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**Senate Foreign Relations Committee**  
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**"Georgia: One Year After the August War"**

Chairwoman Shaheen, Senator DeMint, members of the Committee, thank you for the opportunity to speak to you today about the situation in Georgia on the one-year anniversary of the August war.

I would like to start by thanking the Committee and others in Congress for their generous support for Georgia over the past year. The \$1 billion in assistance that Congress provided is making a huge difference in Georgia's efforts to recover and rebuild from the August conflict. Despite the global economic crisis that followed the war, Georgia has been able to weather the storm. The assistance provided by the United States and other international donors, and Georgia's effective management of that assistance, is playing a critical role in meeting the urgent needs of Georgia's citizens, supporting the economy and contributing to the long-term security and stability of the country.

During his visit to Tbilisi two weeks ago, Vice President Biden reaffirmed to Georgia and to the rest of the world that U.S. support for Georgia is unwavering. Some have had questions about whether our efforts to improve our relations with Russia would negatively affect our policy toward Georgia. The Vice President's answer was unequivocal – "We, the United States, stand by you on your journey to a secure, free and democratic, and once again united, Georgia."

At the same time, the Vice President made clear that Georgia has more work to do in strengthening its democracy. He called for fulfilling the promise of the Rose Revolution by making government more transparent and accountable, by expanding political debate from the streets to parliament, by making the media more independent and professional, by addressing concerns about judicial independence and the balance of power between the parliament and the executive branch, by firmly establishing the rule of law, and by shifting transfers of power from the streets into peaceful, constitutional processes. The Vice President also stressed that there is no military option for reintegration of Abkhazia and South Ossetia, and that Georgia should focus instead on our diplomatic efforts – in the Geneva talks and other international fora – to promote re-integration, and on

political and economic reforms that will make it, over time, more attractive to people in those regions.

We have worked over the past year and will continue to work to achieve all of these objectives in our bilateral relationship. We strongly support Georgia's independence and sovereignty, and its territorial integrity within its internationally recognized borders. We reject the concept of spheres of influence. We support the right of Georgia and other countries to choose their own alliances. At the same time, we urge Georgia to exhibit strategic patience, to do everything possible to avoid further conflict, and to vigorously pursue political and economic reforms. Of the \$1 billion in assistance pledged by the United States to Georgia, approximately 44 percent has already been expended. Last fall, in the days and weeks following the conflict, U.S. assistance provided emergency humanitarian relief to internally displaced persons. Through a rapid response mechanism, the U.S. provided emergency relief items, medicine and food to many of the people displaced by the August conflict. Subsequent U.S. technical and budgetary assistance has helped Georgia to address extraordinary expenditures stemming from the conflict and to sustain confidence in Georgia's banking system and wider economy, in spite of the global economic downturn. The success of our assistance was also made possible by the remarkable economic reforms Georgia has implemented since the Rose Revolution of 2003.

With the immediate crisis having passed, our assistance is designed to support recovery and reconstruction, as well as longer-term core infrastructure investments, border security, law enforcement, and democratic reform. As we look ahead, we are tailoring our regular annual assistance programs to Georgia to maximize their follow-on impact to the \$1 billion package, particularly in the enhancement of democracy and economic growth and meeting humanitarian needs. In coordination with other U.S. agencies, we are working to program the remaining portion of the \$1 billion pledge to address areas of critical need including stabilizing the Georgian economy, addressing the needs of internally displaced persons, and providing capital investments to speed Georgia's recovery.

The American people can be proud of what their generous assistance to Georgia has accomplished so far. For example, last week our Ambassador in Tbilisi visited a wheat field that, following the August conflict, was filled with Russian tanks and equipment. The farm equipment was stolen or destroyed by Russian and South Ossetian troops at the time of the conflict, and local farmers were unable to work the land to make a living. Today, those same Georgian farmers are harvesting a bumper crop of winter wheat using seeds provided by USAID. U.S. assistance to

Georgia is not only helping individuals and communities to regain their livelihoods, but it is burnishing our image abroad.

I would also emphasize that the United States has not been alone in assisting Georgia in the wake of the conflict. International donors have pledged an additional \$3.5 billion, including \$800 million from the European Commission and EU member states. The European Union in May also launched the Eastern Partnership Initiative that will strengthen its economic and political ties with Georgia and several other East European countries. This outpouring of assistance, despite the international financial crisis, sent a clear message that Georgia's friends would not allow its economy to collapse.

One year after the Russian invasion, Moscow continues to strengthen its grip on South Ossetia and Abkhazia. Thousands of Russian forces remain in both regions, a significant increase from pre-war levels, and in April Russia signed an agreement with the separatists whereby Russia will guard the administrative boundaries for the next five years. South Ossetian and Abkhaz economic dependency on Russia also continues to grow.

We have worked closely with our international partners to oppose recognition of the separatist regimes. Nicaragua is the only country to have joined Russia in recognizing South Ossetia and Abkhazia as independent. Even Russia's closest partners have not followed suit. We have maintained international unity in calling on Russia to implement the cease fire agreements of August 12 and September 8, 2008, withdraw its forces to their pre-war positions, and ensure unhindered humanitarian access to South Ossetia and Abkhazia. We and our partners have also called on the Russian forces who occupy these Georgian regions to uphold the rule of law and ensure respect for human rights.

The security situation in Georgia remains a cause for concern. Since the end of the conflict, a dozen Georgian police operating outside the administrative boundaries have been killed by sniper fire or explosive devices. Meanwhile, the number of international monitors in Georgia is shrinking. Despite creative efforts by ourselves and our international partners to maintain international observers while avoiding contentious issues of status, in May Russia would not join consensus at the OSCE on a status-neutral proposal to extend the mandate of the OSCE monitors. In June, Russia likewise vetoed a UN Security Council resolution designed to extend the mandate of UNOMIG, a resolution which had compromise language identical to that contained in two UNSC resolutions Russia approved after the war, in February 2009 and October 2008. In both cases, Russia insisted

on new unacceptable language that would recognize the legitimacy of the separatist regimes. Once again, we and our international partners stood united in support of Georgia's territorial integrity. We continue to urge Russia to support an international presence in Georgia, which would reduce the risk of conflict and provide outside contact with the separatist areas, including at least 40,000 ethnic Georgians who reside in the Gali District of Abkhazia.

The only international monitors that will remain in place in the months ahead are from the European Union. The EU Foreign Ministers decided on July 27 to extend the mandate of the EU Monitoring Mission for another year until September 2010. We applaud the excellent work that the EU has done in monitoring Russia's partial pullback from undisputed Georgian territory last year, and in preventing another outbreak of fighting since that time. The 250 EU monitors have been blocked by Russia and the separatists from patrolling in the separatist areas, but even so they have been invaluable in providing unbiased reporting on the security situation just outside the administrative boundaries, and in dispelling false reports. I would note that Georgia has cooperated fully with the EU Monitoring Mission, including signing two agreements, one each with the Ministries of Defense and Internal Affairs, under which Georgia reports all movements of its security forces near the administrative boundaries and allows unannounced inspections of its military facilities. We call on Russia and the separatists to provide for a similar level of international transparency on the other side of the administrative boundaries, and to allow the EU monitors to patrol in South Ossetia and Abkhazia.

The EU, along with the UN and the OSCE, has also been chairing a series of meetings in Geneva to address the security and humanitarian situation in Georgia. Six rounds of Geneva talks have been held thus far, with the seventh scheduled for September 17. The United States has participated in the sessions along with Russia, Georgia, and representatives of the separatist regimes. The meetings have been difficult due to our fundamental disagreement over the status of South Ossetia and Abkhazia, but they facilitate direct contact between Georgian and separatist leaders and keep international attention focused on the dispute. The one concrete result thus far has been establishment of Joint Incident Prevention and Response Mechanisms for South Ossetia and Abkhazia. While these are very much a work in progress, particularly over questions of leadership, access, and participation we hope that they will serve as a bridge across the administrative boundaries and help defuse tensions. The UN should continue to play a prominent role in facilitating these meetings, and we support the extension of the mandate for the UN Secretary-General's Special Representative for Georgia. We will continue to work through

the Geneva talks, the UN and the OSCE to prevent further conflict, to promote the return of displaced persons, and to promote international access to all of Georgia.

While we have been focused on the separatist regions over the past year, we have also been following domestic political developments in Georgia. Instead of precipitating an uprising against President Saakashvili, Russia's invasion helped unify the country last fall. But there continue to be deep divisions in Georgian politics that resurfaced in opposition protests this spring. Starting in April, daily rallies were held in Tbilisi, usually consisting of several hundred to several thousand people. The protests were led by non-parliamentary opposition leaders, some of whom refused to take their seats in parliament after the 2008 elections. Their key demands were the resignation of President Saakashvili and early elections.

The government's response to the protests was an offer to increase opposition participation in oversight of elections, the judicial branch and the media. Most recently, in a speech he gave on July 20, President Saakashvili announced that electoral reforms would be completed by the end of 2009 and that local elections would be moved up from fall 2010 to May 2010. President Saakashvili also asked the constitutional reform commission to limit the president's ability to dissolve parliament, proposed increasing the penalties for interference with the judiciary, and offered opposition and civil society seats on the public broadcasting board. The opposition criticized these offers as insufficient, but suspended its street protests in late July.

The vigorous, open political debate in Georgia has been encouraging, and both the government and protesters have behaved in a largely peaceful and orderly fashion, despite some violence on both sides. The protests reflect the need for strengthening Georgia's democracy in a number of areas, including expanding independent media, strengthening the rule of law by improving judicial independence, enhancing political pluralism, and creating a stronger, more active civil society, which has greater opportunities for engaging with the government. We encourage the government, the opposition, and civil society to cooperate on democratic reform and building strong and lasting democratic institutions, including enhancing institutional checks and balances, strengthening electoral processes, political pluralism, civic participation, and the media, and preparing Georgia for the first end-of-term electoral transfer of power in its history, in the 2013 presidential election.

Through both our annual assistance and a relatively modest but important part of our \$1 billion post-conflict commitment, we are devoting considerable resources toward supporting Georgia's democratic development. For example, through assistance and diplomatic engagement, the United States has supported development of a new Council of Europe-compliant Criminal Procedure Code. In the next year, this Code will introduce new roles and responsibilities for judges, prosecutors and lawyers and will help Georgia complete a shift to a criminal justice system that is characterized by greater judicial independence, a greater role for the prosecution and defense, and respect for human rights. Other programs are targeted to address systemic weaknesses in Georgia's democracy and the underlying tensions they create. These programs include working to promote government, opposition and civic consensus on a revised electoral code, and enhancing the Parliament's capacity to hold the executive to greater levels of accountability.

In addition to strengthening Georgia's democracy, we believe that these reforms ultimately will make integration with Georgia more appealing to people in South Ossetia and Abkhazia, and will strengthen Georgia's candidacy for membership in European and transatlantic institutions. As Vice President Biden reaffirmed in Tbilisi, we continue to fully support Georgia's NATO membership aspirations, and the right of all countries to choose their own alliances. Following the August conflict, Allies and Georgia agreed to launch the NATO-Georgia Commission and to have Georgia develop an Annual National Program to guide its reform efforts aimed at meeting NATO's membership standards. Georgia has been actively engaged in these processes, submitting its first Annual National Program this past spring and participating in a series of Commission meetings with Allies. Georgia also hosted two NATO Partnership for Peace exercises in May, which drew broad international participation despite Russia's last-minute efforts to have the exercises cancelled.

Our longstanding bilateral military relationship over the past year has been focused on defense reform and modernization, and we will continue down this road in the months ahead. This approach emphasizes doctrine, interoperability with NATO, English-language training, and preparing and equipping Georgian forces for participation in NATO operations, including future deployments to Afghanistan. Georgia will deploy an infantry company with French forces in Afghanistan later this year, and has pledged to deploy a battalion to support NATO efforts in Afghanistan in 2010. We are grateful for Georgia's contributions to this critical mission, as well as its earlier contribution of 2000 troops in Iraq, and we believe

these deployments help contribute to our common security goals and enhance Georgia's readiness for NATO membership.

Defense cooperation is one of several issues we are discussing with Georgia through the new U.S.-Georgia Strategic Partnership Commission, a body that reflects the breadth and depth of our bilateral relationship. The Commission's first meeting, led by Deputy Secretary of State Steinberg and Georgian Foreign Minister Vashadze, took place on June 22 in Washington, and included discussions on democracy, economic relations and people-to-people exchanges, in addition to defense cooperation.

The Commission will reinforce our efforts to help Georgia strengthen media freedom, rule of law, good governance, political pluralism, electoral reform and the role of civil society. In our economic relations, the Commission will seek to increase bilateral trade and investment, increase Georgian energy production and transit routes, and maximize the effectiveness of our \$1 billion assistance package. In people-to-people exchanges, the Commission will promote bilateral cultural, educational and professional exchange programs, as well as contact between the residents of the South Ossetia and Abkhazia regions and the rest of Georgia. We see the Strategic Partnership Commission as a valuable forum for pursuing our shared interests, and we look forward to the next meeting this fall in Tbilisi.

The work of the Commission is a microcosm of our relationship with Georgia – recognizing the challenges that we must deal with in South Ossetia and Abkhazia, but also focusing on how we can work with Georgia to fulfill the promise of the Rose Revolution. As we come to the anniversary of the August War, we can take pride in the work that the United States and our international partners have done over the past year to support Georgian independence and territorial integrity. We should maintain that commitment, but also redouble our efforts to help Georgia become a model of democracy and prosperity for the entire region.

Madame Chairwoman, Senator DeMint, members of the Committee, I am grateful for the opportunity to speak before you today, and I welcome the opportunity to respond to your questions.

