

## Georgia to Lose Euro121.3 Million in EU Aid Due to Democratic Backsliding

BY LIZA MCHEDLIDZE

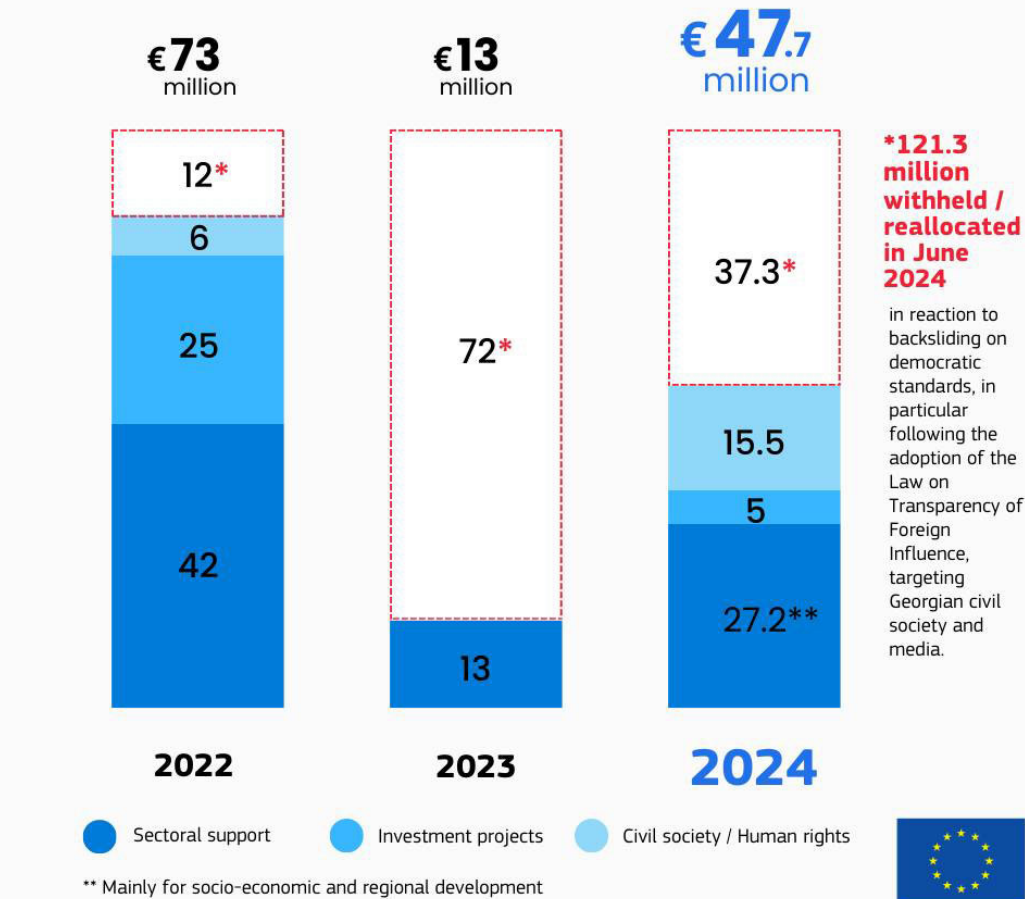
Georgia is set to lose Euro121.3 million in European Union aid due to concerns over democratic backsliding, according to the European Commission's financial allocations for 2022-2024. The EU is withholding or reallocating funds in response to the country's adoption of the Law on Transparency of Foreign Influence, also known as the Foreign Agents' Law, which targets Georgian civil society and media.

The distribution of withheld funds spans three years: Euro12 million in 2022, Euro72 million in 2023, and Euro37.3 million in 2024. The total loss of aid amounts to Euro121.3 million. The EU Delegation in Georgia clarified that funds not used in 2022 and 2023 will be lost, further impacting the country's financial support from the EU.

Nicholas Cendrowicz, Head of the Development and Cooperation Unit of the EU Delegation to Georgia, ex-

### Georgia

Source: European Commission



pressed disappointment at the situation, stating, "It's really sad that the democratic backsliding, hostile rhetoric, and disinformation have led to this. But Georgia can reverse this and return to the EU path, in line with the overwhelming desire of the Georgian people."

Gia Volski, the First Vice-Speaker of the Georgian Parliament, has called the European Union's decision to withhold Euro121.3 million in aid an "injustice."

Volski questioned the decision, saying, "Why? For what? This is some kind of injustice!" He defended Georgia's actions, asking, "What did we do? Where did we take a step back? Because we asked where the money is being spent?"

He went on to criticize the EU's attitude towards Georgia, stating that it is "unfair" and "cannot be taken into account," especially since, according to Volski, international ratings place Georgia as a leader in democracy and other areas.

## Prime Minister Kobakhidze Presents Georgian Dream's Electoral Program

BY LIZA MCHEDLIDZE

On October 7, Prime Minister of Georgia Irakli Kobakhidze, Chair of the Georgian Dream's electoral headquarters, presented the party's program for 2028.

Kobakhidze outlined the party's goals, starting with economic promises. By 2028, Georgian Dream aims to increase the country's GDP to GEL 130 billion, raise GDP per capita to GEL 36,000, expand the state budget to GEL 40 billion, and boost the average salary to GEL 3,500. Public servant salaries are set to rise by at least 10% annually. The poverty rate is

expected to drop to 4%, and 200,000 additional jobs will be created. To reach these targets, Kobakhidze emphasized four pillars: effective economic policies, business freedom, peace and stability, and strong management. He praised the current level of management, stating, "If you

focus on the intelligence of our economic group alone, it will surpass the entire opposition."

### Infrastructure and Energy Projects

Key infrastructure projects include a 4-lane highway between Tbilisi and Batumi, set to open in 2025, and new highways connected to Azerbaijan, Armenia, and Sarpi. A major new airport will be built in Vaziani, and the Anaklia port is expected to receive its first ships by 2029.

In the energy sector, Georgian Dream aims for Georgia to be fully energy self-sufficient by 2030, with electricity generation reaching 10,000 megawatts by that time. Agriculture will also see significant investment, with GEL 3 billion allocated over the next four years.

### Education, Arts, and Sports

On education, the party plans to enhance Kutaisi International University, founded by Ivanishvili, and build a new campus for Tbilisi State University. In the arts, GEL 30 million will be dedicated to supporting artists, while sports infra-

structure will receive GEL 2 billion, with plans to build a 70,000-seat stadium for Champion League games.

### Health and Social Security

A new Republican Hospital is set to be built, with the project to be revealed soon. Kobakhidze also promised pension increases to 350-450 GEL next year.

### Military and Foreign Policy

Georgian Dream also highlighted its focus on strengthening the national military industry, improving social support for the military and police, and constructing housing for over 1,000 soldiers and police officers.

In foreign policy, the party plans to prioritize relations with the U.S. and EU, with a goal of fulfilling 90% of Georgia's obligations under the Association Agreement and the DCFTA by 2028. Georgian Dream also seeks to strengthen ties with NATO and China, while maintaining a pragmatic approach toward Russia and pursuing a peaceful resolution of the conflict.





The News in Brief

PREPARED BY MESSENGER STAFF

TI Georgia Condemns Appointment of U.S.-Sanctioned Official for Election Oversight

has been sanctioned for his involvement in the crackdown on protests against the Foreign Agents Law.

TI Georgia expressed concern, stating, "It is alarming that the Minister of Interior has not dismissed Z. Kharazishvili but has appointed him to manage elec-

urging a restriction on police actions against voters gathered near polling places.

National Bank of Georgia Sells \$48.5 Million to Stabilize Lari Amid Exchange Rate Pressure

According to the National Bank, the pressure on the lari was primarily due to large, one-time transactions, specifically linked to the scheduled issuance of dividends. To mitigate this impact and stabilize the currency, the National Bank intervened by offering \$60 million.

"Over the last few days, excessive de-



Transparency International – Georgia has condemned the Interior Ministry’s decision to appoint U.S.-sanctioned official Zviad Kharazishvili, known as “Khareba,” to lead the formation of “territorial groups” tasked with detecting electoral violations during the pre-election period and on election day. Kharazishvili

tion-related processes.” They noted that this allows Kharazishvili and his task forces to act against peaceful gatherings near polling stations.

The organization called on the Interior Ministry to revise its ordinance and remove the Special Task Department Director from the territorial task forces,

The National Bank of Georgia sold \$48.5 million at auction, with a weighted average exchange rate of 2.7194 GEL per US dollar. This move came in response to heightened demand for foreign currency, which placed additional pressure on the lari’s exchange rate.

mand for the currency has created additional pressure on the exchange rate of the lari, mainly due to large one-time transactions related to the scheduled issuance of dividends. To alleviate this pressure, the National Bank decided to intervene in the currency market,” the statement reads.

New digital tool – Election Compass Georgia 2024 – launched with EU support

On 4 October, the presentation of the ‘Election Compass Georgia 2024’ was held in Tbilisi.

‘Election Compass Georgia’ is a non-partisan, digital tool designed to help voters better understand the positions of political parties. By using the tool, users can explore which party’s policies and priorities align most closely with their own.

The application is available at geocompass.ge in Georgian, Azerbaijani, and Armenian. It includes information on all major political parties participating in the upcoming parliamentary elections, aiming to increase voter awareness and engagement.

“The ‘Election Compass’ promotes active citizenship and the

fundamental constitutional right to choose one’s future through an informed vote. This is crucial in the context of the

upcoming Georgian elections, which take place in an increasingly polarised environment with signs of democratic back-

sliding,” said Pawel Herczynski, EU Ambassador to Georgia. “We count on the Georgian authorities to ensure that the elections

are competitive, in line with international and European standards. The EU continues to support the Georgian people on their path towards a democratic and European future.”

The research components of the project were carried out by TSU International School of Economics (ISET) and independent researchers. The project is supported by the European Union, the US Agency for International Development (USAID), the International Republican Institute (IRI), the Friedrich Ebert Foundation (FES), the Friedrich Naumann Foundation for Freedom, the Heinrich Böll Foundation, and the Konrad Adenauer Foundation (KAS). The methodological expertise and technological security is provided by the Dutch company ‘Kieskompas’, based at Vrije University in Amsterdam, which operates on the basis of the Free University of Amsterdam.

(euneighbourseast.eu)



Weather

Wednesday, October 9

Day Clear High: 26°C

Night Clear Low: 12°C

Thursday, October 10

Day Partly Cloudy High: 26°C

Night Mostly Cloudy Low: 15°C

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