

OPINION & ANALYSIS

The European Parliament's response to the Caucasian House

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ADB approves \$100 mln loan for Georgia



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BY NATALIA KOCHIASHVILI

The U.S. Secretary of State Michael Pompeo issued a press statement on 21st of May, signaling the U.S.'s withdrawal from the Treaty on Open Skies (OST), citing Russia's "flagrant and continuous violation of the international agreement, including by not allowing observation flights within a 10-kilometer corridor along its border with occupied Georgian regions of Abkhazia and Tskhinvali/South Ossetia."

The Secretary of State maintained that, by refusing to permit observation flights near Abkhazia and Tskhinvali region, Russia sought to advance false claims that these occupied territories are independent states.

"Russia didn't adhere to the treaty, so until they adhere, we will pull out," Trump said, adding that there is 'a very good chance to reach a new deal.' "We're going to pull out, and they're going to come back and want to make a deal."

The Secretary of State said that "it has become abundantly clear that it is no longer in America's interest to remain a party to the OST."

Pompeo accused Russia of repeatedly violating the treaty and using it to further its expansion goals by refusing to allow flights over "Russian-occupied Georgian regions of Abkhazia and South Ossetia" and asserting control over an airfield in Crimea. Echoing the president, he also suggested the U.S. might remain in the agreement if Russia changes its approach.

America's chief diplomat noted that, through selective implementation, Russia has increasingly used OST as a tool to facilitate military coercion. Therefore, he stressed, "Russia weaponized the treaty by making it into a tool of intimidation and threat."

"Without a change of course from the Kremlin," Pompeo said, "the U.S. is set to withdraw from the Treaty in 6 months' time."

Russia is awaiting a full explanation of the U.S. accusations, Foreign Ministry spokesperson Maria Zakharova said in an interview with Russian TV. She added that the treaty includes mechanisms for ensuring compliance and presenting com-

Georgia dismisses Russia's offer to allow observation flights under Open Skies Treaty



► Secretary of State, Pompeo says in his statement: "Russia has refused access to observation flights within a 10-kilometer corridor along its border with the Russian-occupied Georgian regions of Abkhazia and South Ossetia, thereby attempting to advance false Russian claims that these occupied territories are independent states." Photo: Bangkok Post

plaints – and that the U.S. will likely use diplomatic channels as well.

The Russian Foreign Ministry issued a statement on 22nd of May 'deploring' the U.S. decision to exit the OST and denying 'accusations' that Russia has not complied with the terms of the accord.

Russia claims it has acted 'strictly in line with' the Treaty provisions and rejected the U.S. request as an 'ultimatum rather than a foundation for discussion.'

The next day, Georgian Foreign Ministry expressed support for the U.S.'s position, saying it has held consultations with the country's major strategic ally, as well as other signatories of the Treaty, on whether Georgia should remain a party to the agreement.

Minister Zalkaliani said in 2010, Russia imposed restrictions on observation flights in a 10-kilometer corridor off the boundaries occupied Abkhazia and Tskhinvali Region/South Ossetia, claiming these were now 'independent countries' and not parties to the Treaty. In Tbilisi's view, this constituted a breach of the Treaty. In response, Georgia banned Russia from carrying out reconnaissance flights on its territory in 2012.

NATO Secretary General Jens Stoltenberg supported the U.S. position, while France, together with 10 European countries, said it regretted the decision of the U.S., though shared its concern about the implementation of the Treaty clauses by Russia.

This was predicted by US state dep, noting that many U.S. allies in Europe want to keep the treaty in full force, Pompeo said, "If not for the value they place on the OST, we would likely have existed long ago."

Note, that the treaty includes a number of stipulations that give host countries a level of control over the flights in their airspace, from designating which planes and airports can be used to flight distances. It also allows inspections of surveillance equipment. The signatories include most

of America's NATO allies and Ukraine. On 26th of May Russian MFA announced that Russia would greenlight the resumption of observation flights within a 10-kilometer zone along its border with the occupied Georgian regions, provided that Georgia returned the favor – by allowing Russian flights over its territory.

Next day Georgian MFA responded to Moscow's statement on allowing Georgia to carry out reconnaissance flights along the boundaries of occupied Abkhazia and Tskhinvali regions in accordance with the OST, calling the statement 'cynical' and accusing Russia of trying to exploit the agreement for political gain.

The Georgian MFA cast doubt on Russia's ulterior motives, suspecting that Moscow was seeking to use the accord as a means of legitimizing illegal regimes of Georgia's occupied regions, as well as promote Tskhinvali and Sokhumi as independent parties to the agreement.

The Ministry noted that Russia voiced similar statement about resuming observation flights in 2018 at a meeting of the OST consultative commission, which it said demonstrated Russia's inflexibility to 'alter its political objectives': "2 two

years, Georgia has led consultations with its partners to dissuade Russia from its politicized stance and to prod it to fully complying with the Treaty – but in vain," MFA's statement read.

The OST is an international agreement designed to avert conflict and promote trust, allowing the signatory nations to carry out reconnaissance flights over the territories of each other. The 35 nation agreement allows the U.S., Russia and other countries to fly their aircraft over each other's territory – increasing transparency and reducing the chances for perilous miscalculations.

The idea of allowing other countries' surveillance aircraft to conduct flyovers was first proposed by President Dwight Eisenhower, early in the Cold War with the Soviet Union. But a deal didn't gain traction until after the Soviet republic collapsed; it was signed in 1992 and took effect 10 years later.

If the U.S. does exit, OST would be the third major international military pact Trump has withdrawn the U.S. from, coming after the president spiked the Iran nuclear deal and the Intermediate Nuclear Forces treaty.



► "Russia has weaponized the Treaty by making it into a tool of intimidation and threat," says US state dep. Photo: OSCE

The European Parliament's response to the Caucasian House

EUROPEAN PARLIAMENT MEMBER VIOLA VON CRAMON RESPONDED TO AN OPEN LETTER FROM THE CAUCASUS HOUSE, SAYING IT DISAPPOINTED HER.



► Viola von Cramon

BY ANASTASIA SOKHADZE

The authors of the letter call on the European Parliament to stand by them in order to save Georgia's regions from building a giant hydroelectric power station instead of freeing criminals (Gigi Ugulava and Irakli Okruashvili). Naira Gelashvili, the Chairperson of the Caucasus House Board, along with others, signed the letter.

The MEP wrote that their letter was filled with misinformation and deception, and that it would have been avoided by prior agreement and an explanation.

"I, as an unconditional and

uncompromising friend of Georgia and its people, have repeatedly expressed my position on the latest events. It is unfortunate that you have decided to miss out on such an important step, which is called reading a statement. If it weren't for that, you would have avoided writing the letter and being embarrassed to read this one," stated Cramon.

The MEP reminds the authors of the letter that she is well aware of the 'cruelty of the Saakashvili regime' and that during her time in the German parliament, she often criticised the former Georgian government. "Because of this, he and his

team actively tried to block me from holding events in Georgia. In 2012, I, along with millions of Georgians, looked at the Georgian Dream with hope and goodwill," claimed Cramon.

Cramon also stated that she is well aware of the 'suspicious methods' of the National Movement and receives information from experts, researchers, diplomats and often ordinary Georgians. Accordingly, Cramon was accused of praising the several imprisoned politicians and arguing for their release. She stated that she took great responsibility for her work and chose words with maximum accuracy, that's why she expects the authors to

choose to read these words correctly before making unfounded accusations. The MEP advises the Georgian government to respect democratic principles and to have an objective, transparent and free political judiciary.

The letter that was written by the Caucasian House begins with a discussion of the history of the House and the fact that MEP Viola von Cramon, a member of the European Green Party, is considered a comrade-in-arms. They note that this is why they want to share the 'heartache of a significant part of the Georgian population.'

"In the last few weeks, you have been actively lobbying for

the release of several Georgian politicians. Your exceptional diligence, activism and unprecedented efforts have paid off. The President of Georgia has pardoned two criminals and released them from prison. You are under the influence of those political forces that are trying to rehabilitate the authoritarian regime of the ex-president of Georgia, Mikheil Saakashvili," said the statement.

The letter ended with the authors expressing how incomprehensible it was that "Cramon had spent so much time and energy on the budget thief, the dispersal of peaceful demonstrations and the criminal offender."



► The letter from the Caucasian House.

EU4Business launches COVID-19 Information Support platforms for businesses in Eastern Neighbourhood

During the global coronavirus pandemic, the resilience of small and medium enterprises (SMEs) has been put to the ultimate test.

On 28 May, the 'EU4Business' initiative launched the COVID-19 Information Support platforms for SMEs in the East-

ern Neighbourhood region.

These platforms will combine all major local business-related economic opportunities and decisions for Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine. They will also include guidance on the available measures to mitigate the impact of COVID-19 on businesses.

The COVID-19 Information Support platforms for each Eastern partner country are available below:

- Armenia
- Azerbaijan

- Belarus
- Georgia
- Moldova
- Ukraine (as part of Map of Opportunities for SMEs)

'EU4Business' will regularly publish information on current credit and loan opportunities as well as grant programmes available for businesses within the framework of the initiative. The platforms will also list specific government support measures for entrepreneurship, as well as a number of COVID-19-related resources for free business advice and various online services.



► EU4Business

FRIDAY		MAY 29	
Day		Partly Cloudy	High: 31°C
Night		Cloudy/Wind	Low: 15°C
SATURDAY		MAY 30	
Day		Sunny/Wind	High: 25°C
Night		Mostly clear	Low: 14°C

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ADB approves a \$100 mln loan for Georgia



► ADB's CARES package was developed in close coordination with the International Monetary Fund and other development partners as part of a coordinated effort to help Georgia tackle the COVID-19 crisis.

BY NATALIA KOCHIASHVILI

The Asian Development Bank (ADB) has approved a \$100 million loan to help the Government of Georgia contain the spread of the Coronavirus, mitigate the negative impacts on business and protect the livelihoods of the most vulnerable groups, including women and children.

"As a major trade and tourism hub, COVID-19 poses a grave threat to the health and economic wellbeing of Georgia," said ADB President Masatsugu Asakawa. He announced the bank's full commitment to supporting Georgia's response, adding that this comprehensive package will help address the country's immediate health and socioeconomic needs.

ADB president also emphasized the importance of the cooperation in fiscal management and social protection between ADB and Georgia that has been building for more than a decade and stands as a key factor to the economy's recovery.

ADB reports that Georgia began to introduce containment measures in January to shield its vulnerable public health system, but the pandemic has significantly impacted the economy. Travel restrictions hit the tourism sector, which recorded an almost 60% year-on-year decline in international visits in March.

The COVID-19 Active Response and Expenditure Sup-

port (CARES) Program will provide budget support to the government and help fund its comprehensive anti-crisis plan. This includes tax deferrals for more than 4,000 small and medium-sized tourism businesses and subsidized loan repayments for at least 2,000 small and medium-sized hotels.

The loan will also be used to fund vulnerable groups by helping to fund the government's social assistance measures.

These include temporary payments for up to 350,000 formal-sector workers who could lose their jobs as a result of the pandemic; one-off payments for up to 250,000 informal or self-employed workers; subsidized utility bills for 1.2 million families; and a 6-month price freeze on 9 key food products.

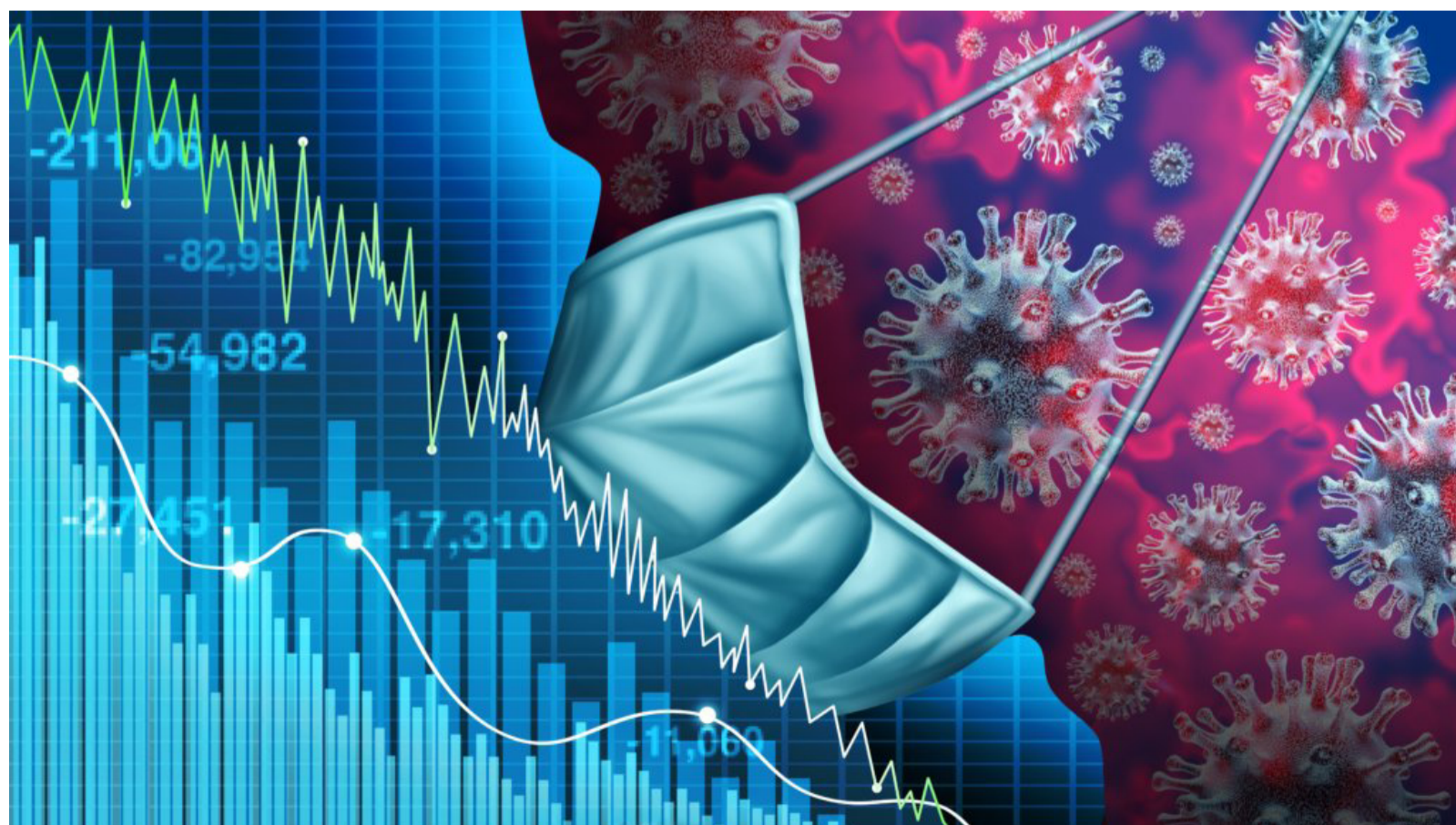
To help contain the spread of the disease, the loan will help to fund free access to COVID-19 diagnostic and treatment services

including for the poor, for whom out-of-pocket health expenses are particularly burdensome.

ADB's statement reads that COVID-19 particularly threatens Georgian women, who make up around 60% of both tourism and frontline medical workers. Therefore, this loan will help provide personal protective equipment to frontline female medical workers and expand cash assistance to disabled women and children. Of the 6,000

tourism and hotel businesses supported through the government's tax and loan subsidy scheme, more than one-third are owned or managed by women.

The loan is funded through the COVID-19 pandemic response option (CPRO) under ADB's Countercyclical Support Facility. CPRO was established as part of ADB's \$20 billion expanded assistance for developing member countries' COVID-19 response, announced on 13th of April.



► The loan is issued to mitigate adverse health, economic impacts of COVID-19 in Georgia. Photo: Opiniojuris