) on October 16 said.

The report, covering a period between September 25 and October 10, highlighted that with the exception of the response to COVID-19, the “campaign has centered on personalities, rather than substantive issues.”

“Campaign is prominent mostly in the media and online,” the report stated, adding that many parties reduced door-to-door and in-person campaign activities due to the pandemic related concerns *(Civil.ge, October 16, 2020)*.

1. **Journalists’ Rights, Safety Must be Respected, Says U.S. Ambassador**

The U.S. Ambassador to Georgia, Kelly Degnan said on October 20 that the rights and safety of journalists must be protected especially during the election campaign period.

“Over the past weeks, we have received increasing reports of Georgian journalists being threatened or injured. Responsible journalism is a fundamental pillar of democracy and is essential to the election process,” U.S. Ambassador highlighted during meeting with civil society organizations, adding that “the rights of journalists must be respected.”

Ambassador Degnan then encouraged civil society representatives “to carefully monitor and report on how journalists are treated during this election period.” *(Civil.ge, October 20, 2020)*

1. **TI Georgia Assesses Corruption in 2016-20**

Transparency International Georgia, a local watchdog, said in its report assessing Georgia’s anti-corruption policies in 2016-20, that corruption-related “challenges will be impossible to tackle without a large-scale reform of the country’s anti-corruption system,” that should lead to the creation of an independent anti-corruption agency with broad authority.

According to report released on October 20, the following key trends were observed during the reporting period:

* Public opinion surveys show that petty corruption continues to stay at low levels, however, other forms of corruption may be widespread in the country;
* Problems regarding the concentration of power, informal influence over public institutions, and state capture have become prominent over the last years, making it difficult to conduct a proper investigation of corruption cases and implementation of anti-corruption policies;
* Numerous corruption cases related to government/ruling party-affiliated persons were left uninvestigated;
* Suspicious successful performance of companies with links to government officials or ruling party donors raises concerns;
* Georgia’s stable scores in the Corruption Perception Index during the reporting period point at the stagnation of anti-corruption reforms that have been slowing down over the past 4 years. The enforcement of anti-corruption norms remains a problem;
* There are also significant shortfalls in meeting international anti-corruption obligations taken by Georgia *(Civil.ge, October 20, 2020)*.

1. **Ruling party claims opposition raided its office in Dmanisi**

The ruling Georgian Dream party has reported that its office in Dmanisi municipality in Kvemo Kartli region was raided by the opposition representatives.

GD Executive Secretary Irakli Kobakhidze told Rustavi 2 TV that this was ‘a severe provocation’. However, he said the ruling party is ‘used to that’.

“Incidents like this require the toughest response from the law enforcement agencies. It has absolutely no justification and the sanction against the perpetrators may not be diminished any possible way”, Kobakhidze stated.

Reportedly, the intruders threatened the GD staff with knives under the severe influence of alcohol, which was followed by the shooting allegedly 'in self-defence', when the offenders stormed in. Meanwhile. one of the GD employees was stabbed in an attempt to seize a knife from the attacker *(Agenda.ge, October 21, 2020)*.

* **Internal Affairs**

1. **Supreme Court Head Elected as New Chair of High Council of Justice**

The High Council of Justice (HCoJ) of Georgia, the body overseeing the judiciary, has elected Nino Kadagidze, the Supreme Court Chair, as its new head on October 15, with 13 votes in favor and 1 against.

Nazibrola Janezashvili, the non-judge member of the HCoJ, has voted against her candidacy. Janezashvili slammed Kadagidze’s election for her alleged links to the “judicial clan,” a group of influential judges believed to be in control of the Georgian judiciary *(Civil.ge, October 15, 2020)*.

1. **Defense Minister Speaks of Cartographers’ Case**

In his October 15 interview with pro-governmental Imedi TV, Defense Minister Irakli Garibashvili spoke of the “Cartographers’ Case” – recently launched investigation into allegedly attempted land ceding to Azerbaijan during the United National Movement’s tenure by the two Delimitation Commission experts.

The experts – Iveri Melashvili of the Foreign Ministry and Natalia Ilychova of the Ministry of Interior – are accused of deliberately hiding the “1936-1938” map with 1:200,000 scale and instead using versions of 70s-80s to the detriment of Georgia’s territorial interests. The defendants deny the claims, saying that the 1:200 000 map shows major discrepancies with the statutory, 1:500,000 map of 1938 officially agreed in 1996 and is thus useless in negotiations with Baku. The probe, coming amid ongoing Armenian-Azerbaijani clashes in Nagorno-Karabakh and some month before Georgia’s October 31 general election, has attracted wider public attention as the disputed border with Azerbaijan includes revered medieval David Gareji Monastery Complex section *(Civil.ge, October 17, 2020)*.

1. **Ivanishvili-Founded University Opens in Kutaisi, Welcomes First Cohort of Students**

The western Georgian city of Kutaisi hosted the opening of Kutaisi International University, founded by the ruling Georgian Dream party chairman Bidzina Ivanishvili, the country’s richest man, on October 21.

The newly established university has welcomed 246 students in the first cohort. Closely collaborating with the Technical University of Munich, it will be offering vocational, undergraduate, graduate, and post-graduate degree programs. Alexandre Tevzadze, former Deputy Education Minister who holds degrees in Physics and Mathematics, is serving as the rector.

Top Georgian officials, including President Salome Zurabishvili, Prime Minister Giorgi Gakharia, and Speaker Archil Talakvadze, as well as foreign diplomats and representatives of the international organizations attended the event.

In her remarks at the opening ceremony, President Salome Zurabishvili compared the opening of the new Kutaisi University to that of the establishment of Tbilisi University in 1918, in the wake of Georgia’s regaining independence following the dissolution of the Russian Empire *(Civil.ge, October 21, 2020)*.

* **Economy and Social Affairs**

1. **Georgia’s Foreign Trade in January-September 2020**

Georgia’s foreign trade turnover in the first nine months of 2020 decreased by 14.9% compared to the same period last year, amounting to USD 8.12 billion, according to the preliminary results released by the National Statistics Office, Geostat, on October 19.

Exports from Georgia decreased by 12.1% year-on-year, to USD 2.4 billion, and imports were down by 15.9% y/y to USD 5.7 billion in January-September, with trade deficit standing at USD 3.31 billion *(Civil.ge, October 18, 2020)*.

1. **Georgian Central Bank Sells USD 30 Mln**

The National Bank of Georgia (NBG) sold USD 30 million at the foreign exchange auction on October 19. According to the NBG, the weighted average bid rate amounted to 3.21.

The central bank’s data shows that during last week, the exchange rate of GEL against USD remained relatively stable, within the range of 3.21-3.22 on average. The exchange rate for October 20 was determined at 3.2117 GEL per USD *(Civil.ge, October 19, 2020)*.

1. **Georgia avoids double taxation with Japan**

Georgia and Japan are increasing economic cooperation by avoiding double taxation.

This means that people or businesses working abroad in either country will not have to pay taxes in both countries, and will instead pay income and capital taxes in only one.

The deal was signed today between Georgian Finance Minister and the Ambassador of Japan to Georgia.

“The convention replaced the 1986 agreement between Japan and the Soviet Union, and henceforth Georgia 's double taxation agreement with Japan is based on a new legal framework document", says the Ministry of Finance of Georgia.

Double taxation is the levying of tax by two or more jurisdictions on the same declared income (income taxes), assets (capital taxes), or financial transaction (sales taxes). This double liability is often mitigated by tax treaties between countries *(Agenda.ge, October 22, 2020)*.

* + **Additional Information**

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| **October 22, 2020**  **OFFICIAL EXCHANGE RATES**  1 USD - 3.2181 GEL 1 GBP - 4.2189 GEL 100 RUB -4.1842 GEL  1 EUR - 3.8086 GEL 1 TRY - 0.4128 GEL 100 JPY - 3.0742 GEL     * **Movie Events - English Sessions -** [**Tickets**](https://www.kinoafisha.ge/engsessions) * **Friends of Museum (Membership to access Georgian National Museums For free of charge after one payment) -** [**Membership**](https://biletebi.ge/friends-of-museum) * **Marjanishvili Theatre –** [**Events and Tickets**](https://biletebi.ge/marjanishvili-theatre/Repertoire) * **Rustaveli Theatre -** [**Events and Tickets**](https://biletebi.ge/rustaveli-theatre/Repertoire) * **Opera and Ballet –** [**Events and Tickets**](https://tkt.ge/en/opera) * **Concerts –** [**Events and Tickets**](https://tkt.ge/en/concerts) * **Sports –** [**Events and Tickets**](https://tkt.ge/en/sport) |