

# **GEORGIA'S SOUTH OSSETIA CONFLICT:**

## **MAKE HASTE SLOWLY**

Europe Report N°183 – 7 June 2007

## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY AND RECOMMENDATIONS.....</b>	<b>i</b>
<b>I. INTRODUCTION.....</b>	<b>1</b>
<b>II. COMPETING GOVERNMENTS .....</b>	<b>2</b>
A. SANAKOEV’S EMERGENCE.....	2
B. SANAKOEV’S DISPUTED PRESENCE .....	4
1. Tbilisi’s view .....	4
2. The Tskhinvali view .....	6
3. The international view .....	7
C. THE NEW TEMPORARY ADMINISTRATIVE UNIT .....	7
<b>III. STALLED NEGOTIATIONS.....</b>	<b>9</b>
A. THE JOINT CONTROL COMMISSION .....	9
B. PEACE PLANS .....	11
<b>IV. SECURITY ISSUES .....</b>	<b>12</b>
A. THREATS .....	12
1. Perceptions .....	12
2. Incidents .....	14
B. PEACEKEEPING .....	17
C. LAW ENFORCEMENT AND POLICE COOPERATION .....	19
<b>V. ECONOMIC REHABILITATION .....</b>	<b>20</b>
A. THE OSCE-LED PROGRAM.....	21
B. OTHER INITIATIVES .....	22
1. Tbilisi’s package for Kurta .....	22
2. Moscow’s support for Tskhinvali .....	23
C. FROM ENERGY INTERDEPENDENCE TO CONFLICT OVER RESOURCES?.....	23
<b>VI. CONCLUSION .....</b>	<b>25</b>
<b>APPENDICES</b>	
A. MAP OF GEORGIA .....	26
B. MAP OF THE SOUTH OSSETIAN REGION.....	27
C. JPKF MAP OF GEORGIAN-CONTROLLED AREAS IN SOUTH OSSETIA .....	28
D. TBILISI’S MAP OF GEORGIAN-CONTROLLED AREAS IN SOUTH OSSETIA.....	29
E. ABOUT THE INTERNATIONAL CRISIS GROUP .....	30
F. INTERNATIONAL CRISIS GROUP REPORTS AND BRIEFINGS ON EUROPE.....	31
G. INTERNATIONAL CRISIS GROUP BOARD OF TRUSTEES.....	33

## GEORGIA'S SOUTH OSSETIA CONFLICT: MAKE HASTE SLOWLY

### EXECUTIVE SUMMARY AND RECOMMENDATIONS

Tbilisi is taking imaginative steps towards solving the Georgian-Ossetian conflict but its new strategy may backfire, and frequent security incidents could degenerate into greater violence, unless it proceeds cautiously and engages all actors. Georgia is determined to solve the conflict but on its own terms and perhaps too quickly. The establishment of Dmitri Sanakoev and his alternative power centre in the Georgian-administered areas in the zone of conflict is alienating the broader Ossetian constituency. It would be a mistake to dismiss Ossetian aspirations together with the Kokoity regime in Tskhinvali. Tbilisi should resume substantive dialogue with Tskhinvali, while Sanakoev tries to steadily build credibility with the Ossetians.

Since hostilities resumed in summer 2004, confidence between Georgians and Ossetians has been low and the security situation volatile. The sides view the conflict differently, are mutually suspicious and trapped in conflicting fears about the other's security calculations. Though they have signed numerous agreements in the past, all negotiations are stalled.

Georgia's frustration with Russia's role has reached an unprecedented level. It claims its conflict is really with Moscow, not the Ossetians, and cites Russian military aid to Tskhinvali and the presence of officers among the de facto authorities as powerful reasons why Russia cannot be an honest broker in the resolution process. Tbilisi has taken assertive actions to change the status quo on the ground as well as in the negotiation and peacekeeping formats, which it feels give Russia too much weight, but it should tackle the external and internal conflicts in parallel. Focusing on containing Russia, however legitimate, will not resolve interethnic issues and satisfy Ossetian aspirations and fears.

Georgia needs to work on changing perceptions. The Tskhinvali leadership is dependent on Russia, but South Ossetians consider that dependency a necessity and are wary of reunification with Georgia. The several peace initiatives Tbilisi has produced since 2004 are viewed as directed primarily at proving good intentions to the international community and so freeing Georgia to pursue a solution on its own terms.

Russia should step back from unilaterally supporting the de facto South Ossetian government of Eduard Kokoity and formally reconfirm Georgia's territorial integrity. Together with Tskhinvali it should recognize that Tbilisi resents its vulnerability in existing negotiation and peacekeeping formats and will be unwilling to engage in a meaningful step-by-step process unless they are changed. If modifications are not negotiated, the political process could break down completely. A bigger role should be given to direct Georgian-Ossetian dialogue, and new external parties, such as the EU, should be included.

Tbilisi should consent to an agreement on non-use of force, while to lessen its concern for Moscow's role, it needs a mechanism for observing movements from Russia into South Ossetia through the Roki tunnel. As most security incidents in the zone of conflict begin as criminal activity, the sides should cooperate on joint policing, bringing in an international, possibly EU, element but also with Russian involvement. This could lead ultimately to converting the Joint Peacekeeping Forces (JPKF) from a large, static mission to a slim, crisis management tool.

OSCE-led economic projects are the only area of practical cooperation in the zone of conflict. Donors have pledged €7.8 million to fund rehabilitation and development but Tbilisi and Moscow have also invested significantly in unilateral programs. Competing initiatives may improve local conditions but do not foster confidence or conflict resolution.

### RECOMMENDATIONS

#### **To All Sides (Georgian, South Ossetian, North Ossetian, Russian) in the Joint Control Commission:**

1. Agree on changes to the negotiations format that emphasise direct Georgian-Ossetian dialogue and give the EU a role on a par with Russia and the OSCE.
2. Avoid inflammatory rhetoric.
3. Establish an OSCE/Joint Peacekeeping Forces observation point at Didi Gupta, agree on a

mutually acceptable monitoring regime for the Roki tunnel and sign an agreement on non-use of force.

4. Set up joint policing, with an international civilian police component, including Russia, gradually scale down the JPKF operation and replace it in time with a flexible crisis response mechanism.
5. Further interethnic cooperation and confidence by implementing economic development and rehabilitation through the joint efforts of the OSCE-led Economic Rehabilitation Program (ERP), not competing unilateral projects.

#### **To the Georgian and South Ossetian Sides:**

6. Dismantle fortifications, clear mines, fill in trenches and remove all unauthorised equipment and personnel from the zone of conflict.
7. Allow unhampered JPKF and/or OSCE patrolling throughout the entire JPKF area of responsibility.
8. Remove unauthorised law enforcement posts from the zone of conflict.
9. Reestablish the Special Coordinating Centre for law enforcement and enhance its operational capacity; organise joint police training programs and regional police chief meetings; and launch joint police patrolling and a mechanism for joint criminal investigation.

#### **To the Georgian Side:**

10. Focus on restoring territorial integrity through gradual confidence building, not rapid status determination.
11. Engage in substantive dialogue with the Tskhinvali de facto authorities, while allowing ample time for Sanakoev to build credibility with South Ossetians.
12. Show respect for Ossetian self-determination aspirations and security fears; consider reconciliation strategies and a statement regretting past injustice.
13. Implement the Law on Property Restitution and Compensation.
14. Allocate economic rehabilitation assistance to OSCE-led programs in at least equal measure to unilateral programs.

#### **To the Ossetian Side:**

15. Build a pluralistic, open society and discuss amending negotiation and peacekeeping formats with Tbilisi.

#### **To the Russian Federation:**

16. Encourage Tskhinvali to be more open-minded on changes to the negotiation and peacekeeping formats.
17. Encourage both sides to implement verifiable demilitarisation measures.
18. Halt unilateral economic rehabilitation programs benefiting the Ossetian side alone.

#### **To the Wider International Community:**

19. Set up an informal consultative group (with at least the EU, U.S. and Russia) to assist the sides, including by developing new ideas, and commit new economic funding in the zone of conflict only for joint projects.

**Tbilisi/Brussels, 7 June 2007**

## GEORGIA'S SOUTH OSSETIA CONFLICT: MAKE HASTE SLOWLY

### I. INTRODUCTION

Georgia's South Ossetia region<sup>1</sup> erupted into violence in January 1991. Urban warfare in the capital, Tskhinvali, lasted until June 1992. Competing claims – Georgia's for territorial integrity, the Ossetians for self-determination, were among the root causes. The war resulted in some 1,000 dead, 100 missing, extensive destruction of homes and infrastructure and thousands of refugees and internally displaced persons (IDPs). The leadership of the former oblast retained control over the districts of Tskhinvali, Java, Znauri and parts of Akhalkgori. The Tbilisi central government had authority over the rest of Akhalkgori and the Georgian villages in the Tskhinvali district.<sup>2</sup>

The 1992 "Agreement on the Principles of the Settlement of the Georgian-Ossetian Conflict between Georgia and Russia" produced a ceasefire and a Joint Control Commission (JCC), a quadrilateral body with Georgian, Russian, North and South Ossetian representatives, plus participation from the Organisation for Security and Cooperation in Europe (OSCE). The JCC was tasked to supervise observance of the agreement, draft and implement conflict settlement measures, promote dialogue, devise and carry out measures to facilitate refugee and IDP return, solve problems related to economic reconstruction and monitor human rights. Additionally it was to coordinate the activities of the Joint Peace Keeping Forces (JPKF), which were to restore peace and maintain law and order in the zone of conflict.

---

<sup>1</sup> Georgia abolished the oblast's autonomous status by 1990 presidential decree and refers to South Ossetia as the Tskhinvali region, or by the Georgian historical name, Samachablo. Tskhinvali calls it South Ossetia. All the names have political connotations. This report uses South Ossetia or former Autonomous Oblast of South Ossetia. South Ossetia will be used to denote the South Ossetian side and the Tskhinvali de facto regime. It does not imply a Crisis Group position on the status of the region. Unless otherwise specified, the term Ossetian(s) will be used to describe ethnic Ossetians living in South Ossetia, although there are significant Ossetian populations also in Georgia proper and Russia's North Ossetia.

<sup>2</sup> Crisis Group Europe Report N°159, *Georgia: Avoiding War in South Ossetia*, 26 November 2004.

The Georgian, Russian and Ossetian sides each contributed a peacekeeping battalion.<sup>3</sup>

For twelve years there was no military confrontation. Even though the peace process was frozen, Georgians and Ossetians engaged in lively exchanges and uncontrolled trade. Upon becoming president of Georgia in January 2004, Mikheil Saakashvili made restoration of territorial integrity his top priority. His South Ossetia strategy combined an anti-smuggling campaign, aimed primarily at closing the sprawling Ergneti market,<sup>4</sup> with a "humanitarian offensive" and measures to undermine the regime in Tskhinvali. These steps increased support for the de facto Ossetian leader, Eduard Kokoity, among the many South Ossetians who depended on illegal trade for economic survival. In the first half of 2004 and as a result of the anti-smuggling campaign, Georgian interior ministry troop presence grew significantly. In July-August 2004 tensions escalated, dozens were killed, and the situation nearly degenerated into full-scale war.<sup>5</sup>

Since August 2004, a new ceasefire has held but the zone of conflict is volatile, with daily shootings, frequent criminal incidents and occasional killings. Negotiations are at an impasse. The sides have almost no confidence in each other or the conflict resolution process. There is a risk of new explosion.

In a bid to change the status quo peacefully, Tbilisi since November 2006 has supported an alternative de facto South Ossetian administration led by Dmitri Sanakoev, a former official of the pre-Kokoity administration in Tskhinvali. He has been appointed to the Georgian government as head of a new "temporary administration unit" for the Tskhinvali region/South Ossetia. He has secured support in Georgian-populated areas<sup>6</sup> but whether

---

<sup>3</sup> Ibid.

<sup>4</sup> The Ergneti market, straddling the Georgian- and Ossetian-controlled territories just south of Tskhinvali, was a vast trade hub for Russia and the South Caucasus. Smuggling through it cost Georgia significant revenue, *ibid.*, pp. 28-29.

<sup>5</sup> Ibid.

<sup>6</sup> There are Ossetian and Georgian and a few mixed villages on the territory of the old Soviet oblast. Especially in the zone of conflict, in the Tskhinvali district, the villages are intermixed in close proximity. Villages inhabited mainly by ethnic Georgians are administered by the Georgian side. Ossetian-inhabited

he can gain influence over Ossetian-governed territory will determine the future of the conflict. Unless Tbilisi engages with Tskhinvali and shows that it takes Ossetians' aspirations and concerns seriously, it will be extremely difficult for Sanakoev to develop a support base in Ossetian-majority areas.

## II. COMPETING GOVERNMENTS

### A. SANAKOEV'S EMERGENCE

There are two self-proclaimed, competing authorities in South Ossetia, both struggling to assert their legitimacy locally and internationally. The Tskhinvali-based administration, backed by Russia and now headed by the de facto president, Kokoity, has sought independence since 1990. Independence, or unification with Russia's North Ossetia-Alania, appears to be widely supported by Ossetians. The new Sanakoev administration, based in Kurta, a Georgian village in the zone of conflict, pledges allegiance to Tbilisi and territorial integrity.

The competing governments appeared after 12 November 2006, when two sets of de facto presidential elections and status referendums were held.<sup>7</sup> The one in Tskhinvali reconfirmed Kokoity in office and reiterated the overwhelming will of the region's population to separate from Georgia. The alternative poll, in the Georgian-administered village of Eredvi in the zone of conflict, resulted in Sanakoev, an ethnic Ossetian with old ties to a previous Tskhinvali breakaway administration, becoming alternative de facto president.<sup>8</sup>

This was Tskhinvali's third presidential election.<sup>9</sup> According to the South Ossetian Central Election Commission (CEC), there were 55,163 registered voters,

---

<sup>7</sup> Tbilisi considers electoral processes in the conflict regions illegal and, because IDPs do not participate, unrepresentative. The international community, except for Russia, which is more ambiguous, backs the Georgian position. The Russian foreign ministry statement of 10 November 2006 said: "The presidential election is being held in accordance with the Constitution and constitutional acts of the Republic of South Ossetia..." Irrespective of the international reaction, the referendum results are an indicator of the sentiments of the South Ossetian population, so must be taken into account politically.

<sup>8</sup> Sanakoev was born in 1969 in South Ossetia. He graduated from the South Ossetian Pedagogical State Institute in 1993, served as a Soviet army officer in Lithuania, 1987-1989. In the 1991-1992 conflict he fought on the Ossetian side and in 1993-1996 worked in the South Ossetian de facto defence ministry. In 1996 he was appointed defence minister and in 1998 also vice prime minister. In July 2001 he became prime minister of South Ossetia, serving until December 2001, when Eduard Kokoity replaced Ludvig Chibirov as South Ossetia's leader.

<sup>9</sup> Since 1992 three presidential and four parliamentary de facto elections have been held. Chibirov won the first presidential poll in 1996, Kokoity the second in December 2001 with over 55 per cent of the vote in the second round, defeating the chairperson of the de facto parliament and Communist Party regional leader, Stanislav Kochiev. Estimated turnout was 63 per cent. In the first round Kokoity received 47 per cent, Kochiev 24 per cent and Chibirov 21 per cent. "Georgia Conflict Assessment",

---

villages are administered by Tskhinvali. It has been impossible for the sides to establish clear lines of control over extended areas. There are several key enclaves of Georgian villages, most significantly the northern enclave, Tamarasheni, Achabeti, Kurta, Kekhvi, which are strategically placed along the TransCam road between Tskhinvali and Java. Tamarasheni and Kekhvi mark the boundaries of the enclave and are located respectively one and 8 km north of Tskhinvali.

and Kokoity was re-elected with 98.1 per cent of the vote.<sup>10</sup> Local civil society, however, criticised the process.<sup>11</sup> In the simultaneous referendum, Tskhinvali claims 99.88 per cent answered "yes" to the question: "Do you agree that the Republic of South Ossetia preserve its current status of an independent state and be recognised by the international community?"

The alternative poll was formally organized by the "Salvation Union of Ossetia", established a few weeks earlier by Ossetians who served in the previous Tskhinvali administration of de facto president Ludvig Chibirov (1996-2001) and by Ossetian activists who live in Georgia proper.<sup>12</sup> Its electoral commission, based in Eredvi,<sup>13</sup> claimed 96 per cent of about 57,000 registered voters participated and gave Sanakoev 94 per cent of their ballots.<sup>14</sup> The alternative referendum asking for the start of negotiations with Georgia on a federal arrangement for South Ossetia reportedly received 94 per cent support. A journalist said senior Tbilisi officials urged the international press to cover the vote but the Salvation Union turned down a request from a Georgian NGO, "Multinational Georgia", to monitor it.<sup>15</sup>

prepared for the U.S. Agency for International Development (USAID), 23 January 2002, p. 36.

<sup>10</sup> 52,443 voted for Kokoity. Other candidates were Leonid Tibilov (476 votes), JCC Secretary for the South Ossetian side, Inal Pukhayev (194 votes), head of the Tskhinvali district administration, and Oleg Gabodze (175 votes).

<sup>11</sup> According to the de facto foreign minister, Murat Jioev, the election attracted observers from seventeen countries, including Georgia, Russia, Ukraine, Jordan, Latvia and Venezuela. Crisis Group interview, de facto foreign minister, Tskhinvali, March 2007. On criticism of the process, Crisis Group interview, elections observers, Tskhinvali, February 2007.

<sup>12</sup> The term "Georgia proper" is used in this report to describe the territory currently controlled by the Tbilisi government. The organisation was founded on 24 October 2006 by Sanakoev, Maia Chigoeva-Tsaboshvili (head of the Tbilisi-based NGO Iber-Ironi Georgian-Ossetian Union), Giorgi Chigoev, Teimuraz Jeragoev, Jemal Karkusov (former interior minister in the secessionist government), Uruzmag Karkusov, and Vladimir Sanakoev of the pro-Tbilisi Ossetian Alania TV.

<sup>13</sup> Eredvi was perceived by many Ossetians as an offensive choice. It evokes painful collective memories of crimes allegedly committed there by ethnic Georgians against ethnic Ossetians during the war. Crisis Group interview, Tskhinvali, March 2007.

<sup>14</sup> "Results of S. Ossetia 'Alternative' Polls Announced", *Civil Georgia*, 16 November 2006. Other candidates were Maya Chigoeva-Tsaboshvili, Giorgi Chigoev, Teimuraz Djeragoev and Tamar Charaieva. Georgian analysts convinced the alternative de facto government is a project of the Georgian power ministries, say it was hard to find an Ossetian with "a powerful enough name and background"; none of the handful of activists living in Georgia proper would do. Crisis Group interview, civil society activist/analyst, Tbilisi, May 2007.

<sup>15</sup> Crisis Group interview, journalist, Tbilisi, March 2007; Crisis Group interview, Multinational Georgia, March 2007.

Figures released by both sides were obviously inflated. The upper-end estimates for the population of the entire region fluctuate between 60,000 and 70,000.<sup>16</sup>

Sanakoev's power base is in the Georgian-administered villages in the zone of conflict. He says his movement is formed "from the local people" and that ethnic Ossetians, including some from Tskhinvali, support his cause and have joined him in Kurta. He and his administration admit, however, that they control mostly only Georgian villages,<sup>17</sup> where, they claim, some 20,000-25,000, including approximately 8,000 Ossetians, live.<sup>18</sup> Even this appears optimistic, according to an international observer who regularly travels to the villages.<sup>19</sup> By April 2007, he had twelve ministries, staffed by 113 people, including 43 ethnic

---

<sup>16</sup> Crisis Group interview, OSCE head of mission, Tbilisi, May 2007. On population estimates, see Crisis Group Report, *Avoiding War in South Ossetia*, op. cit., pp 5-6. In other Crisis Group interviews, the JPKF commander said there are up to 50,000 Ossetians and approximately 10,000 Georgians. Tskhinvali authorities said there are up to 82,000 Ossetians, many of whom move between Tskhinvali and Russia. They argued that according to official Georgian electoral data, there are only 14,404 voters in the Georgian-controlled areas of the old oblast (5,570 in Akhagori district and 8,834 in the villages in Didi Liakhvi and Patara Liakhvi gorges). Sanakoev said there are 40,000 Ossetians and 35,000 Georgians.

<sup>17</sup> Crisis Group interview, Dmitri Sanakoev, Tbilisi, April 2007. According to Sanakoev, he most significantly controls the following villages north east of Tskhinvali: Eredvi, Ksuisi, Vanati, Tamarasheni, Kurta, Dzartsemi, Kekhvi, Kemerti, Beloti Didkhevi and Satikari. The last two are Ossetian-administered villages, according to an international military expert. Sanakoev said in the Ossetian villages he controls, few live. He also said he controls all villages in the Akhagori district, except for Orchosari and Tsinagari which are Ossetian-administered. He claimed links also to Artsevi, a mixed village, but said he only really controlled the Georgian part. He also claimed a Georgian enclave in the west, on the administrative border with the Georgian region of Racha – Tedeleti, Jalabeti and Karzamani. See map in Annex C below.

<sup>18</sup> Ibid. The Ossetian figure seems to combine some who live in Georgia proper, others who live in the Georgian-administered areas as part of mixed families and a limited number from Tskhinvali.

<sup>19</sup> According to this source, Georgian government maps of South Ossetia claim effective control also over high mountain areas where nobody lives, and "there is nothing to control", Crisis Group interview, Tbilisi, June 2007. He calls a map prepared by the JPKF "more realistic", though with a discrepancy in the area of Nikozi-Avnevi/Nuli, where Tbilisi controls a slightly wider area. The village of Artsevi is mixed and Ksuisi is Georgian-controlled. The contrasting maps are reproduced in Appendix C below. On Tbilisi's map, especially the area of Znauri is misportrayed as Georgian-controlled. The other two large areas which are marked on Tbilisi's map but not the JPKF's have nearly no settlements.

Ossetians.<sup>20</sup> Many of the latter live in Georgia proper. Sanakoev says he was initially funded by the “South Ossetia Development Fund”, to which contributions are made by Ossetians living in Russia, Georgia and other places. Now that he has been appointed formally to a Georgian government position, however, he and his administration are funded from the state budget.<sup>21</sup> Georgian civil society welcomes the change as a way of ensuring greater transparency and control over resources.<sup>22</sup>

His “government” is located some 5 kilometres from Tskhinvali. This very proximity is risky. Sanakoev is building a 150-strong *spetznaz* (special forces) unit, within his de facto interior ministry. A camp for 25 militiamen was set up in Kurta, after the Georgian parliament passed a resolution on the establishment of the temporary territorial unit on 11 April 2007.<sup>23</sup> However, he claims the security situation in the zone of conflict has improved, because “the Georgian side has once and for all abandoned the war option”.<sup>24</sup>

Sanakoev's main challenge is to gain legitimacy among Ossetians, especially in Tskhinvali and areas under its control. Many are opposed to his professed goal of negotiating with Tbilisi a solution through which “Georgians and Ossetians can live together” within Georgia. He says he had always fought for South Ossetian independence but has come to understand that even Russia would never offer more than inclusion in its federation, that he sees no perspectives in Kokoity's pro-Russian orientation and policies aimed at militarising the Ossetians and wants to become part of official negotiations, in which he would support Georgia's territorial integrity.<sup>25</sup>

## B. SANAKOEV'S DISPUTED PRESENCE

### 1. Tbilisi's view

The Georgian government sees Sanakoev as a genuine Ossetian interlocutor with whom it can negotiate a settlement which would keep South Ossetia in the country. It hails the “appearance of local Ossetians who will fight for a high level of autonomy and their rights but want to do this with Georgia”<sup>26</sup> and argues that he has credibility because he is not only an ethnic Ossetian, but also a former senior separatist. It calls him a home-grown force with a genuine stake in the Ossetian cause<sup>27</sup> with more legitimacy than the current Tskhinvali leadership composed “of Russian generals and members of special services”.<sup>28</sup>

Tbilisi believes Sanakoev can transform hearts and minds, including of political and economic elites, by distributing rehabilitation and development aid in the zone of conflict.<sup>29</sup> The strategy is to win over the Ossetians by displaying impressive development in the Georgian-administered areas. With government encouragement, Georgian construction and other companies are investing in these formerly underdeveloped villages. Cinemas and a concert hall are being built; several banks have opened branches.<sup>30</sup> A national pharmacy chain will offer drugs at much lower prices than in Tskhinvali. Georgian officials say economic development will crack the “siege mentality of a military camp”,<sup>31</sup> produce “a breakthrough in consciousness” and persuade Ossetians there can be peaceful coexistence in a unified Georgia.<sup>32</sup>

Tbilisi is approaching the conflict in an imaginative way but needs to realise the strategy cannot work overnight or solely on the basis of economic incentives. Ossetian aspirations and fears must also be addressed. The

---

<sup>20</sup> Economy, justice, interior, security, transportation and road construction, external relations, education, culture, tourism and sport, finance, information and press, and presidential administration, *ibid.* Pre-war Georgia had an Ossetian population of some 164,000, approximately 98,000 living in Georgia proper. The 2002 census listed some 38,000 ethnic Ossetians in the areas controlled by Tbilisi. Crisis Group Report, *Avoiding War in South Ossetia*, op. cit., pp. 5-6.

<sup>21</sup> “Finance Minister Meets South Ossetia Administration Chief”, *Civil Georgia*, 22 May 2007.

<sup>22</sup> Crisis Group interview, civil society activist, Tbilisi, June 2007.

<sup>23</sup> Crisis Group interview, Western diplomat, 16 April 2007.

<sup>24</sup> Crisis Group interview, Dmitri Sanakoev, Tbilisi, April 2007.

<sup>25</sup> *Ibid.* His involvement in negotiations is unacceptable to the South and North Ossetians as well as the Russians, who argue both that his entity lacks legitimacy and that the JCC arrangement can only be altered by a heads-of-state decision.

---

<sup>26</sup> Crisis Group interview, secretary to the national security council of Georgia, 13 April 2007.

<sup>27</sup> Crisis Group interview, vice prime minister of Georgia, Tbilisi, 13 April 2007. Some in Tbilisi say Sanakoev is far-sighted, realising now, not in a few years when Georgia will be stronger, is the time to negotiate a good deal for South Ossetia.

<sup>28</sup> Crisis Group interview, secretary to the national security council of Georgia, 13 April 2007.

<sup>29</sup> Crisis Group interview, vice prime minister of Georgia, Tbilisi, 13 April 2007.

<sup>30</sup> Crisis Group interview, Dmitri Sanakoev, March 2007. President Saakashvili has placed strong emphasis on impressing people in the conflict areas with Georgia's economic and development progress. For instance, his briefing at the State Chancellery, Official website of the President of Georgia, 17 March 2006 at [www.president.gov.ge](http://www.president.gov.ge).

<sup>31</sup> Crisis Group interview, vice prime minister of Georgia, Tbilisi, 13 April 2007.

<sup>32</sup> Crisis Group interview, secretary to the national security council of Georgia, 13 April 2007.



Tskhinvali Ossetians doubt Sanakoev can represent their interests ahead of Tbilisi's and regard the strategy as a superficial attempt to co-opt them. If it is driven by the government's pledge to deliver by summer 2008 on its election promise to restore Georgia's territorial integrity, the situation could explode.

Georgia is in parallel working to de-legitimise Kokoity and his administration. It considers him a criminal but says it is ready to negotiate with any group in South Ossetia, including him. President Saakashvili says "the very fact that we made some sort of a gesture to Kokoity is significant"<sup>33</sup> but Tskhinvali considers the formal invitations to dialogue as empty pledges. That Kokoity is labelled a criminal diminishes the readiness to engage with Tbilisi in good faith. Kokoity's group and others with anti-Tbilisi views believe Georgia is calibrating its messages to what the international community expects to hear so as to gain more political and financial support.<sup>34</sup> Indeed, Saakashvili's speeches abroad differ in tone and content from the ones delivered at home.<sup>35</sup>

Since the international community and especially Russia see Kokoity as a player, Tbilisi is trying to keep him involved in a minor way while marginalising him. But moving him aside while building confidence with his constituency is difficult. Georgia needs to engage groups around him which support the separatist movement not just concentrate on a deal with those Ossetians who are inclined to agree with it. Indeed, there seems to be a growing sense in the Georgian leadership that "confidence building has not worked"<sup>36</sup> and a growing conviction that sticks are more efficient than carrots.<sup>37</sup> There is tension between the government's rhetoric and the manner in which its initiatives are implemented. Tbilisi has also shown only a half-hearted willingness to take responsibility for past injustices or engage in transitional justice efforts.<sup>38</sup>

Some in the Georgian leadership or close to it deny they are behind Sanakoev's emergence.<sup>39</sup> Vice Prime Minister Baramidze claims "Sanakoev is not our product; rather there are people in Tskhinvali who realize that Georgia now is different than when the conflict occurred". He emphasises that while Sanakoev represents "genuine local population, he is no longer a separatist".<sup>40</sup> Others say propping up his venture is risky but worth it because "no alternatives are visible, we cannot tolerate the status quo, and the hope is that in the long run this will work".<sup>41</sup>

Nevertheless, it is evident that the Georgian government helped create Sanakoev. He himself admits Georgian help was key,<sup>42</sup> and he openly co-operates with Tbilisi, which is engaged in a not so subtle effort to build his credibility. Sanakoev and Saakashvili met on 19 March 2007.<sup>43</sup> Sessions with governmental officials and the ruling National Movement party followed, including with the speaker of the parliament on 4 May.<sup>44</sup> Saakashvili gained opposition support for the Sanakoev project at a 28 March meeting where he let it be understood he would not tolerate dissent.<sup>45</sup> On 17 April, leaders of the Industrialists party met in Kurta with Sanakoev and donated 500,000 lari (approximately \$298,000) to economic projects; on 23 April it was the turn of the New Rights party.<sup>46</sup> Georgian civil society is also being encouraged to work with Sanakoev even if they do not always recognise him as a credible interlocutor.<sup>47</sup>

---

campaign to "repent" mistakes that lead to the war in Abkhazia. It did not get wide support. Another civil society activist says the leadership and elites have no interest in dealing with the past. Crisis Group interview, Tbilisi, May 2007. President Saakashvili said: "We need not apologise, it is to us they should apologise, for they have violated our and our children's' rights", Imedi News, 4 May 2007 (in Georgian) at [http://imedinews.ge/ge/news\\_read/37379](http://imedinews.ge/ge/news_read/37379).

<sup>39</sup> Crisis Group interviews, Tbilisi, April 2007.

<sup>40</sup> Crisis Group interview, Giorgi Baramidze, Tbilisi, 11 April 2007.

<sup>41</sup> Crisis Group interview, Georgian official, Tbilisi, April 2007.

<sup>42</sup> Crisis Group interview, Dmitri Sanakoev, March 2007.

<sup>43</sup> "Saakashvili Meets S. Ossetian Alternative Leader", *Civil Georgia*, 19 March 2007.

<sup>44</sup> "Saakashvili to Meet S. Ossetian Alternative Leader", *Civil Georgia*, 5 May 2007.

<sup>45</sup> "Saakashvili Discusses 'South Ossetia Administration' with Opposition", *Civil Georgia*, 29 March 2007. Crisis Group interview, civil society activist, Tbilisi, May 2007. According to opposition interlocutors, it is rare for Saakashvili to seek their support and thus indicative of how high this issue is on his agenda.

<sup>46</sup> "Opposition MPs Visit South Ossetian Conflict Zone", *Civil Georgia*, 23 April 2007.

<sup>47</sup> Crisis Group interview, civil society activist, Tbilisi, June 2007.

---

<sup>33</sup> Text of report by Georgian TV Mze on 7 May 2007, as translated by the BBC Monitoring Service.

<sup>34</sup> Crisis Group interview, de facto official, Tskhinvali, April 2007.

<sup>35</sup> Crisis Group interview, civil society activist, Tbilisi, May 2007. According to several interlocutors, speeches in Georgian are more assertive than those for foreign consumption and show limited patience for Ossetian or Abkhaz aspirations. One called the Georgian language speeches "belligerent", especially if delivered at a military facility.

<sup>36</sup> Crisis Group interviews, senior Georgian officials, Tbilisi, April 2007.

<sup>37</sup> Crisis Group interview, diplomat citing a meeting with a senior Georgian official, Tbilisi, May 2007.

<sup>38</sup> A few Georgian civil society activists say it is time for Tbilisi to apologise for mistakes in the early 1990's which lead to the two conflicts. On 14 March 2007 the Human Rights Information and Documentation Centre, an NGO, launched a public "Sorry"

Many in Tbilisi are pleased the government is trying non-violence but some civil activists warn that Sanakoev may cause further confrontation and does not promote genuine dialogue with Ossetians.<sup>48</sup> Others fear he “may gamble with causes as easily as with money”<sup>49</sup> or turn against Tbilisi after he has built himself up.<sup>50</sup>

The Georgians also want the international community to recognise Sanakoev. They invited him to detail his platform at a NATO Parliamentary Assembly seminar on 19-20 April<sup>51</sup> and encourage ambassadors and international organisations to see him. The response has been cautious but his appointment to an official Georgian government position gives him a legal status which makes contacts easier. Since then Tbilisi has included him in meetings between the state minister on conflicts and senior international interlocutors.<sup>52</sup>

## 2. The Tskhinvali view

Tskhinvali views Sanakoev as a Quisling and details his gambling debts, which were allegedly paid by Tbilisi to buy his loyalty. As proof of Sanakoev's lack of trustworthiness and credibility, it also cites his alliances with the Karkusov brothers, who are claimed to be wanted by Interpol.<sup>53</sup> Most importantly it claims Sanakoev has no real support among ethnic Ossetians, and his only real constituency is the Georgian government.<sup>54</sup>

Sanakoev's emergence is portrayed as a direct threat to the peace process: “Saakashvili is not interested in real peace but in the destruction of confidence”. Sanakoev's law enforcement arm is a great concern, especially as their numbers are seen as high for the size of the population, and they are stationed very close to

Tskhinvali,<sup>55</sup> whose chief negotiator, Boris Chochiev, claims Tbilisi wants to provoke a civil war in South Ossetia, which would justify a broader, internationally-sanctioned Georgian intervention.<sup>56</sup> Civil society representatives from South Ossetia confirm that Sanakoev and his administration are viewed as traitors by a majority of Ossetians in Tskhinvali and areas under its control.<sup>57</sup>

Nevertheless, not all are happy with internal developments in Tskhinvali. An activist opposed to Kokoity said:

Nobody in South Ossetia supports the idea of unification with Georgia but Sanakoev could have emerged because of Kokoity's mistakes: Kokoity won the first election fairly but the second time around he did everything to prevent any alternative from emerging. We could not show the world that within the Ossetian society free choices are possible, so the Georgians did it on our behalf.<sup>58</sup>

Another called Sanakoev “the product of our dependence on Russia”.<sup>59</sup> But none of this means he is an acceptable alternative.

The link with Russia presents strong opportunities for economic profiteering in South Ossetia, including among the de facto leadership,<sup>60</sup> but there is a genuine self-determination drive. The idea of “Alania” – a unified North-South Ossetia<sup>61</sup> – is very strong. Many Ossetians recognise it would be achievable only within Russia, to which Tbilisi would never agree. Not all Ossetians want that either; some of the more radical elites are openly anti-Russian.<sup>62</sup> But they see no way to engage meaningfully with Georgia as long as it claims the conflict is political, not ethnic, and denigrates Ossetian self-determination with Saakashvili statements like “the Georgian-Ossetian conflict does not exist at all”.<sup>63</sup> If Sanakoev is seriously

<sup>48</sup> Crisis Group interview, civic activist, Tbilisi, March 2007.

<sup>49</sup> Crisis Group interview, civic activist, Tbilisi, April 2007.

<sup>50</sup> Public debate on the situation in South Ossetia at the Heinrich Böll Foundation, Tbilisi, 18 April 2007.

<sup>51</sup> The Georgian side considered this the first international acknowledgement of diverse opinions in the zone of conflict and that there are forces interested in a constructive dialogue. NATO co-organisers had not planned on Sanakoev's participation.

<sup>52</sup> For example, Sanakoev was present at a meeting between State Minister Antadze and Sir Brian Fall, UK's Special Representative to the South Caucasus. The State Ministry's Information for Press, 31 May 2007.

<sup>53</sup> The brothers are from a family in the Ossetian-controlled Java valley and held high posts in the past de facto government. Their house was burned after they became involved with Sanakoev. Crisis Group interview, adviser to the de facto Ossetian leader, Tskhinvali, 8 April 2007. Neither brother is on publicly accessible Interpol lists.

<sup>54</sup> Tskhinvali also blames “U.S. special services” for his rise. Crisis Group interview, advisers to de facto Ossetian leader, Tskhinvali, 8 April 2007.

<sup>55</sup> Ibid. The Ossetian side claims up to 1,500 law enforcers, including military-type special troops, are to be posted in the Georgian-administered enclave north of Tskhinvali. OSCE monitors have reported a unit of 25 militiamen armed with assault rifles. The number of militia in Kurta-controlled areas is to grow to 150, according to the Kurta de facto administration.

<sup>56</sup> Crisis Group interview, JCC co-chair for the South Ossetian side, Tskhinvali, April 2007.

<sup>57</sup> Crisis Group interviews, Tskhinvali, February 2007.

<sup>58</sup> Crisis Group interview, Tskhinvali, February 2007.

<sup>59</sup> Crisis Group interview, Tskhinvali, April 2007.

<sup>60</sup> Crisis Group interview, international expert, Tbilisi, May 2007.

<sup>61</sup> Many Ossetians desire a united Ossetia/Alania and consider the division of Georgia's South Ossetia and Russia's North Ossetia-Alania arbitrary. Crisis Group interviews, Tskhinvali, Tbilisi, April 2007.

<sup>62</sup> Crisis Group interviews, Tskhinvali, March-April 2007.

<sup>63</sup> “Saakashvili Rejects Terms ‘Georgian-Abkhaz’ and ‘Georgian-Ossetian’ Conflict”, *Civil Georgia*, 15 March 2007.

to champion Ossetian interests, he needs to gain the support of its anti-Russian elites. Tbilisi needs to understand Ossetian perceptions and anger in order to develop an appropriate strategy to address grievances.

Representatives of ethnic Ossetians living in Georgia proper are also sceptical of Sanakoev.<sup>64</sup> Tbilisi claims South Ossetians are only a small part of the Ossetian nation and should not dictate the Ossetian self-determination project. This further strengthens the South Ossetian perception that their identity is disrespected. But even Ossetians in Tbilisi say Sanakoev has little chance to succeed because the national idea in South Ossetia is strong, and Georgia has still to prove it respects national minority rights even on the territory it controls.<sup>65</sup> One activist said the government has pressured Ossetians in Georgia proper to support Sanakoev and to participate in the Eredvi election.<sup>66</sup> Ossetians living in South Ossetia or refugees in North Ossetia often view their kin in Georgia proper with suspicion. The predominant view in Tskhinvali is that they are manipulated.<sup>67</sup>

Tskhinvali is dead set against Sanakoev gaining any international legitimacy. It wants to prevent any contact between him and international representatives and threatens to declare anyone who travels to Kurta to meet with him persona non grata.<sup>68</sup> This further narrows space for constructive engagement in the zone of conflict.

### 3. The international view

Russia believes Sanakoev's administration was created by the Georgian special services<sup>69</sup> or interior ministry.<sup>70</sup> It has accused Tbilisi of introducing "another dangerous factor...which will have an extremely negative influence

on the chance of a peaceful settlement".<sup>71</sup> By trying to legalise the de facto alternative authorities, "Tbilisi is undermining the foundations of the peaceful settlement process based on unconditional international recognition of Sukhumi and Tskhinvali as legitimate parties to the conflicts and accordingly to the negotiations for their peaceful settlement". Moscow further says Georgia is trying to create artificial negotiation partners bound to accept its positions.<sup>72</sup>

The U.S. has welcomed the addition of new actors. Unlike Russia, it does not believe there are "internationally recognised sides to the conflict" and wants creation of a forum which will produce results.<sup>73</sup> Deputy Assistant Secretary of State Bryza said Tbilisi's approach towards the conflict "sounds like exactly the approach we have discussed...with [Georgian] leaders for the last few years".<sup>74</sup>

The EU has yet to define a policy on Sanakoev. According to a European diplomat, Tbilisi claims Sanakoev has support among Ossetians but "we have no way of corroborating that".<sup>75</sup> There is a strong sense, however, that Tskhinvali cannot dictate who should be the international community's interlocutors. This could become particularly sensitive with respect to the implementation of donor-funded rehabilitation projects in the zone of conflict, as discussed below.

### C. THE NEW TEMPORARY ADMINISTRATIVE UNIT

Over the past several months, Tbilisi has adopted new laws to further legitimise Sanakoev and move forward on resolving South Ossetia's status within Georgia. A "Law on the Creation of Appropriate Conditions for Peaceful Settlement of the Conflict in the Former Autonomous District of South Ossetia" passed on 13 April<sup>76</sup> aims to:

[f]acilitate participation of local communities including all ethnic groups and political forces...through delegation of authority from the central government to local community representatives, to create conditions for granting European-style autonomy to the region, guaranteeing political self-governance and

---

Saakashvili speeches with welcoming sentences in Ossetian do not balance comments like "does the Ossetian side exist at all?"

<sup>64</sup> Crisis Group, Tbilisi, April 2007.

<sup>65</sup> Crisis Group interview, March 2007.

<sup>66</sup> Crisis Group interview, April 2007. Ethnic Ossetians who did not flee Georgia proper during the conflict or have returned have typically had a low political profile. An Ossetian civil society representative said they feel like a minority with few rights. Some are active in Sanakoev's administration.

<sup>67</sup> Crisis Group interview, Tskhinvali, April 2007.

<sup>68</sup> The OSCE Mission to Georgia is in a particularly precarious position because of its presence in the zone of conflict. Ossetian authorities have warned they will disallow its operation in the Ossetian-controlled part of the zone if it engages with the alternative administration. Crisis Group interview, Western diplomat, Tbilisi, April 2007.

<sup>69</sup> "Statement Regarding the So-Called 'Alternative Governments' of Abkhazia and South Ossetia", Alexey Borodavkin, permanent representative of the Russian Federation at the meeting of the OSCE Permanent Council, 22 March 2007.

<sup>70</sup> Crisis Group interview, Tskhinvali, 5 April 2007.

<sup>71</sup> "Russia's MFA Statement on the Propaganda Campaign Organised by Georgia around Sanakoev's Puppet Regime", 30 March 2007 at [www.mid.ru](http://www.mid.ru).

<sup>72</sup> "Statement", Borodavkin, op. cit.

<sup>73</sup> Crisis Group interview, Tbilisi, April 2007.

<sup>74</sup> "U.S. Backs Tbilisi's Conflict Resolution Plan", *Civil Georgia*, 1 April 2007.

<sup>75</sup> Crisis Group interview, Western diplomat, Tbilisi, May 2007.

<sup>76</sup> See the official website of the parliament, [www.parliament.ge](http://www.parliament.ge).

preservation of national identity and cultural rights of ethnic Ossetians residing in the area; and to prepare appropriate conditions for democratic elections in the region.<sup>77</sup>

It further stipulates creation of a transitional administrative unit to work with central authorities to further economic rehabilitation of the region, ensure that the interests of everyone in the region are represented and determine the region's final status. The Georgian leadership argues South Ossetia's "temporary administrative unit" status is provisional, and the region will eventually receive the greatest autonomy possible.<sup>78</sup> Although from the Georgian constitutional perspective this may be a breakthrough,<sup>79</sup> the new status is rejected by the significant part of the Ossetian constituency represented by Tskhinvali.

On 23 April, President Saakashvili detailed additional measures: there should be an appointed head of the temporary administration and a budget; members of the new administration would be deputy ministers in the interior, economic development, finance, education and sciences, health and social welfare, culture, justice, agriculture and environment ministries and have specific mandates on issues pertinent to South Ossetia.<sup>80</sup> On 8 May, the parliament passed a resolution, based on the April law, setting up the temporary administrative unit.<sup>81</sup> The appointment of Sanakoev as its head followed, and on 10 May he addressed the parliament in his new capacity, saying that the Ossetian people's future was "only in a democratic and stable Georgia".<sup>82</sup>

The security situation in the zone of conflict deteriorated sharply, and the sides entered into a round of competing statements and accusations. On 11 May, Kokoity announced on Ossetian TV and radio that the TransCam road<sup>83</sup> would be closed to traffic and accused Tbilisi of

provocations.<sup>84</sup> He also said measures were needed to remove Sanakoev from the territory of the "Republic South Ossetia"<sup>85</sup> and warned that his regime would not resume talks with the Georgian government until Tbilisi renounced further contacts Sanakoev.<sup>86</sup> Exchanges of fire overnight 12-13 May injured one Georgian and one South Ossetian police officer.<sup>87</sup> In response to Kokoity, Tbilisi threatened that it might be forced to "neutralise" separatist forces in the region.<sup>88</sup>

---

<sup>77</sup> Georgian government's non-paper on the draft law, shared with the international community in March 2007.

<sup>78</sup> Crisis Group interview, vice prime minister of Georgia, Tbilisi, 13 April 2007.

<sup>79</sup> Georgia abolished the oblast's autonomous status on 22 November 1990. Decision of the Supreme Council of the Republic of Georgia, signed by the first president, Zviad Gamsakhurdia at [www.parliament.ge](http://www.parliament.ge).

<sup>80</sup> Text of report by Georgian TV Rustavi 2 on 23 April 2007, as translated by the BBC Monitoring Service. The plan was unveiled to the national security council in a televised session.

<sup>81</sup> <http://eng.primenewsonline.com/news/121/ARTICLE/13420/2007-05-08.html>.

<sup>82</sup> Speaking in Ossetian with the diplomatic corps present, he called the "current rulers of Tskhinvali and their foreign supervisor" responsible that "people maintain constant fear and hatred towards our Georgian brothers", *Civil Georgia*, 11 May 2005.

<sup>83</sup> TransCam is the main road through the zone of conflict, passing from Georgia proper through Tskhinvali and the northern

---

enclave of Georgian villages in the zone of conflict and on to Russia across the Caucasus mountain chain.

<sup>84</sup> South Ossetian website at [www.cominf.org](http://www.cominf.org), 11 May 2007; "Tskhinvali Says it Closes Down Roads in Conflict Zone", *Civil Georgia*, 11 May 2007. Concrete barricades were placed on the road.

<sup>85</sup> South Ossetian website [www.cominf.org](http://www.cominf.org), 11 May 2007.

<sup>86</sup> RFE/RL Newline, 8 May 2007.

<sup>87</sup> "Tskhinvali Partly Re-opens Roads", *Civil Georgia*, 15 May 2007. Moscow criticised Kokoity for the road closures. After his trip to Russia, he relaxed the measures and seems to be pursuing a less confrontational line. Crisis Group interview, Tbilisi, May 2007.

<sup>88</sup> Statement by chairman of the parliament's ad hoc commission on territorial integrity, reported by Georgian TV Rustavi 2 on 29 May 2007, as posted by BBC Monitoring.

### III. STALLED NEGOTIATIONS

Negotiations between Tbilisi and Tskhinvali within the JCC framework are deadlocked. The quadrilateral commission groups the Georgian, South Ossetian, North Ossetian and Russian sides. Not without merit, Tbilisi sees it as a “three against one” arrangement. Most JCC decisions since 2004 have not been implemented. Since August 2006 several rounds of sterile talks and informal meetings failed even to produce a protocol or a press statement. In the past JCC sessions focussed on security, economic cooperation, refugee/IDP return and, to a much lesser degree, status. Today the sides appear capable of talking constructively only about economic issues and to a much lesser extent security.

The diplomatic breakdown is closely linked to inability to agree on the conflict's root causes. Both sides are also setting preconditions for resuming talks. The Georgians view Russia as a dishonest broker, whose role must be limited. They insist on changing the negotiation and peacekeeping formats to a direct dialogue, with Russia no longer the main facilitator but the OSCE, EU and U.S. also taking part. The South Ossetians see Tbilisi as a threat, want no format changes but instead seek formal guarantees on non-use of force. Neither side has gained what it wants. Sanakoev and the temporary administrative unit are likely to press for a seat at the table if the JCC is retained.

#### A. THE JOINT CONTROL COMMISSION

Georgia sees the conflict as political, possibly territorial, but not ethnic, not between Georgians and Ossetians, but rather between Georgia and Russia.<sup>89</sup> It maintains that Russia cannot be an honest broker or facilitator,<sup>90</sup> because it is trying to annex Georgian territories. According to Tbilisi, Russia sends illegal military support through the Roki tunnel.<sup>91</sup> Russian military and secret service

personnel hold high posts in the de facto government,<sup>92</sup> and Moscow has given additional aid – direct budgetary support, pensions and banking and simplified visa regimes. It gives South Ossetians passports, thus facilitating their travel but also meaning that if fighting breaks out again, it could cite an obligation to intervene to protect its citizens abroad.<sup>93</sup>

Unless formats are changed to reflect Georgia's perceived need for a mechanism in which its interests and security fears are considered equally, it is unlikely to engage in genuine dialogue and confidence building.<sup>94</sup> Moscow should recognise that it is in the common interest to use its influence to encourage South Ossetians to take a more open-minded approach, including on format changes. The Georgian position is that “existing formats are non-transparent, largely ineffective and dominated by a non-honest and biased broker... Regrettably, the Russian side has become not a bridge, but a wall preventing direct dialogue between the parties to the conflicts”. Tbilisi wants to convert the negotiations format to one of “bilateral dialogue between the Georgian and the South Ossetian side in the framework of the Delegations Empowered with Special Authority<sup>95</sup> under the patronage of the OSCE”,

---

<sup>92</sup> Ibid; Crisis Group interview, interior ministry official, March 2007. Saakashvili often implies Russian special services involvement: “[T]he idea that Ossetians cannot live in independent Georgia...is being said by some [separatist Prime Minister] Morozov, some [former separatist Defence Minister] Barankevich, some Ivanov and representatives of some other agencies who have no ties whatsoever to this territory”, speech to reservists in Senaki, 2 April 2007, translated by BBC Monitoring.

<sup>93</sup> Crisis Group interview, Russian embassy adviser, Tbilisi, April 2007. Georgia accuses Russia of attempting to annex South Ossetia and Abkhazia by “passportisation”, while residents there argue they need passports for travel. They are mostly unwilling to use Georgian travel documents. While acceptance of a passport may imply formal acceptance of citizenship, many say they feel no obligation. Duma members, however, increasingly refer to ethnic Abkhaz and Ossetians with Russian passports as Russian citizens. In July 2006 the Russian foreign minister warned Georgia it would protect its citizens in the conflict regions “by all means at our disposal”. Interview with Sergey Lavrov, “Don't touch Russians”, *Kommersant*, 20 July 2006.

<sup>94</sup> “If Russians and Ossetians show us they are ready to seriously talk by allowing monitoring of Roki for instance, we will be able to come up with a whole set of constructive proposals”, said an interior ministry official, Crisis Group interview, Tbilisi, May 2007.

<sup>95</sup> “Delegations Empowered with Special Authority” for resolution of the conflict were set up by Georgia's president, Eduard Shevardnadze, and South Ossetia's leader, Ludvig Chibirov, in August 1996. They were to launch and guide the process for full resolution, unlike the more limited JCC. The first meeting, on 5 March 1997 in Moscow, adopted terms of reference, which foresaw expert groups to prepare proposals for solutions of political and legal aspects. See statements on

---

<sup>89</sup> Saakashvili insists the conflicts are not ethnic and been created by “silly and unaware people”. In his annual state of the nation address he said “the Georgian-Ossetian conflict does not exist at all. This is one more fabrication by imperial ideologues”. He says Georgia “is constantly being threatened. They are threatening to cut off parts of our territory”, speech to military personnel in Samgori, 4 April 2007, Mze TV, translated by BBC Monitoring.

<sup>90</sup> Crisis Group interview, vice prime minister of Georgia, 13 April 2007.

<sup>91</sup> Tbilisi considers the Roki tunnel, connecting Russia's North Ossetia-Alania and South Ossetia, a particularly sore point. It has no possibility to control or monitor this part of its border with Russia, which hinders demilitarisation of the zone of conflict (see below), and presents trafficking concerns. Crisis Group interview, vice prime minister of Georgia, 13 April 2007.

with participation of the U.S., EU and Russia as facilitators and guarantors of peace.<sup>96</sup>

The JCC mechanism has been inefficient since the 2004 escalation, with neither side implementing its decisions, but the positions became more radical in and after the JCC Moscow meeting in August 2006. Even continuation of dialogue has become subject to the Georgian precondition for format change, and the sides have been unable to get beyond repeating basic positions.<sup>97</sup>

In March 2007, Georgia agreed to limited use of the JCC but continued to emphasise that it wanted to rely on "Delegations Empowered with Special Authority", a bilateral Georgian-South Ossetian mechanism, for any substantive talks. Before an informal JCC session in Istanbul, it tabled a memorandum detailing this approach.<sup>98</sup> In that meeting, on 21-22 March, the sides continued consultations on the security situation in the zone of conflict, the OSCE-led economic rehabilitation program and law enforcement cooperation, and the co-chairs agreed to prepare a formal JCC in Tbilisi.<sup>99</sup> However, strong disagreement remained on the future of the negotiations process.<sup>100</sup> An informal consultative meeting of the co-chairmen in Tskhinvali on 19 April failed to reach any new agreements.<sup>101</sup>

Tskhinvali wants no format changes, which would undoubtedly cost it part of the political support it gets from Moscow. It accuses Tbilisi of blocking JCC work for many months<sup>102</sup> and argues that it is a working-level mechanism with no mandate to consider, let alone decide

on a change of the negotiations format.<sup>103</sup> It has proposed a meeting of the highest political leaders of the four JCC sides to consider this. According to a Western diplomat, however, this is not considered a realistic suggestion.<sup>104</sup>

The South Ossetian co-chair says Tbilisi is trying to squeeze Russia out and destroy the only functioning negotiating mechanism, while accusing South Ossetia of misconduct so as to secure Western sympathy. Tbilisi's attempt to broaden the negotiations format, he says, is not "correct": Moscow has been involved in the process since the ceasefire was signed and has significantly contributed to the rehabilitation and development of the region.<sup>105</sup>

Moscow perceives Tbilisi as the cause of unjustifiably long breaks in the talks due to unwillingness to work in existing formats<sup>106</sup> and is reluctant to discuss its proposals.<sup>107</sup> Nor has Tbilisi seriously approached Russia. Instead, officials say the "cruder the Russian practice, the better for Tbilisi – the international community will see what Russia is really worth".<sup>108</sup> Overall Georgian-Russian relations do not bode well for finding a mutually acceptable way forward.<sup>109</sup> Georgia has a legitimate desire to change the negotiation format but to succeed it must engage with the other JCC members and look for a compromise, rather than try to impose its will with outside support.<sup>110</sup>

South Ossetia wants to retain the current process and is pushing a three-stage peace plan, with status issues to be considered only at the end.<sup>111</sup> But it needs to recognise that unless Tbilisi's own concerns and fears connected to Russia are taken into account, the talks will get nowhere. Beyond its criticism of Tbilisi for trying to change the

---

meetings between Shevardnadze and Chibirov in Java, 14 November 1997 and Vladikavkaz, 27 August 1996. The expert groups met ten times.

<sup>96</sup> "Basic Principles", op. cit., p. 3.

<sup>97</sup> Crisis Group interview, Western diplomat, Tbilisi, April 2007.

<sup>98</sup> "On Agreeing Further Activities Aimed at Final Settlement of the Conflict in Tskhinvali Region – South Ossetia, Georgia", memorandum developed by the Georgian state ministry of conflict resolution issues, 8 March 2007.

<sup>99</sup> Crisis Group interview, head of the OSCE Mission to Georgia, April 2007.

<sup>100</sup> Crisis Group interview, Western diplomat, Tbilisi, April 2007. Georgia insisted the formal JCC meeting needed to be thoroughly prepared by working groups on issues like demilitarisation, law enforcement and comprehensive political solution.

<sup>101</sup> This was mainly due to a serious disagreement over two recent, additional Georgian police checkpoints in the villages of Kekhvi and Tamarasheni, which mark the boundaries of Sanakoev's Georgian enclave in the zone of conflict. Crisis Group interview, head of the OSCE Mission to Georgia, May 2007.

<sup>102</sup> Crisis Group interview, JCC co-chair for the South Ossetian side, Tskhinvali, 5 April 2007.

---

<sup>103</sup> As set up by the 1992 Sochi agreement between the leaders of Georgia and Russia.

<sup>104</sup> Crisis Group interview, Western diplomat, Tbilisi, 17 March 2007.

<sup>105</sup> Crisis Group interview, JCC co-chair for the South Ossetian side, Tskhinvali, 5 April 2007.

<sup>106</sup> "Statement", Borodavkin, op. cit.

<sup>107</sup> Crisis Group interview, diplomat, Tbilisi, April 2007.

<sup>108</sup> Crisis Group interview, Georgian official, March 2007.

<sup>109</sup> The return of Russian Ambassador Kovalenko to Tbilisi on 23 January 2007 was seen as positive but Moscow saw the "Smuggled Uranium" story as part of an anti-Russian campaign. Lawrence Sheets, "Smuggler's Plot Highlights Fear over Uranium", *The New York Times*, 25 January 2007.

<sup>110</sup> When the Ossetians expressed lack of interest, the Georgian state minister threatened that "disregard for the proposals approved by the international community will be directed against full-scale peaceful settlement of the conflict", and "proposals which contradict these principles will be assessed as counter-productive and directed against the peace process"; see "JCC Holds Consultative Session in Tskhinvali", *Civil Georgia*, 19 April 2007.

<sup>111</sup> Crisis Group interview, JCC co-chair for the South Ossetian side, Tskhinvali, 5 April 2007.

format, Tskhinvali has made next to no suggestions on how to overcome the impasse.

In order to deal with the vulnerabilities that Tbilisi and Tskhinvali feel, the sides should agree on changing the negotiations format to one that emphasises direct Georgian-Ossetian dialogue and gives the EU Special Representative for the South Caucasus (EUSR) a role on a par with Russia and the OSCE. Substantive dialogue with EU, Russian and OSCE involvement should initially tackle step-by-step, confidence-building measures, including security and economic rehabilitation, as discussed below. Until the change of formats is negotiated, the sides should use the JCC mechanism for the day-to-day management of security and other practical matters in order to avoid a breakdown of contacts.

## B. PEACE PLANS

Since 2004, the sides have come up with several unilateral proposals for resolving the conflict. Tbilisi's plans offer Tskhinvali the widest possible autonomy within Georgia but have not detailed what that would mean in practice. They call for confidence-building, demilitarisation and rehabilitation and development of the zone of conflict. The Ossetians have rejected any discussion of status within Georgia, put forward their own initiative and been ready to cooperate on development and rehabilitation and furthering confidence, including demilitarisation.

Tbilisi wishes to engage with Tskhinvali and solve the conflict peacefully but on its own terms. It is frustrated that Tskhinvali has Russian backing and correctly says it removes any Ossetian motivation to look for solutions. A compromise on territorial integrity is unacceptable for Georgia, whose proposals all insist that South Ossetia must first accept it is part of Georgia, after which it will be possible to address other issues. A better approach would build confidence on a range of topics and only then tackle status. More than anything, Tskhinvali wants Tbilisi and the international community to show more respect for Ossetian aspirations and security concerns.

Initially, Georgia said it was willing to settle the conflict by steps, starting with confidence building, ending with status. Saakashvili unveiled a peace plan after the 2004 escalation, on 21 September at the UN, and in January 2005 he outlined a three-stage plan focusing on confidence building, demilitarisation, law enforcement, a greater international role and autonomy. Several months later, he offered South Ossetia "a distinctly broader form of autonomy than it had in Soviet times and than North Ossetia has in the Russian Federation" and a three-year transition.<sup>112</sup> In Moscow, 24-25 October, the JCC co-

chairs agreed the process should be in three-stages with demilitarisation and confidence building and social and economic rehabilitation preceding a political settlement.<sup>113</sup> That month, Prime Minister Noghaidei offered a "detailed road map for the stage by stage implementation of the peace plan", with timelines for the planned Georgian activities.<sup>114</sup>

To begin with, those activities would include: enacting a law on restitution and compensation for those who suffered in the 1989-1992 conflict; inviting refugees to return home from North Ossetia; promoting broad Georgian-Ossetian contacts; organising with donors a needs-assessment study to launch economic rehabilitation, including a free trade zone, contingent on enhanced border controls especially for the Roki tunnel.<sup>115</sup> The needs assessment study was completed and the economic rehabilitation program launched, with international support,<sup>116</sup> but there is room for improvement. The Law on Restitution and Compensation was passed in December 2006 but there are no signs of implementation. This is a crucial opportunity for Tbilisi to prove to Ossetians its commitment to reconciliation.

Kokoity proposed his own peace plan in December 2005.<sup>117</sup> Its three stages are: demilitarisation, confidence building and security guarantees; social and economic

---

of Europe, 26 January 2005 at [www.president.gov.ge](http://www.president.gov.ge). The plan offered autonomy and an executive branch and parliament to deal with culture, education, social policy, economic policy, public order, local self-governance and environment. Language rights and status would be granted, education policy decentralised. The need to cultivate conditions for economic development was mentioned and a special law on property restitution. Mixed Georgian and Ossetian police, under international auspices would guarantee order and free movement. Saakashvili called on the Council of Europe to act as facilitator, the OSCE as peace monitor, the EU as peace guarantor and Russia as a constructive partner for peace.

<sup>113</sup> Crisis Group interview, international expert, Tbilisi, March 2007.

<sup>114</sup> Presented at the OSCE Permanent Council in October 2005. "Georgia's Action Plan: on South Ossetia: A Test for the International Community", the Jamestown Foundation, vol. 2, no. 219, 23 November 2005. The timetable aimed for decisive progress between two OSCE year-end ministerial conferences, in Ljubljana December 2005 and Brussels December 2006.

<sup>115</sup> Actions to be negotiated with the Russian and South Ossetian sides have not been agreed.

<sup>116</sup> Georgia has won significant international support. The December 2005 OSCE ministerial (Ljubljana) endorsed the peace plan.

<sup>117</sup> In a letter to Presidents Putin and Saakashvili and OSCE heads of state, at the end of a five-day visit to the region by Russian Ambassador Kenyakin. "The Initiative of President of South Ossetia on the Peaceful Resolution of the Georgian-Ossetian Conflict", *Regnum*, at [www.regnum.ru/news/558935.html](http://www.regnum.ru/news/558935.html).

---

<sup>112</sup> Saakashvili address, Parliamentary Assembly of the Council

rehabilitation; and political settlement. It also calls for a working group to elaborate a joint South Ossetian-Georgian conflict resolution plan. Georgian Prime Minister Noghaidei publicly welcomed the initiative and said the two plans coincided on a number of issues.<sup>118</sup>

Indeed there was a lot of common ground but the perceptions of deadlines and time frames differed dramatically. While the Georgians were set on progress by the end of 2006, the Russians and South Ossetians were wary of engaging on political and status issues quickly. No breakthrough has been achieved, due to mutual distrust, combined with militarisation on both sides and a lack of genuine political will.<sup>119</sup> JCC meetings in 2006 were inconclusive, with escalating rhetoric and a crisis in Georgian-Russian relations further undermining confidence, and only informal JCC consultations have taken place in 2007.<sup>120</sup>

The OSCE Mission has floated several initiatives. While Tbilisi urges with little prospect expanding the format to include international players, the OSCE suggests an informal consultative group (EU, U.S., Russia and others) to provide the Georgian and Ossetian sides advice and legal or financial aid and develop ideas for ways forward.<sup>121</sup> This has not been implemented, partly because of rotation of ambassadors in Tbilisi, but it should be pursued further.

---

<sup>118</sup> "Kokoity's Proposal Triggers Cautious Optimism in Tbilisi", *Civil Georgia*, 20 December 2005.

<sup>119</sup> The JCC in Moscow on 27-28 December 2005 was to create a working group to elaborate a joint plan on conflict resolution in line with the proposals but did not agree on composition, size and mandate. The Russians and South Ossetians wanted up to 40 representatives from the sides, the OSCE and EU to work on the three stages. The Georgians said the group should focus only on political issues as other aspects had been agreed in principle. Crisis Group interview, international expert, Tbilisi, March 2007.

<sup>120</sup> On 22 June 2006 the JCC met in Tskhinvali, for the first time with Georgian Interior Minister Merabishvili and his de facto counterpart, Mindzaev, to discuss law enforcement and a working group to harmonise peace initiatives. A regular JCC meeting in July was postponed a month due to deteriorating relations. On 8 July Russia closed the only legal border crossing, in Kazbegi-Verkhni Lars, requiring vehicles going south to Georgia to use the Roki tunnel. On 14 July Georgia closed that road. On 14-15 July, its military police detained JCC co-chair, Popov, and the deputy commander of Russian land forces, Valeri Evneevich, and hampered their travel in and out of the zone of conflict. A 17 July JCC session was not held but the four co-chairs reconfirmed the JCC as "the only mechanism allowing...dialogue among the conflicting parties in a legitimate format", and their desire for its further work. "Joint Statement of JCC Co-chairmen", 17 July 2006.

<sup>121</sup> Crisis Group interview, OSCE official, Tbilisi, March 2007; Crisis Group interview, OSCE head of mission, April 2007.

## IV. SECURITY ISSUES

### A. THREATS

#### 1. Perceptions

The sides have radically different perceptions of the source of security threats in the conflict zone. While Georgia feels vulnerable to Moscow, South Ossetia regards Tbilisi as a threat. Tbilisi accuses Russia of supplying South Ossetia with military equipment and ammunition through the Roki tunnel.<sup>122</sup> Tbilisi argues that the lack of comprehensive control over Roki makes South Ossetia "a black hole", which poses global security challenges.<sup>123</sup> It claims that South Ossetia is the source of trafficking of risky substances, including arms-grade radioactive materials, and the production of counterfeit U.S. dollars.<sup>124</sup>

Tbilisi considers Russian peacekeepers on its territory a direct threat: "the ineffective and biased peacekeeping and negotiating formats directly contribute to a crawling annexation of Georgia's territories".<sup>125</sup> It wants to see the JPKF "replaced with truly impartial, international police forces, if necessary furnished with peacekeeping elements".<sup>126</sup> The latest Georgian proposals foresee that the sides should come up with "principles and modalities of the Joint Police Force composed of Georgian and South Ossetian police components operating under a joint

---

<sup>122</sup> Crisis Group interviews, interior ministry, Tbilisi, March 2007; Crisis Group interview, national security council, Tbilisi, 13 April 2007. A parliament resolution, 11 October 2005, asks: "Where and how did numerous pieces of new Russian heavy military equipment appear on the territory of the former South Ossetian Autonomous Oblast, the entire administrative perimeter of which borders only Georgia and the Russian Federation?"

<sup>123</sup> Crisis Group interview, senior official, Tbilisi, April 2007.

<sup>124</sup> Crisis Group interview, diplomat, Tbilisi, April 2007. Uranium smuggling reports have involved Ossetians in Vladikavkaz and Tskhinvali but the substance was intercepted when smuggled through the official Russia/Georgia border crossing. The smugglers apparently tried to find buyers in Tskhinvali. Crisis Group interview, Lawrence Sheets, author of "Smuggler's Plot", op. cit.

<sup>125</sup> "Basic Principles", op. cit. Tbilisi argues that the peacekeepers in South Ossetia grossly fail in their mandate, specifically to disarm illegal armed formations, liquidate fortifications and oversee withdrawal of heavy military equipment.

<sup>126</sup> Ibid, p. 3. Georgia places hopes for new peacekeepers on GUAM, the regional organisation grouping Georgia, Ukraine, Azerbaijan and Moldova, whose members are discussing joint approaches to frozen conflicts, including creation of a peacekeeping battalion. Crisis Group interview, ministry of foreign affairs, March 2007. The South Ossetians (and Abkhaz), however, view GUAM as unsympathetic to self-determination movements.



command".<sup>127</sup> Tbilisi is especially keen that joint police cover the entire territory of South Ossetia as delimited by the December 1991 administrative borders of the former Autonomous Oblast.<sup>128</sup>

The proposals followed a parliamentary resolution on 18 July 2006 calling for the government to arrange for suspension of the peacekeeping operations and withdrawal of Russian peacekeepers from South Ossetia and Abkhazia.<sup>129</sup> This was the strongest of a series of resolutions critical of Russian peacekeepers in Georgia, declaring them a major obstacle to a political settlement.<sup>130</sup>

The Ossetians, however, consider Russia their security guarantor. Before the start of demilitarization and any change in peacekeeping arrangements is discussed, they demand guarantees in an agreement on non-use of force or non-resumption of hostilities. Their chief negotiator explains that Tbilisi is distrusted because of its ever increasing military expenditures and that Georgia is building up its army to solve the conflict through military means.<sup>131</sup> The new emphasis on creating a 100,000-strong armed and trained reserve force "as a clear message to the ill-wishers who challenge Georgia's territorial

integrity",<sup>132</sup> is taken as a threat. Tskhinvali considers the foreign military training and equipment Georgia receives<sup>133</sup> and its increasing contribution to operations in Iraq as a way of improving offensive capabilities,<sup>134</sup> so "for South Ossetia to disband its own forces would be a serious mistake".<sup>135</sup>

The Georgian leadership dismisses these concerns. It says it has repeatedly committed to non-use of force in the peace plans, which all call for peaceful resolution. It justifies the military spending as part of the effort to bring the army closer to NATO standards and interoperability. That budget is opaque, however, and Western diplomats say T-72 tanks, self-propelled artillery and large quantities of ammunition are among acquisitions in recent years.<sup>136</sup> There is no specific agreement on non-use of force, and Tskhinvali notes that the previous documents did not prevent the 2004 escalation.<sup>137</sup> Perceptions on both sides are strongly aggravated by belligerent rhetoric.

Russia says it is alarmed by the diplomatic impasse, the increase in security incidents in the zone of conflict and the emergence of the Sanakoev administration.<sup>138</sup> It sees itself as a guarantor whose role is to prevent major confrontation. If it were to occur, Russia has repeatedly said it would protect its citizens.<sup>139</sup> Moscow also supports signing of a document on the non-use of force and security guarantees.<sup>140</sup>

---

<sup>127</sup> "Memorandum on Agreeing Further Actions Necessary for the Comprehensive Settlement of the Conflict in the Tskhinvali Region/South Ossetia", Georgia, 8 March 2007.

<sup>128</sup> The mandates of the peacekeepers and of OSCE in practice cover only the zone of conflict or the JPKF area of responsibility, not the entire territory under Tskhinvali's control. See Crisis Group Report, *Avoiding War in South Ossetia*, op. cit. This proposal is a non-starter for the South Ossetians, who argue they do not want to lose "sovereignty" over their own territory.

<sup>129</sup> The Georgian parliament has passed three resolutions challenging the presence of Russian peacekeepers, see [www.parliament.ge](http://www.parliament.ge). The first (11 October 2005) set 15 February 2006 as a deadline for "cessation of the peace-keeping operation" and "denunciation of the relevant international agreements and abolition of the existing structures". The second (15 February 2006) assessed "the activity and fulfillment of the obligations within the current mandate of the peace-keeping forces...as extremely negative, and actions of the Russian Federation as permanent efforts aimed at annexation of this region of Georgia". The third (18 July 2006) called on the government "to launch necessary procedures to immediately suspend the so-called peacekeeping operations...and to immediately withdraw the armed forces of the Russian Federation from the territory of Georgia".

<sup>130</sup> *Eurasia Daily Monitor*, vol. 3, no. 139, 19 July 2006.

<sup>131</sup> Crisis Group interview, JCC co-chair for the South Ossetian side, Tskhinvali, April 2007. The Georgian defense ministry announced in early May and the parliament is discussing an increase in military spending from 514 million lari (approximately \$305.3 million) to 957 million lari in 2007 (approximately \$570 million). "2007 Defense Spending to Reach almost GEL 1 bln", *Civil Georgia*, 1 May 2007.

---

<sup>132</sup> Saakashvili's speech to young reservists in Senaki, Georgian Public TV, Tbilisi, 2 April 2007, as translated by BBC Monitoring. The parliament adopted the "Law on Military Reserve Service" on 27 December 2006. Tskhinvali similarly sees as worrying summer patriots' camps, which also train youths to use arms.

<sup>133</sup> Crisis Group interview, Tskhinvali, April 2007. In 2002, a \$64 million, eighteen-month program was launched to modernise the army. U.S. military cooperation in 2007 is estimated at \$34 million. Vicken Cheteryan, "Georgia's Arms Race", to be published shortly in the *Neue Zürcher Zeitung*.

<sup>134</sup> Georgia's Iraq contingent, originally 850, is to reach 2,000 in June, at a time when most European nations are downsizing. The troops have mainly served as guards. "U.S. President Bush Hails Georgia's Iraq Contribution", *Civil Georgia*, 2 May 2007.

<sup>135</sup> Crisis Group interview, Tskhinvali, April 2007.

<sup>136</sup> Crisis Group interview, Western diplomat, Tbilisi, May 2007.

<sup>137</sup> Crisis Group interview, Tskhinvali, April 2007.

<sup>138</sup> Crisis Group interview, Russian embassy official, Tbilisi, April 2007; also, "Statement", Borodavkin, op. cit.

<sup>139</sup> Foreign Minister Lavrov has repeatedly said Russia will protect its citizens in South Ossetia and Abkhazia, if the conflicts escalate. "Russian Foreign Minister warned Tbilisi against attempting on Russian peacekeepers' lives", *Regnum*, 20 July 2006.

<sup>140</sup> Statement on the Conflict in South Ossetia by Alexey Borodavkin, permanent representative of the Russian Federation at the meeting of the OSCE Permanent Council, 17 May 2007.

To dampen South Ossetian fears and remove arguments against demilitarisation, Tbilisi should negotiate and sign a non-use of force document. Some in the leadership have said such an agreement would be dangerous, as Georgia's hands would be tied during any Russian provocation, especially as long as Russian peacekeepers are in the zone of conflict.<sup>141</sup> An agreement on security guarantees should, nevertheless, be considered to create an environment more conducive to dialogue.

Parallel security guarantees are needed to give Georgia confidence that Russia is not using or allowing the Roki tunnel to be used for hostile purposes. Monitoring of what enters the zone of conflict should be allowed by establishing a joint OSCE/JPKF observation post at Didi Gupta, a road juncture just beyond the northern boundary of the JPKF area of responsibility. The sides should also allow at least one impartial international monitor, preferably from OSCE or one seconded from the EU to the OSCE, to observe movement through the tunnel.

## 2. Incidents

The confidence which existed at the community level in the zone of conflict before 2004 has been destroyed. There were some positive trends in the immediate aftermath of that year's crisis<sup>142</sup> but the security situation remains volatile. Repeated small incidents could easily trigger a larger confrontation. Crimes, detentions, shootings and exchanges of fire have become routine. Killings, kidnappings, shelling, mine explosions and other ceasefire violations also occur, as do direct confrontations between armed personnel, especially in the warmer months.<sup>143</sup> With the rise in tension after Sanakoev's appointment, there is a risk of new escalation this summer

There is heavy military equipment to the north and south of the JPKF area of responsibility. This does not violate the 1992 agreement but contributes to a dangerous atmosphere. Observers confirm the presence of armour in the Java district, citing dozens of tanks along the river and up the valley.<sup>144</sup> Georgia resents the presence of South Ossetia's

de facto defence ministry in Tskhinvali as a violation of the 1992 agreement.<sup>145</sup> Ossetian society is militarised, with youths training and at tense periods manning trenches in rotation.<sup>146</sup> In justification, the Ossetians cite "the growing war preparations in Tbilisi"<sup>147</sup> And, as particular signs of hostile intent construction of a Georgian military base less than twenty miles from Tskhinvali<sup>148</sup> and a military hospital in Gori.<sup>149</sup>

Both parties since 2004 have strengthened their unauthorised military presence and stepped up unauthorized activities. The peacekeepers and the OSCE have both reported South Ossetian trenches and fortifications at strategic locations in violation of past agreements,<sup>150</sup> as well as the occupation of strategic heights.<sup>151</sup> There are also entrenchments in Georgian-controlled areas.<sup>152</sup> The OSCE and the peacekeepers have also highlighted cases of unauthorised Ossetian armoured vehicles in Tskhinvali.<sup>153</sup> The latter have seized or removed some of the observed illegal equipment<sup>154</sup> but have turned a blind eye on other occasions.<sup>155</sup> An unauthorised Georgian radar station has remained in the zone of conflict since November 2006

---

under construction in Java as well. Crisis Group interview, Tbilisi, April 2007; Crisis Group interview, Tskhinvali, April 2007.

<sup>145</sup> This was confirmed by the JPKF/OSCE joint monitoring group. "Statement of Press Department of the State Minister of Georgia on Conflict Resolution Issues on Results of Monitoring the So Called 'Ministry of Defence of South Ossetia' Carried Out in Tskhinvali on 14 April 2007.

<sup>146</sup> Crisis Group interview, expert, April 2007.

<sup>147</sup> Crisis Group interview, de facto official, Tskhinvali, April 2007.

<sup>148</sup> "Military Base Construction Fuels Georgian-South Ossetian Tension", <http://eurasianet.org>, 27 March 2007.

<sup>149</sup> "Reports: MoD Plans to Relocate Military Hospital to Gori", *Civil Georgia*, 2 December 2005.

<sup>150</sup> An OSCE official explained: "2005 was characterised by a spurt of trench digging and defensive locations; in 2006 there was a lot of trench digging in Tskhinvali, Znauri and Dmenisi; the South Ossetian side is now well entrenched and has significantly improved command-control systems". Crisis Group interview, Tbilisi, March 2006.

<sup>151</sup> Crisis Group interview, international expert, Tbilisi, April 2007.

<sup>152</sup> Crisis Group interview, military observer, Tbilisi, April 2007. The peacekeepers consider the two sides are responsible for dismantling fortifications and filling in the trenches. Crisis Group interview, JPKF Commander, Tskhinvali, March 2007.

<sup>153</sup> For instance, "Letter of JPKF Commander to JCC Co-chairmen and Head of the OSCE Mission", 24 February 2006

<sup>154</sup> See "Letter of JPKF Commander", op. cit., 28 September 2006, on removal of an anti-aircraft emplacement near Andzisi.

<sup>155</sup> A JPKF/OSCE joint patrol several times saw heavy armour but the JPKF refused to stop. The JPKF commander said he would send another patrol but before it arrived, the item was removed. Crisis Group interview, international expert, Tbilisi, April 2007.

---

<sup>141</sup> Crisis Group interviews, senior Georgian foreign ministry official, Tbilisi, March 2007; Crisis Group interview, Tbilisi, national security council officials, April 2007.

<sup>142</sup> The JPKF commander has cited "restoration of free movement of people and goods, [and] starting of the process of demilitarisation and liquidation of fortifications" as positive trends in the zone of conflict, Annex to JCC Protocol #44.

<sup>143</sup> Escalation in late spring and summer 2006 was fuelled by a general deterioration of Russian-Georgian relations.

<sup>144</sup> Java is a particular irritant to Tbilisi, making the nearby northern enclave of Georgian-administered villages in the zone of conflict vulnerable in any confrontation. The observers say the tanks are often old but up to 80 tanks or armoured vehicles are reported. A military reservation/training ground is apparently

despite repeated calls for Tbilisi to withdraw it.<sup>156</sup> As tensions rose after Sanakoev's appointment, the JPKF observed Ossetian air defence weapons in the zone of conflict.<sup>157</sup>

Both sides have repeatedly established unauthorised posts, typically stating that their purpose was law enforcement. Armed Ossetians are present, often without proper identification.<sup>158</sup> Georgia has illegally deployed military police<sup>159</sup> as well as peacekeepers above agreed levels at specific locations.<sup>160</sup> Violations of the rotation regime by the Georgian peacekeeping battalion is another source of resentment among both the JPKF and the South Ossetians.<sup>161</sup> While Tbilisi claims its anti-smuggling operation has yielded tangible results,<sup>162</sup> zone of conflict residents often consider it harassment.<sup>163</sup> After

---

<sup>156</sup> The radar station is 1.5 km south of Shavshvebi village. "Letter of JPKF Commander", op. cit., 4 November 2006.

<sup>157</sup> A ZU-23-2 anti-aircraft gun and a Strela-2M missile were reported on 7 May 2007, "Russia condemns Georgia's South Ossetia over anti-aircraft weapons", excerpt from report by RIA Novosti, Moscow, 11 May, translated by BBC Monitoring.

<sup>158</sup> Crisis Group interview, military observer, Tbilisi, April 2007.

<sup>159</sup> In January 2006 Georgia created a military police department in the village of Kurta in the zone of the conflict. Eleven military police, including a major, are stationed in the Georgian-administered villages. All are local, were transferred from the interior ministry to the defence ministry and have been formally included in the Georgia battalion. JPKF Commander Kulakhmetov called this a "blatant violation of adopted agreements". "Letter of JPKF Commander", op. cit., 14 January 2006. The military police were put under the defence ministry in 2005 and have played a controversial role in the zone of conflict, including involvement in detentions of Russian JCC members in July 2006. In several cases they have acted without coordinating with the JPKF. "S. Ossetia Condemns Georgian Police Operation", *Civil Georgia*, 10 June 2006; "Letter of JPKF Commander", op. cit., 15 June 2006.

<sup>160</sup> In August 2006 the number of Georgian peacekeepers was reported as 139, well over the 50 agreed in JCC Protocol #38. "Letter of JPKF Commander", op. cit., 24 August 2006.

<sup>161</sup> While rotation is allowed semi-annually, the Georgian side does this at least twice as often. Information, including a roster, should be given to JPKF a month earlier. Tbilisi often gives only a one or two-day notice. As of April 2007, the defence ministry has not given a roster of the battalion that assumed its duties on 17 January. Crisis Group interview, OSCE official, 2 April 2007. Rotation rules were established by JCC Protocol #7. See "Letter of JPKF Commander", op. cit., 16 January 2006.

<sup>162</sup> Crisis Group interview, interior ministry, Tbilisi, April 2007. Some zone of conflict residents from both sides maintain that only relatively petty types of smuggling have been eradicated and that illegal activity continues.

<sup>163</sup> Searches of local dwellers by balaclava-masked *spetznaz* and other Georgian interior ministry personnel, whose presence in the zone of conflict is often not authorised, has been criticised by the OSCE, JPKF and others in the past year. Crisis Group

Sanakoev's appointment, unauthorised deployments have increased on both sides. Especially in the vicinity of the Tamarasheni-Kekhvi enclave, Georgia conducts strict passport screening and checks.<sup>164</sup> On 20 May 2007, all Ossetian troops were put on full combat alert.<sup>165</sup>

Indiscriminate shelling and small arms fire have contributed to a rise in tensions since 2004. Shelling of Tskhinvali on 20 September 2005 during "Independence Day" celebrations left 10 injured.<sup>166</sup> South Ossetian-controlled Tskhinvali and Georgian-controlled Kurta, Tamarasheni and Eredvi have also been shelled. Small arms fire occurs nightly and occasionally also in daylight in both Georgian and Ossetian-administered areas.<sup>167</sup> Less frequent but more dangerous are indiscriminate exchanges of fire between Georgian and Ossetian troops or armed residents,<sup>168</sup> which have left dozens of injured on both sides since 2004. Intense and frequent exchanges, especially north and south of Tskhinvali, and shelling of positions on both sides followed Sanakoev's appointment.<sup>169</sup> On 25 March 2007 two Georgian soldiers were killed by South Ossetian forces near an Ossetian-administered village.<sup>170</sup> A few months earlier a clash near Tibeti and Nikozi resulted in the deaths of three South Ossetians and one Georgian.<sup>171</sup>

Kidnapping and killings on both sides are often linked to criminal activities, which frequently lead to road closures. A shootout near the Georgian village of Tamarasheni on 29 May 2005 resulted in the death of four South Ossetian

---

interviews, OSCE official, April 2007; Crisis Group interview, JPKF commander, April 2007. Searches of women by male officers is particularly resented.

<sup>164</sup> Crisis Group interview, Western diplomat, May 2007.

<sup>165</sup> Crisis Group interview, diplomat, May 2007.

<sup>166</sup> JCC Protocol #45. The shelling has been condemned by the OSCE's Chairman-in-Office. "OSCE Condemns Shelling of Civilians in Tskhinvali", *Civil Georgia*, 21 September 2005. The Georgian side denied involvement and blamed escalation of tensions on the entry of Ossetian military equipment into Tskhinvali; Parliament resolution, 11 October 2005, op. cit.

<sup>167</sup> The JPKF commander sends detailed lists of ceasefire violations weekly to JCC co-chairmen and the head of the OSCE Mission. Many households in the zone of conflict have small arms. Crisis Group interview, Western expert, 4 May 2007, Tbilisi.

<sup>168</sup> Crisis Group interview, OSCE official, 4 May 2007, Tbilisi.

<sup>169</sup> Crisis Group interview, military observer, May 2007.

<sup>170</sup> "Two Die in S. Ossetia Shooting", *Civil Georgia*, 25 March 2007. Georgia claims the police were on patrol; the Ossetians maintain they were involved in subversive activities. An international military expert points out that patrols in hostile areas "are never conducted by two men alone in an unmarked car". Crisis Group interview, Tbilisi, May 2007.

<sup>171</sup> "Four Die in South Ossetia Skirmish", *Civil Georgia*, 8 September 2006.

soldiers and a Georgian policeman<sup>172</sup> and triggered violence which continued throughout 2005. On 6 June 2005, four ethnic Georgians were kidnapped and later killed, allegedly in retaliation for the 29 May clash and after their relatives had blocked the Tamarasheni-Kekhvi road.<sup>173</sup> Their bodies were handed over to the Georgian authorities in December.<sup>174</sup>

Tbilisi claims the breakaway territories have become safe havens for criminal activities, notably transit of dangerous substances and counterfeiting.<sup>175</sup> Western diplomats confirm that the dollar counterfeiting is a major concern.<sup>176</sup> Tskhinvali dismisses the accusations as a pretext to increase hostile policing operations.<sup>177</sup> On 5 December 2005, an Ossetian deputy chief of police was hospitalised after a shootout with Georgian military police who tried to arrest him for involvement with counterfeiting.<sup>178</sup> South Ossetians arrested several Georgian police the next day, and the Georgians responded by arresting the head of South Ossetia's Akhagori (Leningori) district administration and three other officials. The crisis was resolved when the detainees were exchanged.<sup>179</sup>

Confrontations occasionally involve Russian peacekeepers. On 31 January 2006 a brawl between Russian peacekeepers and Georgian military police, local police and the Georgian peacekeeping battalion followed an accident between a Russian peacekeeping battalion truck and an ethnic Georgian's car. The Russian vehicle was seized.<sup>180</sup> Russian servicemen and/or vehicles were

detained in several incidents the next month.<sup>181</sup> On 27 May 2006, as reported by the JPKF commander, Georgians threatened Russian peacekeepers.<sup>182</sup> On 14 and 15 July, Georgian military police twice detained senior Russian officials, including the special representative for South Ossetia, Yuri Popov, and the deputy commander of the land forces, Valery Yevneevich.<sup>183</sup>

Both sides have imposed tougher restrictions on the movement of people and goods through the zone of conflict,<sup>184</sup> especially along the TransCam highway which links Russia and Georgia. Since Sanakoev's appointment, road closures have become frequent and confrontational. Mine explosions have killed and maimed troops and civilians from all sides, especially shepherds and villagers collecting wood. Two Russian peacekeepers lost their legs to a mine on 23 January 2007.<sup>185</sup> A Georgian woman was injured on 25 May.

Unsanctioned flights are another problem.<sup>186</sup> On 3 September 2006 the South Ossetians fired on a Georgian helicopter reportedly carrying the defence minister and army deputy chief of staff. The JPKF commander

<sup>172</sup> "Five Die in S.Ossetia Shootout", *Civil Georgia*, 30 May 2005

<sup>173</sup> "Tbilisi Claims Retaliation Behind Abduction in S.Ossetia", *Civil Georgia*, 13 June 2005. "Road into Tskhinvali Blocked", *Civil Georgia*, 17 June 2005. For another kidnapping which raised tensions, see "11-year-old Kidnapped in South Ossetian Conflict Zone", *Civil Georgia*, 20 August 2005.

<sup>174</sup> "Tskhinvali Hands over Corpses of Four Men", *Civil Georgia*, 15 December 2005.

<sup>175</sup> Crisis Group interview, interior ministry, Tbilisi, April 2007.

<sup>176</sup> Crisis Group interview, Western diplomat, Tbilisi, March 2007.

<sup>177</sup> The South Ossetian side says detentions and hostage-taking have been systematic, the detained have been questioned on military capacities, and there have been beatings, torture and killings, 2005-2006 Years. *The Chronology of the Aggression of Georgia against the Republic of South Ossetia* (Tskhinvali, 2006), pp. 81-86.

<sup>178</sup> "Defense Minister Okruashvili Speaks of S.Ossetia Shootout", *Civil Georgia*, 5 December 2005

<sup>179</sup> "Georgian Policemen, Civilians Detained in South Ossetia"; "Georgian Police Arrest S.Ossetian Officials"; "S.Ossetian Official: Tskhinvali, Tbilisi Exchange Detainees", *Civil Georgia*, 6 and 7 December 2005.

<sup>180</sup> "Tensions High in S.Ossetia as Crucial Deadline Looms", *Civil Georgia*, 1 February 2005. Georgian sources claim the accident was caused by a drunk Russian driver. Crisis Group

interview, Georgian analyst, Tbilisi, April 2007. The JPKF commander said the peacekeepers held fire to avoid "massive human casualties". "Letter", op. cit., 1 February 2006.

<sup>181</sup> "Russian Officers Detained in South Ossetian Conflict Zone", *Civil Georgia*, 9 February 2005; "Georgia Seizes Vehicles of JPKF", *Civil Georgia*, 14 February 2005; "Georgia Sets Visa Deadline for Russian Peacekeepers", *Civil Georgia*, 27 February 2005. The incidents occurred when Georgia introduced stricter visa and other requirements for Russian troops and vehicles.

<sup>182</sup> "Letter JPKF Commander", op. cit., 29 May 2006. Georgia accused Russian peacekeepers of illegal entry on 30 military trucks in Tskhinvali on 31 May, "Letter of the State Minister Giorgi Khaindrava to the JPKF Commander", June 2006. In the first episode, 41 Ossetians were arrested by Georgians and taken to Gori through the JPKF's "Pauk" post. "Arrests Trigger S.Ossetia Tensions", *Civil Georgia*, 28 May 2005.

<sup>183</sup> According to the Russian foreign ministry, Georgian military police fired several shots into the air and verbally abused the Russians. "Georgia Bars Russian Officials from Entering Tskhinvali", *Civil Georgia*, 14 July 2005; "Moscow Condemns Detention of Russian Officials", *Civil Georgia*, 16 July 2005. The military police actions were condemned by the OSCE and also Georgian State Minister Giorgi Khaindrava, who, however, was dismissed soon after. "OSCE Chairman Condemns Detention of Russian Officials", *Civil Georgia*, 17 July 2005; "State Minister Khaindrava Slams Military Police", *Civil Georgia*, 16 July 2005.

<sup>184</sup> Obstruction of roads is a violation of the 1992 Sochi Agreement.

<sup>185</sup> Crisis Group interview, OSCE official, Tbilisi, April 2007.

<sup>186</sup> The JPKF commander reported violations repeatedly in 2006. He called them "systematic and apparently provocative". "Letter", op. cit., 3 September 2006. The most recent unsanctioned flight was on 29 September, *ibid*, 29 September 2006.

condemned both the shooting and the violation of air space over the zone of conflict.<sup>187</sup>

## B. PEACEKEEPING

The Georgian, Russian and Ossetian battalions of the JPKF operate under a joint command coordinated by the JPKF commander.<sup>188</sup> The latter is nominated by the Russian defence ministry and appointed by the JCC. Battalion commanders (the senior military representatives) are appointed directly by the sides.<sup>189</sup> The JPKF statutes provide the force mandate<sup>190</sup> but the rules of engagement are weak, and operations are subject to JCC decisions. With the paralysis of that mechanism, the JPKF now receives next to no guidance.<sup>191</sup>

The sides considered the peacekeeping operation a success between 1992 and 2003.<sup>192</sup> The security situation was indeed relatively stable, with active, local exchanges and trade across the ethnic divide. But then as now, the JPKF manned static positions and did little monitoring or vehicle searches.

The situation changed dramatically with new Georgian leadership in 2003.<sup>193</sup> The 2004 confrontation showed

the JCC and JPKF mechanisms as unable to prevent clashes. The JPKF demonstrated it was not a joint force, but rather separate battalions, more loyal to their respective sides than to the peacekeeping chain of command.<sup>194</sup> The JPKF commander, however, argues that the force did prevent a full-scale war.<sup>195</sup> In the aftermath of the 2004 clashes, the JCC and JPKF regained some control and registered "some positive trends, namely, the shooting and number of illegal points reduced".<sup>196</sup> The JPKF has generally remained a passive presence, however, giving the local population a sense of security but irritating the Georgians and undermining their confidence in the operation.<sup>197</sup>

Since 2004, not a day has passed without shooting or more serious incidents in the conflict zone.<sup>198</sup> This supports South Ossetian claims that the PKF is needed. The force registered 1,707 ceasefire violations from 1 October 2006 to 1 April 2007 (1,075 by Georgians, 632 by South Ossetians).<sup>199</sup> According to the JPKF commander, "we were here on the brink of war in the period from the beginning of spring to the end of summer of 2006".

Tbilisi accuses the JPKF of bias. It is particularly angered by the inability to prevent a South Ossetian military presence in the JPKF area of responsibility, including Tskhinvali.<sup>200</sup> It says the Ossetian battalion is a cover for

---

<sup>187</sup> "The use of weapon in peacetime is a blatant violation of the ceasefire", *ibid*, 3 September 2006, but the sides disagree over airspace regulation.

<sup>188</sup> The June 1992 agreement created a trilateral JPKF: Georgia, Ossetian and Russian. A common misperception is that it is quadrilateral, including both South and North Ossetian sides but there is only one Ossetian battalion. It is under the command of a North Ossetian officer but most troops as well as officers are from the South Ossetian militia. Each side can also have 300 reservists, who can be deployed to the zone of the conflict in case of escalation. Crisis Group interview, JPKF commander, March 2007. General Kuakhmetov took charge of the JPKF in autumn 2004. International analysts say his performance is very professional and a major improvement over that of General Nabzdorov, his predecessor.

<sup>189</sup> JCC Protocol #3.

<sup>190</sup> Crisis Group Report, *Avoiding War in South Ossetia*, op. cit.

<sup>191</sup> Crisis Group interview, OSCE official, Tbilisi, April 2007; Crisis Group interview, JPKF commander, Tskhinvali, April 2007. General Kulakhmetov has repeatedly called for more JCC guidance and decisiveness on demilitarisation, law enforcement cooperation, mine clearance etc. Experts say his frustration at not being able to deliver efficient solutions to security problems is mounting.

<sup>192</sup> "Memorandum on Necessary Measures to be Undertaken in Order to Ensure Security and Strengthening of Mutual Trust between the Parties to the Georgian-Ossetian Conflict of 16 May 1996".

<sup>193</sup> It strongly criticised the status quo in the zone of conflict, noting that all parties were profiting from unregulated trade and smuggling through the Roki tunnel and the Ergneti market.

---

<sup>194</sup> Crisis Group interview, international expert, May 2007, Tbilisi.

<sup>195</sup> Crisis Group interview, JPKF commander, Tskhinvali, 2007.

<sup>196</sup> JCC Protocol #42.

<sup>197</sup> Its sense of vulnerability at the absence of control over the Roki tunnel has led the Georgians to demand redefinition of the JPKF zone of responsibility, in accordance with decisions in JCC Protocol #3. These established the area of peacekeeping operations as the zone of conflict and a security corridor along the former administrative borders of South Ossetia; see Crisis Group Report, *Avoiding War in South Ossetia*, op. cit. Georgia says the security corridor should also include the segment of the border with Russia, which would in effect task the JPKF with control and monitoring of the Roki tunnel. Georgian analysts also intimate that the Russian peacekeepers are engaged in smuggling.

<sup>198</sup> Crisis Group interview, head of OSCE Mission, Tbilisi, 2007.

<sup>199</sup> The bulk of violations were in the Tskhinvali region (559 from the Georgian side, 518 from the Ossetian), data given to Crisis Group by the JPKF commander, Tskhinvali, March 2007. But experts say the JPKF registers every shot as a separate violation.

<sup>200</sup> A joint JPKF/OSCE patrol on 14 April 2007 confirmed that the de facto defence ministry is in Tskhinvali, in the JPKF area of responsibility, where only the three JPKF battalions and local law enforcement are authorised. "Statement of Press Department", op. cit. Another case was the 20 August 2005 military parade in Tskhinvali, "parliament resolution", op. cit., 11 October 2005.

the South Ossetian de facto defence ministry staff.<sup>201</sup> International observers confirm the Ossetian battalion is, except for a few officers, manned by South Ossetians and “the biggest employer in South Ossetia”.<sup>202</sup> Tbilisi considers this an opportunity for Russia to equip the South Ossetian militia<sup>203</sup> and a link that allows the Ossetians to get advance warning of JPKF or JPKF/OSCE patrols.<sup>204</sup>

Tskhinvali has its own grievances. It criticises Russian peacekeepers for not acting decisively on violations<sup>205</sup> and believes Georgia intentionally disrupts the operation to discredit Russia. It continues to back the JPKF, however, and claims it is the sole security guarantor, and police would be ineffective in responding to military threats.<sup>206</sup>

Despite the deficiencies and systematic ceasefire violations, the JPKF has improved since the 2004 crisis. Though observers say real cooperation is missing,<sup>207</sup> the appointment of Mamuka Kurashvili as senior military representative and commander of the Georgian battalion on 30 December 2006<sup>208</sup> is assessed as constructive.<sup>209</sup> Russian peacekeepers seem to be in control of the situation

on the ground, helping prevent escalation to full-scale war. However, violations by both parties have not been addressed effectively. Russians counter the accusations of passivity by saying they prefer to use diplomacy and would act forcefully if certain undefined limits are breached.<sup>210</sup>

Before agreeing on any change of the security arrangements for the zone of conflict, the sides should cooperate in the JPKF. Obstructing it is tantamount to “shooting the messenger”. Curtailing JPKF room for manoeuvre prematurely would create a security vacuum that could be exploited by any party.

The OSCE Mission in Georgia has monitored the peacekeeping operation since 1992.<sup>211</sup> Its eight unarmed officers (MMOs), five of whom are based in Tskhinvali, patrol the zone of conflict and visit checkpoints, observation posts and communities.<sup>212</sup> The JPKF commander has at times not allowed joint JPKF/OSCE patrols to leave predetermined routes, thus significantly reducing OSCE’s rapid reaction capacity.<sup>213</sup> In 2005-2007 MMO activities were repeatedly obstructed by South Ossetian security services.<sup>214</sup> In late May 2007, joint patrols were stopped at gunpoint and shots fired to prevent monitoring of strategic, Ossetian-controlled areas.<sup>215</sup> South Ossetians deeply distrust the West, which they believe supports Georgia in the conflict.<sup>216</sup> This is reflected in anti-OSCE demonstrations, such as 22-23 June 2006 protests in front

<sup>201</sup> Crisis Group interview, Georgian official, Tbilisi, April 2007.

<sup>202</sup> Crisis Group interviews, international community, Tbilisi, April, May 2007. Salaries are an extra incentive to retain young Ossetian men’s loyalty, but employment is important in a place where jobs are scarce and young males tend to emigrate.

<sup>203</sup> Crisis Group interview, interior ministry, Tbilisi, May 2007.

<sup>204</sup> Crisis Group interview, international military expert, Tbilisi, April 2007.

<sup>205</sup> Crisis Group interview, South Ossetian de facto minister of foreign affairs, Tskhinvali, February 2007.

<sup>206</sup> Crisis Group interview, JCC co-chair for the South Ossetian side, Tskhinvali, 5 March 2007

<sup>207</sup> Crisis Group interview, international military expert, Tbilisi, May 2007. “The Georgian side is trying to prove to the outside world that it is playing a full part, but often it acts in ways which are not helpful: giving a commander in the field a 24-hour notice that one of his three battalions is about to be rotated is neither helpful, nor according to the rules”. Several times the Georgian battalion has refused JPKF orders, and there has been poor communication and coordination with Russian peacekeepers.

<sup>208</sup> “Senior Military Commander appointed in Tskhinvali region”, defence ministry website at [www.mod.gov.ge](http://www.mod.gov.ge), 4 January 2007.

<sup>209</sup> Crisis Group interview, JPKF commander, Tskhinvali, April 2007; Crisis Group interview, representatives of the de facto Ossetian administration, Tskhinvali, April 2007; Crisis Group interview, OSCE Mission, Tbilisi, March and April 2007. Kurashvili has a military background, unlike his predecessor, Paata Bedianashvili from law enforcement, who was declared persona non grata in Tskhinvali as “a criminal with direct responsibility for the 2004 confrontation”. Crisis Group interview, de facto vice prime minister of South Ossetia, Tskhinvali, April 2007.

<sup>210</sup> The JPKF commander said, “we believe that diplomacy works here better than force”. Crisis Group interview, Tskhinvali, March 2007. Russian diplomats cite “a long history of respect to the peacekeeping role of Russia in the Caucasus” and the absence of any politically feasible alternative. Crisis Group interview, Russian embassy official, Tbilisi, March 2007.

<sup>211</sup> The Mission began with six MMOs in 1992, reduced to four as the situation stabilised. In the summer of 2004 the OSCE’s Permanent Council approved a further increase. Crisis Group interview, OSCE official, Tbilisi, April 2007.

<sup>212</sup> The OSCE web site explains: “The officers also accompany JPKF monitoring teams and exchange information with the commander of visited observation posts. During joint patrols, weapons inspections take place to confirm the observation posts are equipped in accordance with JPKF inventory and regulations” at [www.osce.org/georgia/22955.html](http://www.osce.org/georgia/22955.html).

<sup>213</sup> Crisis Group interview, military adviser, OSCE Mission in Georgia, Tbilisi, March 2007.

<sup>214</sup> On 12 May 2007 Ossetian *spetsnaz* prevented the OSCE monitors from entering the area of Avnevi, where Ossetian positions had been reinforced. On earlier incidents, “OSCE Condemns Detention of Observers in S.Ossetia”, *Civil Georgia*, 12 July 2006.

<sup>215</sup> Crisis Group interview, diplomat, May 2007.

<sup>216</sup> Crisis Group interview, South Ossetian de facto official, Tskhinvali, February 2007.

of its Tskhinvali office.<sup>217</sup> The climate of co-operation has partially improved since then, and Tskhinvali probably considers the OSCE as more impartial than the EU.

Improving security arrangements on the ground is critical. The Georgians have lost faith in the JPKF. Since most incidents begin as criminal acts, law enforcement mechanisms may be better suited than a peace keeping mission. The zone of conflict's small population suggests police may be adequate to address security challenges. But as practical as this might be, it is unacceptable to Tskhinvali. For joint policing to succeed, the sides need to agree on a detailed formula. Both sides' security concerns must be addressed simultaneously. For this reason, it is crucial to conclude an agreement on non-use of force and establish a joint OSCE/JPKF observation point at Didi Gupta, as well as to develop a mutually acceptable regime for the Roki tunnel.

### C. LAW ENFORCEMENT AND POLICE COOPERATION

All sides agree that law enforcement is a potential area of practical cooperation.<sup>218</sup> Coordinating efforts to suppress crime in the zone of conflict, and implementing joint programs, may improve the security situation and promote confidence. The JCC designed a mechanism to formalise such cooperation in 1999 when the Special Coordination Centre (SCC) was established.<sup>219</sup> While the OSCE and the EU supported the SCC with equipment and expertise, its operational capacity remained low until the 2004 confrontation froze its activities. Most interlocutors ascribe the failure to make the SCC operational to a lack of real political will.<sup>220</sup>

After 2004, the sides again stressed the need for improved law enforcement cooperation.<sup>221</sup> A first meeting between the Georgian interior minister and his South Ossetian counterpart took place on 22 June 2006 but failed to produce a signed protocol. The Georgians suggested the SCC needed one authorised person with overall authority<sup>222</sup> but Tskhinvali does not seem to have the capacity to put all its relevant personnel under a single joint command and questioned whether the Georgians do.<sup>223</sup>

The OSCE and the EU are also urging enhanced law enforcement cooperation. Since June 2006 the OSCE has facilitated several meetings between regional police chiefs and proposed new forms of cooperation.<sup>224</sup> Some practical results, like coordinated arrests of criminals, have followed<sup>225</sup> but more is needed, including on exchanges of information. At least a monthly meeting of liaison officers on organised crime and rapid reaction messages on car theft seem good opportunities. Revamping the SCC mechanism is crucial, and joint training programs for investigators and community policing could set a good foundation. Joint investigations would improve confidence as well as security.<sup>226</sup> Joint patrols are being considered.<sup>227</sup> The Georgian side welcomes direct bilateral contacts but is less keen on joint investigations, arguing that the potential pitfalls of dealing with Tskhinvali's de facto legal system are unacceptable.<sup>228</sup> South Ossetians counter there is no mutual good will.<sup>229</sup>

---

<sup>217</sup> See the 29 June 2006 EU Statement on South Ossetia, Georgia, at [www.mfa.gov.ge/index.php?lang\\_id=ENG&sec\\_id=78&info\\_id=1711](http://www.mfa.gov.ge/index.php?lang_id=ENG&sec_id=78&info_id=1711). It notes with concern that "the OSCE Tskhinvali Field Office was under siege by a partly hostile crowd of up to 100 persons from 22 to 23 June 2006. The crowd blocked access to and from the Field Office for most of the time, while tyres of the Mission and European Commission Delegation vehicles were punctured. Some of these incidents occurred within the view of the South Ossetian security guards at the Field Office, who only reappeared after they had been absent for most of the evening".

<sup>218</sup> See Crisis Group Report, *Avoiding War in South Ossetia*, op. cit.

<sup>219</sup> JCC Decision, Annex no. 1, 23 July 1999; JCC Decision, Annex no. 1, 21 April 2001.

<sup>220</sup> Crisis Group interview, diplomat, 5 April 2007. Some emphasise that especially before the 2004 anti-smuggling operation, many among the law enforcers had vested interests in disorder in the zone of conflict.

---

<sup>221</sup> Prime Minister Noghaideli's October 2005 peace plan called for strengthening law and order in the region through resumption of the SCC. The South Ossetian plan proposed "an urgent meeting of the heads of the law-enforcement structures within the JCC format aimed at coordination of corresponding activities in the zone of conflict".

<sup>222</sup> Crisis Group interview, international expert, Tbilisi, April 2007; Crisis Group interview, Georgian official, Tbilisi, April 2007. This would entail control over police as well as personnel of security services, financial police and de facto border guards.

<sup>223</sup> Crisis Group interview, diplomat, Tbilisi, April 2007; Crisis Group interview, interior ministry, Tbilisi, May 2007.

<sup>224</sup> Crisis Group interview, OSCE official, March 2007.

<sup>225</sup> Crisis Group interview, interior ministry, March 2007. Another meeting between law enforcement delegations planned for 3 May fell through at the last minute, Crisis Group interview, OSCE official, May 2007. The Georgian interior minister concluded the "incident once again confirms that cooperation with the de-facto South Ossetian authorities has no prospects", "Cooperation between Georgian and De-facto Ossetian Law Enforcers Have No Prospects - Interior Ministry", *Black Sea Press*, 3 May 2007.

<sup>226</sup> The experience of the UN-led Joint Investigation Group set up in the Georgian-Abkhaz context is invaluable in this respect.

<sup>227</sup> Crisis Group interview, interior ministry, March 2007.

<sup>228</sup> Ibid.

<sup>229</sup> Crisis Group interview, adviser to the South Ossetian leader, Tskhinvali, 5 April 2007.

A gradual process should be designed to step up police cooperation. Effective joint policing, starting with a few officers on each side and building up gradually, needs to be established. In parallel, a phased timeframe could be agreed for scaling down the three JPKF battalions once the police contingent is fully operational. The large JPKF structure, with fixed observation posts, should be reduced. In its place, a mobile, crisis response peacekeeping mechanism should back-up the policing operation as needed. An international police component, possibly including Russians, should be brought in to support the mechanism and provide expertise, training and impartial guidance. To address threat perceptions, provide continuity and facilitate coordination, this might include an EU police component, with Russian involvement, seconded to the OSCE.

## V. ECONOMIC REHABILITATION

South Ossetia is poor, with dilapidated infrastructure still partially destroyed from the fighting of the early 1990s. Lack of investment and the frozen conflict have deprived residents of opportunities and caused outward migration and a brain drain. Economic rehabilitation is the only field where Georgians and Ossetians have cooperated. Since 1999 the European Commission (EC) has funded cross-community projects run by the OSCE.<sup>230</sup> This helped the EC gain a seat at JCC sessions dealing with economic rehabilitation.<sup>231</sup> The OSCE conducted a needs assessment in the winter of 2005-2006 and then launched a large program. Today, however, this cooperation risks breaking down as Georgia and Russia invest ever greater sums in competing projects, rather than those monitored by the OSCE.

Georgia and Russia concluded agreements on economic rehabilitation of the zone of conflict in 1993<sup>232</sup> and 2000.<sup>233</sup> The first was partially implemented, the second remained on paper. Russia has repeatedly blamed Georgia for not delivering promised funds, and obstructing its aid.<sup>234</sup> Tbilisi views the Russian contribution as a means to buy Ossetian loyalty and dependence. As with the political and peacekeeping processes, it seeks to internationalise rehabilitation. To a great degree, it has succeeded.

Aid is politicised in the zone of conflict. The OSCE program promotes confidence building through practical, inter-ethnic cooperation. The unilateral Georgian and Russian programs compete for local loyalties. Economic rehabilitation can only build confidence if implemented jointly, with both communities included.

---

<sup>230</sup> See details on the EC delegation to Georgia and Armenia website, [www.delgeo.cec.eu.int/en/programmes/rehabilitation.html](http://www.delgeo.cec.eu.int/en/programmes/rehabilitation.html).

<sup>231</sup> EC representatives participate pursuant to JCC decision, Annex 4 to JCC Protocol #10, 23 July 1999.

<sup>232</sup> The "Agreement between the Government of the Russian Federation and the Government of the Republic of Georgia on Economic Reconstruction in the Zone of the Georgian-Ossetian of Conflict" set reconstruction costs at 34.2 billion roubles at June 1992 prices (approximately \$190 million) and a 2:1 ratio for contributions by Georgia and Russia respectively in 1993-1997. The agreement was implemented partially.

<sup>233</sup> In the 2000 version, the sides agreed better coordination was needed, including an intergovernmental body on implementation, Annex 2 to JCC Protocol # 2, 3 July 2001.

<sup>234</sup> Crisis Group interview, Russian official, Tbilisi, March 2007.



## A. THE OSCE-LED PROGRAM

Then Georgian prime-minister Zurab Zhvania and South Ossetian leader Kokoity agreed on 5 November 2004 in Sochi that the JCC should examine “concrete economic projects, the implementation of which would be of mutual interest, and submit the agreed project proposals to the OSCE and the European Commission for consideration”. Both sides included rehabilitation in their 2005 peace plans. The OSCE Mission’s Needs Assessment Study (NAS)<sup>235</sup> identified proposals for infrastructure rehabilitation (social facilities, energy supply, and roads) and economic development (agriculture, business and finance). Through a Steering Committee mechanism chaired by the OSCE, Georgian and Ossetian engineers and economists worked with international experts, supervised by the JCC and NAS donors.<sup>236</sup> The NAS identified projects worth \$260 million, which were reduced to a €10 million Economic Rehabilitation Program (ERP), endorsed by the JCC,<sup>237</sup> to strengthen the negotiations process through rehabilitation of basic infrastructure, economic development, and confidence building,<sup>238</sup> as well as improve living conditions.

The OSCE Chairmanship-in-Office hosted a donors conference in Brussels on 14 June 2006 that pledged €7.8 million.<sup>239</sup> In Tskhinvali on 6 October at the first steering committee meeting, the Georgian side confirmed its

intention to match donor pledges in its 2007 budget.<sup>240</sup> Though OSCE administrative requirements and donor demands cost time, the ERP is now underway, with the initial focus on setting up the implementation structure.<sup>241</sup>

The ERP observes careful parity between ethnic Georgians and Ossetians and has a participatory approach. Georgian and Ossetian experts jointly identify local priorities and develop work plans and timelines under steering committee guidance. The confidence-building potential is significant, and representatives of local communities have so far given a positive assessment,<sup>242</sup> as have the two biggest donors, the EU and the U.S.<sup>243</sup>

The aim is to create a local lobby for change by fostering links grounded in real cooperation and addressing common interests. The ERP multiplies contacts across the divide and with donors that were previously limited mainly to JCC members. Joint business training of Georgians and Ossetians has been a success,<sup>244</sup> as has capacity building for small-to-medium-sized enterprises and projects for access to micro-credits, small grants and business partnerships. The ERP is looking for innovative ways around legal issues still posing trade obstacles.<sup>245</sup> Possibilities include partially regulating trade links between local farmers and small businessmen or even registering local farmers associations with the OSCE. Designing a temporary mechanism for developing trade at the Ergneti

---

<sup>235</sup> The terms of reference were agreed at the 44<sup>th</sup> session of the JCC, Moscow, 22-23 June 2005. The NAS was launched by recommendation of the tenth OSCE Ministerial Council (Porto) to “send an international needs assessment mission to the region” and to “support the allocation of large-scale economic assistance into key areas”.

<sup>236</sup> Crisis Group interview, international expert, Tbilisi, March 2007. The donors were the U.S. Agency for International Development (USAID), the EC, Belgium, the Netherlands and France.

<sup>237</sup> The NAS Steering Committee in Yerevan on 15-16 April 2006 prepared the €10 million draft package of agreed projects. The JCC in Tskhinvali on 11-13 May revised and approved it and an implementation mechanism. Key criteria were mutual approval, visibility, confidence-building potential and enhancement of local business capacity. ERP terms of reference were also agreed.

<sup>238</sup> The approved projects seek to: improve drinking water supply, electricity and gas delivery; rehabilitate roads and schools; build healthcare institutions, youth sport centres and agriculture infrastructure; create an economic development centre and support private businesses; and finance activities of the program implementation unit.

<sup>239</sup> The EC and the U.S. contributed €2 million each, Belgium and Sweden €1 million each and the Netherlands and Germany €500,000 each. Other donors included Estonia, Poland, Lithuania, Czech Republic, Italy, Croatia, UK, Andorra, Hungary, Norway, Finland, France, Spain, Turkey. Crisis Group interview, EU official, Tbilisi, February 2007.

---

<sup>240</sup> Crisis Group interview, OSCE officials, Tbilisi, March 2007. Following the June 2006 donors conference, some countries submitted written pledges, which allowed OSCE to start contract procedures and recruit staff. Funds were placed in a holding account in Vienna, which the OSCE Mission draws on for projects as needed.

<sup>241</sup> The program implementation unit (PIU) has its main office in Tskhinvali and sub-offices in Tbilisi and Gori. Administrative staff, as well as local engineers and economists, from both sides were recruited and trained. Two international development experts and an international engineer were recruited.

<sup>242</sup> A member of the South Ossetian delegation to the Steering Committee told Crisis Group, Tskhinvali, February 2007, that “based on the implementation of the EC-sponsored projects, I can tell that the projects contribute to confidence building and improve the overall atmosphere in the region”.

<sup>243</sup> Crisis Group interview, EC Delegation, Tbilisi, April 2007; Crisis Group interview, U.S. embassy, Tbilisi, April 2007.

<sup>244</sup> Crisis Group interview, Georgian and South Ossetian economic development experts of the OSCE Mission, Tskhinvali, February 2007. Training seminars for Georgian and Ossetian agriculturalists were held in December 2006 by an American expert.

<sup>245</sup> Entities registered in Tskhinvali are considered illegal in Tbilisi. South Ossetians are reluctant to register in Tbilisi or Gori because of the political implications.

market is considered the single most important tool to boost economic ties between Georgia and South Ossetia.<sup>246</sup>

The South Ossetian side likes the ERP, because it realises poverty and an unstable economy have cost it population.<sup>247</sup> Georgian attitudes are more divided. While the ERP has helped Tbilisi internationalise the peace process, it now wants more dramatic and faster changes. It is concentrating on Sanakoev and attaches great importance to speedy, major rehabilitation of areas under his influence. The reluctance to benefit Kokoity's de facto structures partially explains why its first contribution to the ERP was only €50,000,<sup>248</sup> when several millions were being allocated for the unilateral rehabilitation of Georgian-areas. Tbilisi is also suspicious that the consensus-based mechanism in the steering committee could be used to delay rehabilitation.

The ERP is the only tangible progress since 2004. It can create conditions for confidence building and foster ties across the conflict divide. But clear divisions exist between the sides that economic incentives alone are unlikely to bridge. Economic rehabilitation can support the peace process if there is mutual will to settle the conflict but not if readiness to search for compromises remains weak and the sides engage in unilateral, competing programs.

## B. OTHER INITIATIVES

### 1. Tbilisi's package for Kurta

Emphasizing dramatic improvement in conditions in the zone of conflict so as to portray Georgia as attractive, Tbilisi is providing six million Georgian lari (approximately \$3.5 million) in direct budget support to the three municipalities in the Georgia-controlled territories.<sup>249</sup> Following Sanakoev's appointment, Georgian Finance Minister Alexishvili met with him in Kurta and

announced a further allocation of 12 million lari (\$7 million).<sup>250</sup>

The first six million lari are mostly earmarked for the connection of gas to villages in Didi Liakhvi and Patara Liakhvi gorges.<sup>251</sup> They also cover renovation of schools, improvement of water structures, construction of sports facilities and lights for village streets.<sup>252</sup> The government does not seem too concerned about ERP overlap but donors emphasise careful coordination is required and the possible need to modify some parts of the international program.<sup>253</sup>

Georgian analysts seem to think that if well implemented, the strategy of winning Ossetians over with economic incentives and impressing them with development can work in a medium to long time frame.<sup>254</sup> Authorities believe investments in Georgian-controlled areas can demonstrate to Ossetians what they could gain by shifting loyalties to Tbilisi. There are immediate benefits, like free-of-charge medical services in the Georgian villages for all South Ossetia residents. But the Ossetians are yet to be convinced. They see the increased investment as part of "the PR strategy of trying to sell Sanakoev mainly to the outside world and the Georgian constituency".<sup>255</sup> This perception is reinforced by Tbilisi's small contribution to the OSCE-led joint program.

Tbilisi argues the ERP is too slow,<sup>256</sup> while international observers criticise the unilateral Georgian program for sacrificing transparency and accountability to achieve speedy results.<sup>257</sup> Prime Minister Noghaideli signed a waiver of normal tender requirements to ensure the fastest possible implementation.<sup>258</sup> Given the relatively small target population, its clan-based nature and the still

---

<sup>246</sup> It is considered an important ERP element. The EU is engaged in developing an interim agreement on rules of transit for goods through the conflict zone. Crisis Group interview, political adviser, EU special representative's office, Tbilisi, February 2007.

<sup>247</sup> Crisis Group interview, diplomat, Tbilisi, April 2007.

<sup>248</sup> Crisis Group interview, Georgian deputy minister on conflict resolution, February 2007. The contribution was made on 14 February 2007.

<sup>249</sup> Kurta, Erdevi and Avnevi, which before creation of the temporary administrative unit were considered part of Georgia's Shida-Kartli region. The government's decree allocating six million lari was signed on 21 February. "Government Unveils S.Ossetia GEL 6 mln Investment Plan", *Civil Georgia*, 24 February 2007. Crisis Group interview, Georgian official, Shida-Kartli governor's office, Gori, March 2007.

---

<sup>250</sup> "Finance Minister Meets S Ossetian Administration Chief", *Civil Georgia*, 22 May 2007.

<sup>251</sup> 1,850,000 lari have been sent to Kurta, 1,400,000 to Eredvi and 700,000 to Avnevi. The remaining 2,050,000 lari have been allocated to rehabilitation of water supplies, Georgian schools and projects such as building sports facilities and street illumination.

<sup>252</sup> Crisis Group interview, deputy governor of Shida Kartli, Gori, April 2007.

<sup>253</sup> "We will not wait for the OSCE, and if necessary we will implement gasification projects even if they are included in the list of the selected projects. After all, we cannot work on pipeline branches until the backbone pipeline is constructed". Crisis Group interview, Georgian official, Shida-Kartli governor's office, Gori, March 2007; Crisis Group interview, OSCE official, Tbilisi, March 2007.

<sup>254</sup> Crisis Group interview, expert, Tbilisi, May 2007.

<sup>255</sup> Crisis Group interview, Tskhinvali, April 2007.

<sup>256</sup> Crisis Group interview, senior Georgian official, Gori, February 2007.

<sup>257</sup> Crisis Group interview, Western diplomats, Tbilisi, April-May 2007.

<sup>258</sup> Crisis Group interview, Western diplomat, Tbilisi, May 2007.

prevalent legacy of Soviet corruption, however, lack of oversight could allow profiteering. The creation of a small elite with access to large funds could worsen criminality in the zone of conflict. Sanakoev's alleged gambling history worsens perceptions of non-transparency.<sup>259</sup>

For Tbilisi to convince Ossetians it has their aspirations at heart, development in Georgian areas must be coupled with tangible confidence-building measures, including restitution of the right to property or compensation as foreseen by the law passed in December 2006 but not yet implemented<sup>260</sup> and dealing with grievances and old injustices. Rehabilitation efforts need to be focused on implementation. Georgia should give at least equal money to ERP programs. Channelling large sums to the region with inadequate control would be counterproductive. Stringent parliamentary and other oversight is a must.

## 2. Moscow's support for Tskhinvali

The shift in Georgia's strategy from joint efforts to unilateral investments is another reflection of its frustration with the engagement formats in the zone of the conflict. It also shows Georgia's resolve to enter into direct economic competition with Russia for influence in South Ossetia. Tbilisi criticizes Russia's unilateral investment as violating international law and Georgia's territorial integrity and amounting to annexation of South Ossetia. It has demanded that Russia coordinate any aid. At the 2006 donors conference, Russia pledged 100 million roubles (some €3 million) for economic rehabilitation. It was assumed that this would be allocated under the 2000 bilateral agreement in coordination with the OSCE. Citing OSCE delays, however, Russia informed the ERP steering committee in January 2007 that it had directly financed seven projects completed by the end of 2006.<sup>261</sup>

Georgia's state minister for conflict resolution said: "We have no idea on what this money was spent, though Moscow claims to have allocated it in October-December 2006, but we do not see the results. All Russia's activities in the region are illegal: energy supply, construction of gas pipelines".<sup>262</sup> Russia claims it acts on the basis of

the Russian-Georgian 2000 agreement on economic rehabilitation in South Ossetia and JCC decisions.<sup>263</sup> It also refers to its right to provide humanitarian assistance to its citizens in South Ossetia. After the closure of the Ergneti market, which seriously weakened socio-economic conditions, it stepped up payment of pensions and salaries to South Ossetians.<sup>264</sup> According to a local expert, salaries in South Ossetia rose tenfold.<sup>265</sup>

Western diplomats have criticised the Russian rehabilitation projects as "geared to back up Kokoity's pre-election campaign in November 2006 and purely cosmetic".<sup>266</sup> Moscow's announcement in early 2007 that it had nearly finished projects funded by its Brussels contribution surprised Tbilisi and donors. Tbilisi feels Moscow is acting arbitrarily and with impunity on Georgian territory. International attempts to consolidate efforts are undermined.

While some observers believe economic rehabilitation competition will ultimately benefit both targeted sections of the population, unilateral initiatives do not promote confidence, rather the opposite. By attaching Tskhinvali's economic system to Russia, the population of the breakaway territory is further alienated from Georgia. The gap between ethnic Georgian and Ossetian communities is deepening. Competition for influence could degenerate into a struggle where both sides obstruct the other's rehabilitation efforts and weaken the international program.

## C. FROM ENERGY INTERDEPENDENCE TO CONFLICT OVER RESOURCES?

Serious potential exists for conflict over electricity, gas and water resources and networks in South Ossetia. This is becoming evident as all projects include significant investment for reconstruction of energy networks. Georgian- and Ossetian-administered areas are still interdependent for access to electricity and gas. Electricity is supplied from Russia, via lines roughly following the

<sup>259</sup> Crisis Group email correspondence, Western diplomat, May 2007.

<sup>260</sup> For details, see Crisis Group Europe Briefing N°38, *Georgia-South Ossetia: Refugee Return the Path to Peace*, 19 April 2005.

<sup>261</sup> These included reconstruction of a secondary school, dental clinic, hotel, concert hall, sports hall and hospital laboratory in Tskhinvali and construction of a road connecting Georgian-populated villages, at a cost equal to 110.2 million roubles, according to Russia. Crisis Group interview, Western diplomat, Tbilisi, March 2007.

<sup>262</sup> "Activities of Russian Side in Tskhinvali Region without Agreement with Georgian Side Are Categorically Unacceptable", *Black Sea Press*, 24 April 2007.

<sup>263</sup> It blames Georgia for failing to implement the agreements, by not fulfilling its own financial obligations and obstructing Russian rehabilitation efforts. Crisis Group interview, Russian JCC official, Tbilisi, March 2007.

<sup>264</sup> "Residents of South Ossetia Will Receive Russian Pensions Averaging 1,400 roubles", *Regnum*, 22 February, 2007, <http://www.regnum.ru/news/district-abroad/yugoosset/786597.html>.

<sup>265</sup> From an average of 400-600 roubles monthly to 3,000-6,000. Crisis Group interview, economic expert, Tskhinvali, March 2007.

<sup>266</sup> Crisis Group interview, Western diplomat, April 2007. One Russian project was rehabilitation of a hotel in Tskhinvali, which had new bathroom equipment but bathrooms that were not hooked up to water and waste disposal networks.

TransCam. Before reaching Tskhinvali, it lights the northern enclave of Georgian villages in the zone of conflict. Gas is supplied to the entire zone of conflict from Georgia proper. Tskhinvali profits from it before the pipeline reaches the Georgian enclave. The local gas distribution network is limited in the Georgian villages but their connection to gas supplies is Tbilisi's rehabilitation priority. This interdependency benefits both sides, though payment issues have come up, but this may soon change if speculation over energy resources brings about a further dip in confidence.<sup>267</sup>

The Russian Federation, in particular North Ossetia-Alania, are key players in this equation. Construction of a gas pipeline to link North Ossetia with Tskhinvali was launched on 27 October 2006, two weeks before the de facto presidential election in South Ossetia.<sup>268</sup> Georgia considers it illegal, further proof Russia wants to annex part of the country.<sup>269</sup> Western analysts say that bringing the pipeline over the Caucasus mountains is prohibitively expensive and that the plan is likely a bargaining chip.<sup>270</sup> Both Russians and Georgians have confirmed that construction has begun however.<sup>271</sup> The pipeline would make Tskhinvali independent of Georgian gas and in an easier position to cut off gas to Georgian villages in the zone of conflict.

Similarly, Russia could cut electricity to the Georgian enclave(s). Unveiling plans for a new Dzay-Tskhinvali power transmission line, the head of the North Ossetian department for cooperation with South Ossetia said: "...the new line will make it possible to cut off electricity in the villages of the Georgian enclave which have electricity debts".<sup>272</sup> In retaliation, Georgia is apparently considering ways to connect Georgian areas in the zone of conflict to the grid eastwards in Shida Kartli, largely bypassing Ossetian areas.<sup>273</sup>

During summer months, water has been a source of tensions. South Ossetia is water-rich but the pipes are in poor condition, and leaks account for significant loss. The

water main which supplies Tskhinvali passes through the northern enclave of Georgian villages. It is punctured every summer, and water is diverted to irrigate fields, leaving Tskhinvali with little or no drinking water. This year's water crisis came early, with the first hot May days, and was much more confrontational than in the past. As many as twenty holes were cut, largely depriving the population of drinking water for at least eleven days,<sup>274</sup> while Georgian police repeatedly prevented South Ossetian crews from undertaking necessary repairs.<sup>275</sup>

Sanakoev apparently said he was aware of the difficulties Tskhinvali was facing but demanded that road blocks around the Georgian villages be removed first<sup>276</sup> and Tskhinvali seek his permission for repairs.<sup>277</sup> Georgian officials said Tskhinvali was responsible for the water cuts. The Russian foreign ministry accused Tbilisi of holding the local population "hostage to political games".<sup>278</sup> After international pressure was applied to both sides, an OSCE-led team, with their participation, inspected the pipeline on 2 June and agreed on repairs. These have not yet been carried out, and Tskhinvali is still without drinking water. The confrontational attitudes both sides have adopted illustrate the risk of escalation in the zone of conflict.

---

<sup>267</sup> Crisis Group interview, OSCE official, Tbilisi, May 2007.

<sup>268</sup> "Russia: Ossetia Pipeline Adds Fuel To The Georgia Fire", RFE/RL, 6 November 2006. It is claimed that the 163-km Dzaurikau-Tskhinvali pipeline will be ready to carry Russian natural gas to South Ossetia by winter 2007. Kokoity and the head of the North Ossetian Republic, Teimuraz Mamsurov, attended the launch ceremony.

<sup>269</sup> Crisis Group interviews, Georgian officials, Tbilisi, April 2007.

<sup>270</sup> Crisis Group interview, Western diplomat, Tbilisi, May 2007.

<sup>271</sup> "Russia: Ossetia Pipeline Adds Fuel", op. cit. Crisis Group interview, interior ministry official, Tbilisi, May 2007.

<sup>272</sup> Itar-Tass news agency, Moscow, 9 April 2007, as translated by the BBC Monitoring Service.

<sup>273</sup> Crisis Group interview, Western diplomat, Tbilisi, May 2007.

---

<sup>274</sup> The head of the OSCE Mission called the situation "a real humanitarian crisis", "OSCE Ambassador Calls Upon Georgian, Ossetian Sides to Start Talking", *BS Press*, 2 June 2007.

<sup>275</sup> Crisis Group email correspondence, diplomat, Tbilisi, June 2007.

<sup>276</sup> Ibid.

<sup>277</sup> Russian foreign ministry commentary on developments in South Ossetia, 31 May 2007.

<sup>278</sup> Ibid.

## **VI. CONCLUSION**

The Georgian-Ossetian conflict has entered a new phase. Tbilisi has made strong moves to change the status quo, succeeding in sensitising the international community to its conflict with Russia and the need to change the negotiation and peacekeeping formats. It has increased the players in the zone of conflict, establishing a new temporary administrative unit in the areas of South Ossetia it controls, with an ethnic Ossetian, Dmitri Sanakoev, at its head. It is focusing on containing Russia and promoting Sanakoev, while delegitimising the de facto Ossetian leader, Eduard Kokoity. Because Tskhinvali appears ever more dependent on Moscow, however, Tbilisi says meaningful dialogue with it is impossible. But Tbilisi is making a mistake in failing to engage with Tskhinvali and with the Ossetian constituency in the areas it controls. The Georgian government's steps are non-violent and development-oriented but their implementation is unilateral and so assertive that they are contributing to a perceptible and dangerous rise in tensions.

The Tskhinvali leadership dismisses Sanakoev as a traitor, as do a majority of South Ossetians, who perceive Georgia's strategy as a way of forcing a settlement upon them under Tbilisi's terms. They are convinced Tbilisi threatens their security and has little respect for their aspirations and fears. Tbilisi wants quick results but it will take considerable time for Sanakoev to build the credibility needed to convince Ossetians otherwise, if it can be done at all. Confidence must be built step by step and through joint, not unilateral, efforts. In the volatile security situation, power tactics like curtailing access to resources produce only more confrontation, which risks degenerating into large-scale violence.

**Tbilisi/Brussels, 7 June 2007**

## APPENDIX A

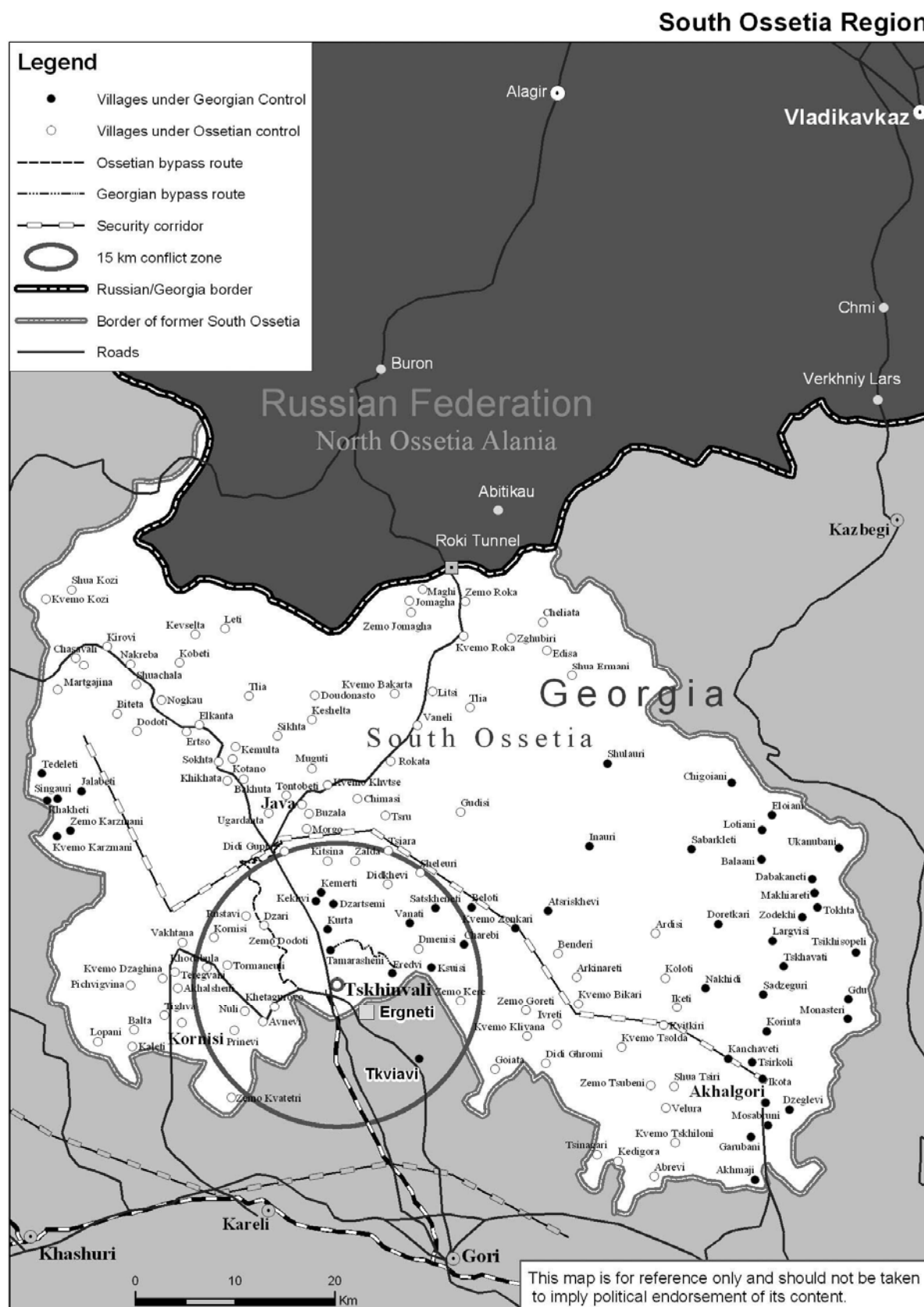
### MAP OF GEORGIA

Administrative map of Georgia



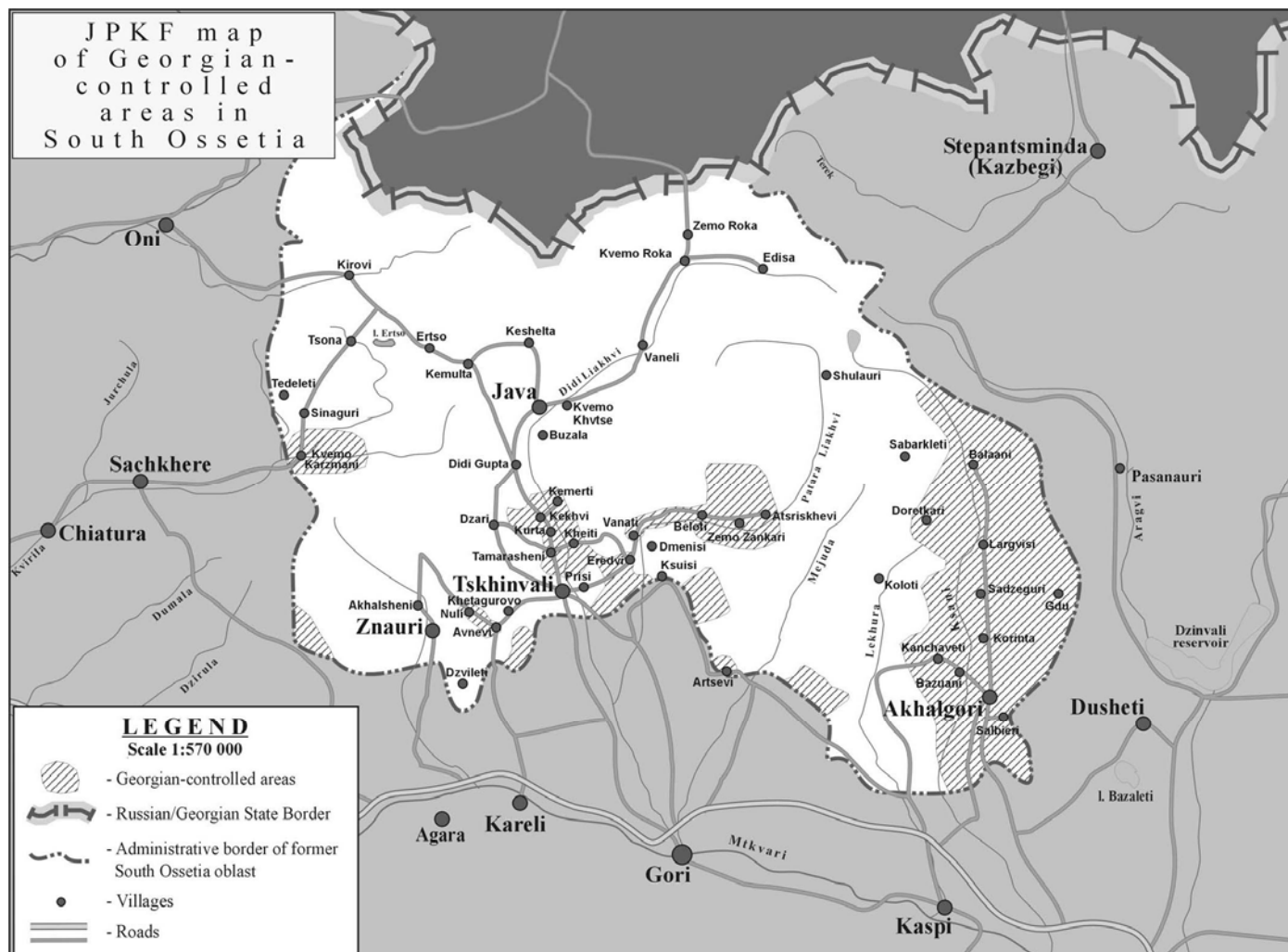
## APPENDIX B

### MAP OF THE SOUTH OSSETIAN REGION



## APPENDIX C

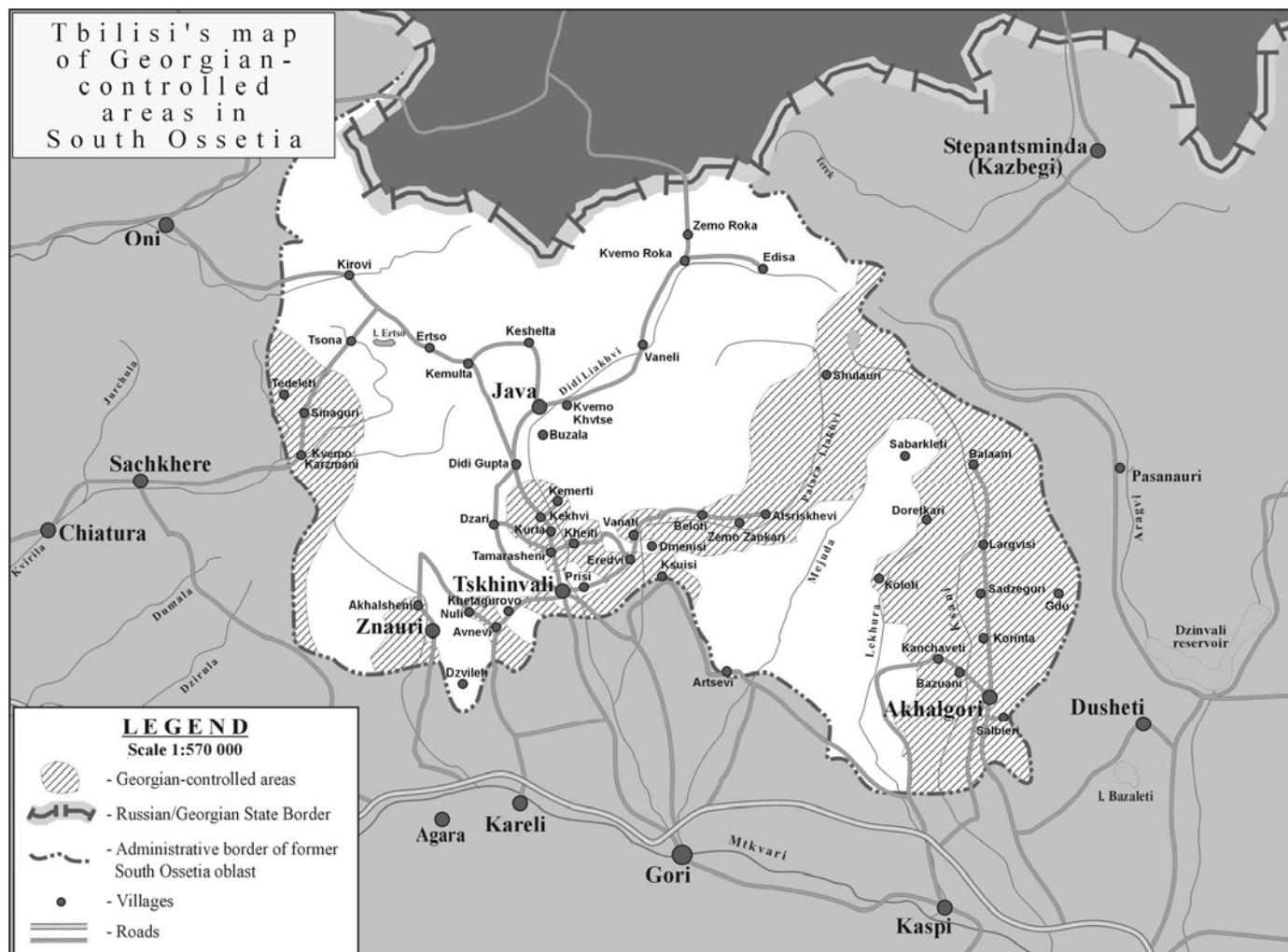
## JPKF MAP OF GEORGIAN-CONTROLLED AREAS IN SOUTH OSSETIA





## APPENDIX D

## TBILISI'S MAP OF GEORGIAN-CONTROLLED AREAS IN SOUTH OSSETIA



## APPENDIX E

### ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 130 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made available simultaneously on the website, [www.crisisgroup.org](http://www.crisisgroup.org). Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policy-makers around the world. Crisis Group is co-chaired by the former European Commissioner for External Relations Christopher Patten and former U.S. Ambassador Thomas Pickering. Its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

Crisis Group's international headquarters are in Brussels, with advocacy offices in Washington DC (where it is based as a legal entity), New York, London and Moscow. The organisation currently operates twelve regional offices (in Amman, Bishkek, Bogotá, Cairo, Dakar, Islamabad, Istanbul, Jakarta, Nairobi, Pristina, Seoul and Tbilisi) and has local field representation in sixteen additional locations (Abuja, Baku, Beirut, Belgrade, Colombo, Damascus, Dili, Dushanbe, Jerusalem, Kabul, Kampala, Kathmandu, Kinshasa, Port-au-Prince, Pretoria and Yerevan). Crisis Group currently covers nearly 60 areas of actual or potential conflict across four continents. In Africa, this includes Burundi, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia,

Guinea, Liberia, Rwanda, Sierra Leone, Somalia, Sudan, Uganda, Western Sahara and Zimbabwe; in Asia, Afghanistan, Bangladesh, Indonesia, Kashmir, Kazakhstan, Kyrgyzstan, Myanmar/Burma, Nepal, North Korea, Pakistan, Phillipines, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Turkmenistan and Uzbekistan; in Europe, Armenia, Azerbaijan, Bosnia and Herzegovina, Cyprus, Georgia, Kosovo and Serbia; in the Middle East, the whole region from North Africa to Iran; and in Latin America, Colombia, the rest of the Andean region and Haiti.

Crisis Group raises funds from governments, charitable foundations, companies and individual donors. The following governmental departments and agencies currently provide funding: Australian Agency for International Development, Austrian Federal Ministry of Foreign Affairs, Belgian Ministry of Foreign Affairs, Canadian Department of Foreign Affairs and International Trade, Canadian International Development Agency, Canadian International Development Research Centre, Czech Ministry of Foreign Affairs, Dutch Ministry of Foreign Affairs, Finnish Ministry of Foreign Affairs, French Ministry of Foreign Affairs, German Foreign Office, Irish Department of Foreign Affairs, Japanese International Cooperation Agency, Principality of Liechtenstein Ministry of Foreign Affairs, Luxembourg Ministry of Foreign Affairs, New Zealand Agency for International Development, Royal Danish Ministry of Foreign Affairs, Royal Norwegian Ministry of Foreign Affairs, Swedish Ministry for Foreign Affairs, Swiss Federal Department of Foreign Affairs, Turkish Ministry of Foreign Affairs, United Kingdom Foreign and Commonwealth Office, United Kingdom Department for International Development, U.S. Agency for International Development.

Foundation and private sector donors include Carnegie Corporation of New York, Carso Foundation, Compton Foundation, Ford Foundation, Fundación DARA Internacional, Iara Lee and George Gund III Foundation, William & Flora Hewlett Foundation, Hunt Alternatives Fund, Kimsey Foundation, Korea Foundation, John D. & Catherine T. MacArthur Foundation, Charles Stewart Mott Foundation, Open Society Institute, Pierre and Pamela Omidyar Fund, Victor Pinchuk Foundation, Ploughshares Fund, ProVictimis Foundation, Radcliffe Foundation, Sigrid Rausing Trust, Rockefeller Philanthropy Advisors and Viva Trust.

June 2007

## APPENDIX F

### INTERNATIONAL CRISIS GROUP REPORTS AND BRIEFINGS ON EUROPE SINCE 2004

*EU Crisis Response Capability Revisited*, Europe Report N°160, 17 January 2005

*France and its Muslims: Riots, Jihadism and Depoliticisation*, Europe Report N°172, 9 March 2006 (only available in French)

*Islam and Identity in Germany*, Europe Report N°181, 14 March 2007

#### BALKANS

*Monitoring the Northern Ireland Ceasefires: Lessons from the Balkans*, Europe Briefing N°30, 23 January 2004

*Pan-Albanianism: How Big a Threat to Balkan Stability?*, Europe Report N°153, 25 February 2004 (also available in Albanian and Serbian)

*Serbia's U-Turn*, Europe Report N°154, 26 March 2004

*Collapse in Kosovo*, Europe Report N°155, 22 April 2004 (also available in Albanian and Serbian)

*EUFOR: Changing Bosnia's Security Arrangements*, Europe Briefing N°31, 29 June 2004 (also available in Bosnian)

*Serbia's Changing Political Landscape*, Europe Briefing N°32, 22 July 2004 (also available in Serbian)

*Macedonia: Make or Break*, Europe Briefing N°33, 3 August 2004 (also available in Macedonian)

*Kosovo: Toward Final Status*, Europe Report N°161, 24 January 2005 (also available in Albanian, Russian and Serbian)

*Macedonia: Not out of the Woods Yet*, Europe Briefing N°37, 25 February 2005 (also available in Macedonian)

*Serbia's Sandzak: Still Forgotten*, Europe Report N°162, 7 April 2005 (also available in Serbian)

*Serbia: Spinning its Wheels*, Europe Briefing N°39, 23 May 2005 (also available in Serbian)

*Kosovo After Haradinaj*, Europe Report N°163, 26 May 2005 (also available in Albanian, Russian and Serbian)

*Bosnia's Stalled Police Reform: No Progress, No EU*, Europe Report N°164, 6 September 2005

*Bridging Kosovo's Mitrovica Divide*, Europe Report N°165, 13 September 2005 (also available in Albanian, Russian and Serbian)

*EU Visas and the Western Balkans*, Europe Report N°168, 29 November 2005

*Montenegro's Independence Drive*, Europe Report N°169, 7 December 2005 (also available in Russian and in Serbian)

*Macedonia: Wobbling Toward Europe*, Europe Briefing N°41, 12 January 2006 (also available in Albanian and Macedonian)

*Kosovo: The Challenge of Transition*, Europe Report N°170, 17 February 2006 (also available in Albanian, Serbian and Russian)

*Montenegro's Referendum*, Europe Briefing N°42, 29 May 2006 (also available in Russian)

*Southern Serbia: In Kosovo's Shadow*, Europe Briefing N°43, 27 June 2006 (also available in Russian)

*An Army for Kosovo?*, Europe Report N°174, 28 July 2006 (also available in Albanian, Russian and Serbian)

*Serbia's New Constitution: Democracy Going Backwards*, Europe Briefing N°44, 8 November 2006 (also available in Russian)

*Kosovo Status: Delay Is Risky*, Europe Report N°177, 10 November 2006 (also available in Albanian, Serbian and Russian)

*Kosovo's Status: Difficult Months Ahead*, Europe Briefing N°45, 20 December 2006 (also available in Albanian, Russian and Serbian)

*Ensuring Bosnia's Future: A New International Engagement Strategy*, Europe Report N°180, 15 February 2007

*Kosovo: No Good Alternatives to the Ahtisaari Plan*, Europe Report N°182, 14 May 2007

*Serbia's New Government: Turning from Europe*, Europe Briefing N°46, 31 May 2007

#### CAUCASUS

*Azerbaijan: Turning Over A New Leaf?*, Europe Report N°156, 13 May 2004 (also available in Russian)

*Saakashvili's Ajara Success: Repeatable Elsewhere in Georgia?*, Europe Briefing N°34, 18 August 2004 (also available in Russian)

*Armenia: Internal Instability Ahead*, Europe Report N°158, 18 October 2004 (also available in Russian)

*Georgia: Avoiding War in South Ossetia*, Europe Report N°159, 26 November 2004 (also available in Russian)

*Georgia-South Ossetia: Refugee Return the Path to Peace*, Europe Briefing N°38, 19 April 2005 (also available in Russian)

*Nagorno-Karabakh: Viewing the Conflict from the Ground*, Europe Report N°165, 14 September 2005 (also available in Armenian, Azeri and Russian)

*Nagorno-Karabakh: A Plan for Peace*, Europe Report N°167, 10 October 2005 (also available in Armenian, Azeri and Russian)

*Azerbaijan's 2005 Elections: Lost Opportunity*, Europe Briefing N°40, 21 November 2005 (also available in Russian)

*Conflict Resolution in the South Caucasus: The EU's Role*, Europe Report N°173, 20 March 2006

*Abkhazia Today*, Europe Report N°176, 15 September 2006 (also available in Russian)

*Georgia's Armenian and Azeri Minorities*, Europe Report N°178, 22 November 2006 (also available in Russian)

*Abkhazia: Ways Forward*, Europe Report N°179, 18 January 2007 (also available in French)

#### CYPRUS

*The Cyprus Stalemate: What Next?*, Europe Report N°171, 8 March 2006 (also available in Greek and Turkish)

#### MOLDOVA

*Moldova: Regional Tensions over Transdniestria*, Europe Report N°157, 17 June 2004 (also available in Russian)

*Moldova's Uncertain Future*, Europe Report N°175, 17 August 2006 (also available in Russian)

---

## **OTHER REPORTS AND BRIEFINGS**

---

For Crisis Group reports and briefing papers on:

- Africa
- Asia
- Latin America and Caribbean
- Middle East and North Africa
- Thematic Issues
- *CrisisWatch*

please visit our website [www.crisisgroup.org](http://www.crisisgroup.org)

## APPENDIX G

### INTERNATIONAL CRISIS GROUP BOARD OF TRUSTEES

---

#### *Co-Chairs*

##### **Christopher Patten**

*Former European Commissioner for External Relations,  
Governor of Hong Kong and UK Cabinet Minister; Chancellor of  
Oxford University*

##### **Thomas Pickering**

*Former U.S. Ambassador to the UN, Russia, India, Israel, Jordan,  
El Salvador and Nigeria*

#### *President & CEO*

##### **Gareth Evans**

*Former Foreign Minister of Australia*

#### *Executive Committee*

##### **Cheryl Carolus**

*Former South African High Commissioner to the UK and  
Secretary General of the ANC*

##### **Maria Livanos Cattai\***

*Member of the Board of Directors, Petroplus Holding AG, Switzerland;  
former Secretary-General, International Chamber of Commerce*

##### **Yoichi Funabashi**

*Chief Diplomatic Correspondent & Columnist, The Asahi Shimbun,  
Japan*

##### **Frank Giustra**

*Chairman, Endeavour Financial, Canada*

##### **Stephen Solarz**

*Former U.S. Congressman*

##### **George Soros**

*Chairman, Open Society Institute*

##### **Pär Stenbäck**

*Former Foreign Minister of Finland*

*\*Vice-Chair*

##### **Morton Abramowitz**

*Former U.S. Assistant Secretary of State and Ambassador to Turkey*

##### **Adnan Abu-Odeh**

*Former Political Adviser to King Abdullah II and to King Hussein  
and Jordan Permanent Representative to the UN*

##### **Kenneth Adelman**

*Former U.S. Ambassador and Director of the Arms Control and  
Disarmament Agency*

##### **Ersin Arioglu**

*Member of Parliament, Turkey; Chairman Emeritus, Yapi Merkezi  
Group*

##### **Shlomo Ben-Ami**

*Former Foreign Minister of Israel*

##### **Lakhdar Brahimi**

*Former Special Adviser to the UN Secretary-General and Algerian  
Foreign Minister*

##### **Zbigniew Brzezinski**

*Former U.S. National Security Advisor to the President*

##### **Kim Campbell**

*Former Prime Minister of Canada; Secretary General, Club of Madrid*

##### **Naresh Chandra**

*Former Indian Cabinet Secretary and Ambassador of India to the U.S.*

##### **Joaquim Alberto Chissano**

*Former President of Mozambique*

##### **Victor Chu**

*Chairman, First Eastern Investment Group, Hong Kong*

##### **Wesley Clark**

*Former NATO Supreme Allied Commander, Europe*

##### **Pat Cox**

*Former President of European Parliament*

##### **Uffe Ellemann-Jensen**

*Former Foreign Minister of Denmark*

##### **Mark Eyskens**

*Former Prime Minister of Belgium*

##### **Joschka Fischer**

*Former Foreign Minister of Germany*

##### **Leslie H. Gelb**

*President Emeritus of Council on Foreign Relations, U.S.*

##### **Carla Hills**

*Former Secretary of Housing and U.S. Trade Representative*

##### **Lena Hjelm-Wallén**

*Former Deputy Prime Minister and Foreign Affairs Minister,  
Sweden*

##### **Swanee Hunt**

*Chair, The Initiative for Inclusive Security; President, Hunt  
Alternatives Fund; former Ambassador U.S. to Austria*

##### **Anwar Ibrahim**

*Former Deputy Prime Minister of Malaysia*

##### **Asma Jahangir**

*UN Special Rapporteur on the Freedom of Religion or Belief;  
Chairperson, Human Rights Commission of Pakistan*

##### **Nancy Kassebaum Baker**

*Former U.S. Senator*

##### **James V. Kimsey**

*Founder and Chairman Emeritus of America Online, Inc. (AOL)*

##### **Wim Kok**

*Former Prime Minister of Netherlands*

##### **Ricardo Lagos**

*Former President of Chile*

##### **Joanne Leedom-Ackerman**

*Novelist and journalist, U.S.*

**Mark Malloch Brown**

*Former UN Deputy Secretary-General and Administrator of the UN Development Programme*

**Ayo Obe**

*Chair of Steering Committee of World Movement for Democracy, Nigeria*

**Christine Ockrent**

*Journalist and author, France*

**Victor Pinchuk**

*Founder of Interpipe Scientific and Industrial Production Group*

**Samantha Power**

*Author and Professor, Kennedy School of Government, Harvard University*

**Fidel V. Ramos**

*Former President of Philippines*

**Ghassan Salamé**

*Former Minister, Lebanon; Professor of International Relations, Paris*

**Douglas Schoen**

*Founding Partner of Penn, Schoen & Berland Associates, U.S.*

**Thorvald Stoltenberg**

*Former Foreign Minister of Norway*

**Ernesto Zedillo**

*Former President of Mexico; Director, Yale Center for the Study of Globalization*

---

**INTERNATIONAL ADVISORY COUNCIL**

*Crisis Group's International Advisory Council comprises major individual and corporate donors who contribute their advice and experience to Crisis Group on a regular basis.*

**Rita E. Hauser (Co-Chair)**

**Elliott F. Kulick (Co-Chair)**

**Marc Abramowitz**

**Anglo American PLC**

**APCO Worldwide Inc.**

**Ed Bachrach**

**Patrick E. Benzie**

**Stanley M. Bergman and**

**Edward J. Bergman**

**BHP Billiton**

**Harry Bookey and Pamela**

**Bass-Bookey**

**John Chapman Chester**

**Chevron**

**Citigroup**

**Companhia Vale do Rio Doce**

**Richard H. Cooper**

**Credit Suisse**

**John Ehara**

**Equinox Partners**

**Frontier Strategy Group**

**Konrad Fischer**

**Alan Griffiths**

**Charlotte and Fred Hubbell**

**Iara Lee & George Gund III  
Foundation**

**Sheikh Khaled Juffali**

**George Kellner**

**Amed Khan**

**Shiv Vikram Khemka**

**Scott J. Lawlor**

**George Loening**

**McKinsey & Company**

**Najib A. Mikati**

**Donald Pels**

**PT Newmont Pacific Nusantara  
(Mr. Robert Humberson)**

**Michael L. Riordan**

**Tilleke & Gibbins**

**Baron Guy Ullens de Schooten**

**VIVA Trust**

**Stanley Weiss**

**Westfield Group**

**Don Xia**

**Yasuyo Yamazaki**

**Yapi Merkezi Construction  
and Industry Inc.**

**Shinji Yazaki**

**Sunny Yoon**

---

**SENIOR ADVISERS**

*Crisis Group's Senior Advisers are former Board Members (not presently holding national government executive office) who maintain an association with Crisis Group, and whose advice and support are called on from time to time.*

**Martti Ahtisaari**

*(Chairman Emeritus)*

**Diego Arria**

**Paddy Ashdown**

**Zainab Bangura**

**Christoph Bertram**

**Jorge Castañeda**

**Alain Destexhe**

**Marika Fahlen**

**Stanley Fischer**

**Malcolm Fraser**

**Bronislaw Geremek**

**I.K. Gujral**

**Max Jakobson**

**Todung Mulya Lubis**

**Allan J. MacEachen**

**Barbara McDougall**

**Matthew McHugh**

**George J. Mitchell**

*(Chairman Emeritus)*

**Surin Pitsuwan**

**Cyril Ramaphosa**

**George Robertson**

**Michel Rocard**

**Volker Ruehe**

**Mohamed Sahnoun**

**Salim A. Salim**

**William Taylor**

**Leo Tindemans**

**Ed van Thijn**

**Shirley Williams**

**Grigory Yavlinski**

**Uta Zapf**