

**CENTER FOR STRATEGIC
AND INTERNATIONAL STUDIES**

STATESMAN'S FORUM

**GEORGIA: SECURITY CHALLENGES
AND OPPORTUNITIES**

**SPEAKER:
IRAKLI OKRUASHVILI
DEFENSE MINISTER OF GEORGIA**

**THURSDAY, JUNE 16, 2004
10:00 – 12:00 P.M.**

Dr. John Hamre: Thank you all for coming. First, Minister, thanks for coming to CSIS. We are very pleased that we have had an ongoing relationship with Georgia, and especially with the “Rose Revolution” Georgia. And we are very proud to have you now join us today. Ladies and gentlemen, thank you. I think we are here, and I know that you all are here, because you are fascinated by this unusual experiment that’s underway in Georgia. Imagine the complexity of having two goals for your country, security goals: to join NATO and not completely alienate Russia that continues to occupy a part of your country. That’s a complicated problem. And it is a real problem and the one that, frankly, the defense minister has to deal with every day. It’s an issue that we are quite interested in, as Americans. We had a long, close and, frankly, romantic attachment to Georgia. We have watched with both worry and great hope in the last years. And we have our hearts really now filled with great hope, not the least of which is to see the really impressive talent that is now leading this country. I am increasingly feeling older, especially these days, but only shocked to find out that the defense minister was born when I was just getting out of graduate school. I am starting to feel very old. But it is emblematic of the young and energetic leadership that now is guiding Georgia. A lawyer, a political leader for years, an activist, a mayor, a man who has seen and touches the very heart of Georgia and really embodies the aspirations of this proud country. Minister, we are delighted that you are here. We look forward to what you are going to say and Dr. Welt is going to be leading the Q&A period, and I thank you Cory for helping to facilitate this. But I introduce to you now the Minister of Defense for Georgia, Mr. Okruashvili.

Mr. Okruashvili: Thank you

(Applause)

Mr. Okruashvili: Good morning, ladies and gentlemen. First of all I would like to say my thanks to the Center for giving me such a big opportunity to introduce myself to you. It is really a big honor for me to speak in the Center. And I would like to provide you with an overview of Georgian security and defense issues and recent developments, especially in the military field. Since the Rose Revolution in 2003 significant progress in a variety of areas has taken place. Many things are going to be done, but we already established the principles that every government institution is working very hard to show progress, because we already lost some fifteen years and that’s why we are in a hurry and sometimes are making very radical decisions and implementing very radical reforms.

A key fact to remember when discussing security and defense issues, whether that means planning your fronts and possible threats, is that security and defense does not exist in a vacuum. Rather, it is a part of the whole that expands to include the states in the region – in other words, security and defense is comprehensive and includes domestic as well as foreign issues. And as a whole, Georgia is committed to democratization, modernization, and fiscal responsibility. These three points sum up the key to defense in our country today. Our commitment to pursuing democratic values and principles shapes the need for a transparent security and defense organization, the ultimate purpose of which is to protect the sovereignty of the republic of Georgia.

In order to reach these goals Georgia has initiated significant security and defense reforms. They include a wide range of issues, such as the police activity and organization reforms, trying to get improvements to procurement of equipment, expanded training, participation in international operations, especially EU-Georgia bilateral relations which are very important for us, infrastructure, and the list goes on.

Perhaps the most important recent achievement is the restoration of control over the Ajarian Autonomous Republic, which allowed our inhabitants there to stand for democracy and to prove to local authorities that they will not let somebody else change their wishes, change their decision from a fair election.

And an important issue also is the agreement that we have reached with our Russian neighbors about the withdrawal of the Russian troops from Georgian territory, which I will speak about shortly.

First, I want to comment on some of the other important defense developments in Georgia that have allowed us to build literally from the ground up a new security and defense structure. This includes the Individual Partnership Action Plan, so-called IPAP, that we are working on with NATO, which is a very important step for Georgia in order to integrate our country to Western institutions, especially NATO. We already received an assessment team from the NATO delegation in March, that gave us guidelines on whether we should correct something or how to change our approaches to executing all the obligations and requirements for IPAP, because this is a really big chance for us to move further to the Membership Action Plan for which we are planning to apply to NATO in the autumn of next year. Maybe this is a very ambitious goal but, again, I already mentioned that we are in a hurry and we should do our best to show progress.

The Strategic Defense Review is one of the important steps for us to move, to show progress with the reforms in the military field, in the defense field, and this will be a really big step to move forward on the way to integration with NATO.

I previously reported that in March 2005 NATO gave this IPAP to us, which was a decision from NATO, and not only from NATO, but generally from the international community, to give a chance to Georgia to show progress from its side, whether we can be really successful and whether we can show if it is possible to develop a model of democracy in the country, which can become a really strong force for the international community in the Caucasus region, in which we allow the international community to enlarge democracies in the other CIS countries as well as in Central Asia.

The Individual Partnership Action Plan that I already mentioned includes several topics, which are political and security related issues; defense, security and military issues, public information, science, environment, civil emergency, and, finally, administrative protective security and resource issues. One of the most significant conclusions of the IPAP assessment made by the experts was that the structures for the real progress and development to take place in Georgia are in place. This means that much of the

groundwork for modernization of the security and the defense structure of Georgia has been completed to standards recognized by our Western peers. Now, we must focus on establishing the professional capability and strength of our forces and, of course, the interoperability of our forces with NATO structures.

As I already mentioned, presently we are working on completing the SDR (Strategic Defense Review), which is a comprehensive overview of the status and condition of our defense capabilities. The SDR will provide valuable information from which we will be able to establish an appropriate force structure—one that corresponds to the threats and the challenges previously mentioned. We do not intend to conduct any major structural changes until the completion of this year, or major public procurements.

This doesn't slow major advancement in the capabilities of the Georgian defense forces that are taking place now. For example, with the help of the United States, for which we are, of course very grateful, the Standards and Training Center was designed, was modernized, which allows us to train our NATO-compatible battalions and brigades, and especially the brigades that are trained by the US military, which is a very successful project and which allows us to be represented in international operations like in Iraq, and to increase our presence in Iraq especially.

In regards to this ongoing modernization, as I mentioned the US has also facilitated the Sustainability and Stability Operations Program, which is the continuance of the Train and Equip Program, which was started in '99, which was a major investment, and very successful investment, in the Georgian army and in general in the sovereignty of Georgia because, as you know, some period during the last years, the Georgian army was considered as a main threat to the country. There were some armed strikes from the military, and it was obvious that nobody liked the military, nobody wanted to go for service in the military, and programs like these have radically changed the atmosphere and situation in the army and also another, our efforts to change the mentality of our military, which was successfully done.

At the end of the programs that I underlined, especially by assistance of the United States government, we'll have 2,500 troops, well equipped and trained, and which will be allocated for the international operations like we already have in Kosovo and in NATO-led operations in Kosovo and Iraq. We feel that the developments, as the training center and training and debriefing program, are the fundamental piece in the reaction of an armed forces that is able to meet the security and defense needs of the state and to participate in securing the peace and stability internationally.

As I already mentioned, I also want to touch on the control of the Russian military bases. Last month, we, Georgia and Russia, signed a joint declaration at the level of the foreign ministers, standing for the parliaments, for the Russian troops' withdrawal from the Georgian territory, which was a very important fact for the Georgian government, for the whole Georgian nation, and we appreciate that during several difficult years of negotiations we reached that agreement, we came to the point where both sides understood the importance of the compromise and we reached this compromise. We

have been negotiating these issues, as I already mentioned, a number of years, and the recent agreement comes as a great victory. However, this is not a legally-binding document and according to this document, a legally-binding agreement should be signed, which will go for the ratification of the vote, parliamentary vote, and further efforts will be required from both sides to complete this issue and to come to really, to the point when both sides should start this daily action in order to move the troops from Georgian territory. It cannot be stressed enough that successful withdrawal of the Russian troops from the Georgian territory is very important for relations with Russia, and development towards freedom and stability within our country.

As you know, we have additional problems like our territorial integrity problems which are very essential for our government, because without solving those problems, of course, peacefully, by peaceful means, we can't really develop the country in full. Which means that we have submitted our peaceful resolution plan to South Ossetians and this is a plan which provides wide and very large autonomy to South Ossetia, even larger than they had during Soviet Georgia and all the North Caucasus, or North Ossetia has within Russia, and we hope that we will get a reply to this plan and that the issue will be resolved peacefully, because Georgians, Ossetians, Abkhazians, all of them they should get the real benefit from the Rose Revolution, which is a free society and the press and free public.

As I already mentioned, we are already participating in different international operations, and this proves that Georgia cannot only be a consumer of the international security problems, but it also can contribute, to give a small contribution, from its size, for such operations, and increase our presence in Iraq from 300 up to 850 of our troops that are already there, together with the US military standing and defending the peace and establishing democracy in this region, and otherwise, as I already mentioned, that we are also in Kosovo, from our 14th military is serving together with the Turkish battalion and our 150th military is serving together with the German brigade. So, we also were helping the Afghanistan government during the elections and same kind of participation with the army during the last elections in Afghanistan and we are waiting to decide whether we will send them again for the next elections, which will be, as far as, if I'm not mistaken, somewhere in September or October of this year.

Fiscal responsibility. Before I conclude I want to mention a few issues to demonstrate success in our government's ability to build institutions. We have increased the budgetary revenues and expenditures that allowed us to radically improve the situation, especially in the army as I already mentioned. All the time there were some complaints and there was some trouble created from the military's side during the past, during the recent government, but we improved the situation giving good salaries, giving good motivation, giving motivation to our military. We improved fully the infrastructure in the Ministry of Defense, and this is not the only thing we have done. The situation in police was very difficult during the previous government, trust from the population to the police was not more than five percent, and within six months, it probably took us not more than six months, we improved the situation when the level of trust came to 65 percent, which was unbelievable. For example, at the time I was the Minister of Interior Affairs and, it

was six years later and nobody was complaining that there was corruption, there was torture, there was bad behavior from the police side to the population. We already successfully adopted the changes, I mean there were, by initiative of our parliament, adopted the changes and tax code, downsized some kind of taxes lower in the bureaucracy, preparing the situation for foreign investments, which is very vital and important for us, because again, Georgia still needs the support and help from the outside, from our friends, from our allies and, of course we are doing from our side our best to show why Georgia can become attractive for investors, because all the time, most of the investors that came, before they were suffering from bureaucracy, from corruption, and we are not in a situation, to let the situation continue like this. We radically already changed the situation and we will do our best to again, to show progress in this field also.

Georgia's destiny lies with its integration with the West and this is obvious, especially for this government and in general for the Georgian nation. This must encompass a wide range of areas that include democratic, economic, social, and security issues. All these elements are vital to the development of our country, to its emergence and strong society that it is able to contribute to stability in the region and beyond. The US has been instrumental in helping Georgia reach many of our goals, and we greatly appreciate the support from the United States and its undying commitment and our determination to succeed has forged a bond that is like steel, significant. In his New Year's address, President Saakashvili stated that last year, 2004, was one of the important, the most successful in independent Georgia's history. Just over one month ago, in Tbilisi's Freedom Square, President Bush said, "The path to freedom you have chosen is not easy. But you will not travel it alone. Americans respect your courageous choice of liberty, and as you build a free and democratic Georgia, American people will stand with you," which is very important for us and we really appreciate the help that we are always feeling from United States. The Georgian people know how difficult the tasks before us are, and we are genuinely grateful for the support, again, from the United States in our journey. With our continued partnership we know that Georgia will succeed. Thank you very much.

(Applause)

Dr. Cory Welt: Thank you very much Mr. Minister. You're welcome to stand at the podium to take questions, or if you'd like to be more comfortable, you are welcome to have a seat, however you prefer. Thank you, you've offered us a terrific illustration of the accomplishments that Georgia has made, particularly in the military sphere, and also realistically, the challenges that Georgia continues to face, and the minister is in an intimate position to understand both the external challenges, as well as the internal challenges, as he was very involved when he was Interior Minister, in terms of police reform, and he's transferred some of those skills and the determination to transform the structures there now to the Defense Ministry, where he's been serving for quite some time, and very much is aware of the steps that need to be taken both to join NATO, and also in order to continue to transform the Russian-Georgian relationship, and to bring it into more positive spheres. We're very happy to open up discussion to questions. We have microphones on both sides of the floor. Please when you get the microphone,

identify yourself and your affiliation, and if you could keep your questions brief and clear we would appreciate it very much.

Question: I've done a lot of work in Georgia. I have a two-part question. First of all, thank you for your remarks. They covered these very important issues that are in front of Georgia right now. When you spoke about South Ossetia you said that you hoped for a peaceful resolution there. Is your government committed to a peaceful resolution, or is that, does one detect a little bit of grey in that statement? And my second question, concerning the basing agreement with Russia – why is Russia required to ratify an agreement that concerns the territory of a sovereign nation?

Okruashvili: Well, let me start from the last question. I cannot comment whether its required by internal procedure from the Russian side to ratify the document, but its my feeling also that this process will complicate the situation, additional debates will be started and et cetera., but if the Russian constitution establishes such requirements, of course they should move to these procedures. But what concerns the Georgian side, the parliamentarians are presented here and they will correct me if I'm mistaken, from our side we are not planning to ratify this document because it doesn't relate to the allocation of Georgian troops or foreign troops on the territory of Georgia. It is related to the withdrawal of the troops of the foreign country from Georgian territory, there is no requirement of the ratification by our constitution and we aren't going to go through such procedures.

Concerning the issue with South Ossetia, besides that there was a conflict in beginning of the 90s, there were not too many problems created between Ossetians and Georgians, because, all this time, we saw that many families there were maintaining contacts between each other. They were moving towards each other, having relationships, especially the most problematic field for our government, for our country, the smuggling business, which was developed during the last 10, 15 years in this region allowed both inhabitants there, Georgians and Ossetians, to maintain such contacts, economic relationship is pushing to forget everything that happened in the past, like accidents, that happened that time between these two neighboring nations, within our country, of course. And that was giving us the hope to believe that there is a chance, there is a resource to negotiate with them. But there is another problem, why we cannot reach results in this process with the local authority now situated in South Ossetia. Day by day, local authorities in South Ossetia are becoming Russians. Most of the key positions, security, defense, police, are occupied by the ex-, or existing Russian officials, even we can feel that there is a complaint from the South Ossetians about this, and it means that the decision makers there are changing. We still believe that we can get a reply from the South Ossetians, from the local authorities, which in some parts they are still South Ossetians, but our feeling is that the decision makers are becoming Russians there. Not only are becoming, they already are, and the additional support from our friends will be necessary to convince the Russians that this is not in the interest of any country, either Georgia or Russia, to maintain the situation like it is, because one day it may explode. We have already one police officer killed during last two weeks, and another four citizens kidnapped and we don't know what's happened with them. And it cannot continue like

this because there will be revenge from the Georgian side, which as a government we cannot control. I hope that it will not happen, but it may happen. Then Ossetians again will try to answer with the same, and the key right now is in the hands of the, the major key is to solve this problem, to open this problem, is in the hands of the Russians now. And they should believe that the most important thing is to give more attention to the North Caucasus now in order to not just close their eyes to what is happening in South Ossetia. Which is not, again, as I already mentioned, not in the interest of Georgia, not in the interest of Russia.

Dr. Welt: Mr. Minister, I would like to follow up on that with a question, if I may, regarding the Georgian peacekeeping presence in South Ossetia. We know that last year Georgians inserted up to 500 peacekeepers into the region as they were permitted to do by long-standing agreements, and since then those numbers have been reduced. And I wanted to ask you what the thinking was behind this decision. Is this something to reduce tensions or were other considerations involved in reducing the number of peacekeepers? Thank you.

Okruashvili: Sometimes we are forced by the situation created not to give attention to this particular problem. We sent our peacekeepers there according to the agreement we have with Russia—we are able to have 500 peacekeepers there, and we sent last year those people there in order to close the cycle with South Ossetia, to close the smuggling. Every year there was a turnover of approximately 100-120 million laris, which is something like 50-60 million U.S. dollars—every year this was the turnover of the smuggling. Somebody may think that this is not a big amount, especially when we are sitting maybe, in Washington, but for the Georgian economy this is a very significant amount. This is really harming the Georgian economy. And we were in this situation to interrupt this process. And at the end we received very bad results from this. The situation was escalated and this is why we were forced by the situation to reduce the number of our peacekeepers in order not to allow the situation to continue like that. It was last August. Now we are having not more than 22 soldiers there who are just monitoring whether there can be a developed attack to the Georgian population that is living there. But the problem is that still we are suffering from the smuggling. Especially after we increased the taxes on tobacco. This business became the most profitable business. And not only Ossetians - Georgians are also involved in this. And we, as the government, should think of what to do with this. We cannot subsidize our economy by the damages that we are getting from South Ossetia. South Ossetians acknowledge that they cannot live without having an economic relationship with the rest of Georgia. But the situation cannot continue like this.

Question: Mr. Okruashvili, as a follow-up to your issue of bases on Georgian territory. You know that the Russian authorities declared that the ammunition and heavy weaponry from these bases will be deployed to Armenia. And given that Azerbaijan and, to my knowledge, Georgia are advocating for a complete removal of Russian military bases from the South Caucasus, don't you think that your agreement with Russia only partially solves the problem and did you discuss this with your Russian counterparts? Thank you.

Okruashvili: I fully support the de-militarization process not only of Georgia, but of the whole region—because this is a very sensitive region, this is a very important region and, of course, this is the decision of Russia and Armenia whether they can decide like this. But, as a human being, my position is that we should make such steps not to put more mines in the region. Which means that, like we are now signing another additional agreement with Russia about the transit... We were asked by them to sign the agreement with the conditions not to have any rights to check their aircraft or the cargo cars which would move from Russia to Armenia. Of course, we will not accept this. Not only because they are just passing the territory of Georgia, or something like this. We are getting responsibility for international security and for the peace and if something wrong goes through the territory of Georgia, also we are becoming responsible for that. And we refuse to sign such an agreement. We just ask them to take the same kind of exams as were signed with Latvia, in regards to Kaliningrad. There is already a precedent created on the international level and we don't want to just sit and think about a new bicycle. We took the agreement from our Latvian colleagues and we offered to our Russian colleagues that we do the same thing. I am sure that there will be some problems during the negotiation but, again, we will reach the results.

Question: Mr. Minister, it is a pleasure to be here and to hear your comments. I am wondering, you mentioned the training of your battalions and brigades and you also mentioned the security sector reform. My question to you is where you see your priorities and your needs over the next few years in those two areas. Thank you.

Okruashvili: A very important issue is whether we can enlarge our training programs in the military field. Considering all the threats Georgia should have three times a bigger army than it has now. But this is not the world of the 80's or 60's, to go like that. We are a very small country and we will not be in a luxury situation to invest as much as possible in the army to balance those threats that we are facing, like two uncontrolled armies—one in South Ossetia and the second one in Abkhazia. The most important thing is that, having a chance to participate in international operations is one of the biggest investments in order to neutralize such threats, because we are getting friends. Why is there not a single complaint in Georgia from the public that we are in Iraq or we are in Kosovo? Because everybody understands we are getting allies, we are getting friends from this, we are getting experience and our army is also growing from this. That is the reason why we are not facing such a problem. And, of course, having a chance to participate in such operations, having friends here, like you, we can neutralize those threats without having three times bigger an army than we have now. So, those programs will be finalized which means that there will be no necessity to increase the military training programs and, of course, those will be successfully done. And that will allow us again to be in operations like we are now.

Dr. Welt: Two questions up front.

Question: You talked a lot about NATO and you talked about some of the military missions that in your view your work is to prepare Georgian military to be able to perform. I would like to ask you to more fully address the European dimension of

security and Georgia's view of European security issues and challenges. Because NATO is obviously changing over time and NATO's missions could be developing outside of Europe, but this remains contentious within NATO's core, in its existing members. So I would like to hear your thoughts about where Georgia fits in a more, maybe, traditional concept of European security, one that is being discussed and developed over time, as part of that movement towards NATO membership.

Okruashvili: Thank you. Since the Rose Revolution, since the Orange Revolution, both of us, we and Ukraine, we got a big chance to really move forward very fast towards Europe, towards NATO. There will be obstacles to this, there will be interruptions from the other sides. But this is obvious that this was the decision of the Georgian nation, this was the decision of the Ukrainian nation, to decide that we are a part of Europe, we are a part of this home and we want to return there. Black Sea cooperation is very important and we see that through NATO we can develop this cooperation like we already renewed the cooperation through GUAM, inviting the Baltic States, Romania and Poland, giving more attractiveness to this organization, which really can provide security in the region—continuing the cooperation within this framework. And we see that after Romania and Bulgaria became members of NATO, Georgia has not only the chance, Georgia has the status by its location to enlarge the security of Europe towards the Caucasus. The major problem is that we don't want to have our membership of NATO as a hostage to our territorial problems. We will do our best to show progress from our side, we will establish higher and higher requirements to improve the situation and we will come to that level when Georgia will be ready for membership in NATO. But if at the same time the South Ossetian and Abkhazian problems will be unsolved, we don't want the process to be interrupted by these problems. And that's why we want the help from the United States, from our other friends—to help to solve the Abkhazian and South Ossetian problems. Thank you.

Dr. Welt: Mr. Ambassador.

Question: First of all, minister, congratulations with the good work you are doing back in Georgia. Lithuania, as you know, went through a similar process during the last fifteen years, and we finally succeeded and we wish you to do the best and, you know, our experience is available for your good offices. My question is very much similar to the previous one. You praised the United States and NATO in helping Georgia to address security concerns and building your military from scratch. How do you see the European Union countries can help in this path? And, in addition to that, what are the subsequent steps envisaged in the bilateral steps with Russia with the respect of completion of the political agreement you signed with Russia on withdrawal of troops? Thank you.

Okruashvili: It took several very difficult years of negotiations to come to this point when our counterparts acknowledge that it was an international obligation that was undertaken in '99 and we successfully reached an agreement. There might be some additional problems during these three years, which is the deadline for the withdrawal of the forces, but I am sure that we will show good faith towards each other to complete this agreement. What concerns the activity of the EU about the enlargement or about taking

care of the stability and security in the region is that we are receiving some military assistance from Germany, from France, from other countries. But we want them to be more active and to give more attention to this region. Which is again, as I have already mentioned, very sensitive. We want them active like the United States, this is the best wishes from our side, and the desire from our side, but again this will be a really good investment for the region, for the security of the region.

Question: Mr. Minister, thank you very much for your remarks, and a question... given the fact that the integration with NATO and the European Union are considered to be one of the most important primary goals of the Georgian foreign policy, what would you identify as the main obstacles for that, and how and on which principles should they be overcome from the Georgian perspective? Thank you.

Okruashvili: I think I have answered this question because the main obstacle can be the territorial problems that Georgia is facing and we can solve this problem in our efforts by involving the international community in solving this process, because without the involvement of the international community we cannot move forward. We face the problem with our border-monitoring operation, on the border with Chechnya. Russia put the veto on this issue. And since the Rose Revolution, as I already underlined, we are taking care of the reputation of the country. And we are suffering from each article that is written in international media that, according to the announcement of Russian politicians, or Russian officials, that there are some terrorists in the Pankisi gorge on the Georgian territory. Because when somebody sitting in Washington or New York thinking whether to invest some money in Georgia, of course they are changing their minds to not to go there—if some terrorists are there, somebody shooting on a daily basis, why should they undertake the risk? We are again, as I already mentioned, taking care of the reputation of the country and we want to exclude such misunderstandings. That's why the participation of the OSCE was very important on our border monitoring operation, in order to have a third party which will provide the real information, and objective information, to the international community. [Inaudible] if not OSCE or if not EU at least some informal coalition of our friends to have again a third party there which will decide whether there is a ground for Russia to blame Georgia or Georgia is doing something wrong there. This is not in our interest to continue how it was during the Shevardnadze period, because this is not that world that was, as I already mentioned.

Question: What is the status of the pipeline?

Okruashvili: Well, I'm not familiar with the issue, but when President Saakashvili and President Aliiev together with President Nazarbayev, they opened part of pipeline in Azerbaijan. I think, something, about two weeks later there will be an opening ceremony in Georgia, and then to Turkey's side.

Dr. Welt: I wanted to, if I may, return to the question of NATO and the implementation of the IPAP, and I understand that you had mentioned earlier that in your discussions with NATO they had made several recommendations, or offered several guidelines, as to what Georgia ought to do, and you had indicated that several of those guidelines were appropriate recommendations and some of them perhaps could be modified a bit. I want

to give you an opportunity to discuss a little bit more about those discussions and the nature of those negotiations and what you thought they might have seen in a slightly different matter than perhaps your ministry has.

Okruashvili: Generally, the assessment documents were shown that we showed progress, and there were only three topics, which was remarkable with our problems that we faced in order to fully execute the IPAP. First, it was the radical changes of the staff at the Ministry of Defense and the general staff, which was done, it was done, so we cannot change anything, and radical changes aren't planned in the near future anymore. And by this, we are correcting this problem. The second was that we are having to separate the military foundation, which is not receiving the budgetary funds, which is funded by Georgian business interests, of course voluntary, and which allows us to conduct procurements out of the budget that we got from the, adopted from the parliament. Of course we acknowledge that this is not the normal style of work or according to standards that we have to comply to and we promise that until the next assessment team comes, which will be in September, end of September, beginning of October, this problem will be resolved because we are closing the foundation, which has existed since last June or July of last year. And none of the serious procurements was done from this, only like construction or improvement of the infrastructure of the Ministry of Defense. The third issue was whether it is correct, when we are conducting some procurements without finalizing defense planning processes. I several times mentioned that we got the army in a very difficult situation - below zero level, almost below zero level. Georgia was the only country which got nothing as a heritage from the ex-Soviet army, because of too many problems, and we need to come up to some level. We need to improve the situation within a short time radically and that's why we didn't wait for defense planning and we directly started the, not only public procurements, also establishing some battalions, creating some battalions, creating some brigades, but, of course the situation will be corrected since we will have the defense planning documents finalized, which will be somewhere in September, as well the Strategic Defense Review will be finalized end of the year.

Question: You talked a lot about your relations with Europeans and Americans and more distant lands. I wanted to ask you about your immediate neighbors Turkey, Azerbaijan, Armenia. When President Saakashvili was in Armenia he mentioned that there was something to learn from the Armenians and for Armenians to learn from Georgians. And now that all three countries have IPAPs submitted, is there a consistent military dialog taking place between Georgia and Armenia, Georgia and Azerbaijan, not just limited to IPAP? Is there a consistent military cooperation developing there?

Okruashvili: Sometimes we are not giving big attention to local cooperation and we are most oriented on the West. At the same time this is very important. It is very important to have cooperation within the region. As I know, Azerbaijan has already gotten the IPAP from NATO and Armenia is preparing a demonstration for its documents to get the individual partnership action plan. Of course, we will be glad to provide our experience, how we moved or how we are moving towards NATO through this process. This is also important to share the experience from our Baltic colleagues because they already moved

the same way that we are moving now. The way they moved 15 years ago, we are moving now and their experience is very important for us. And we can share the same kind of experience to our Azeri colleagues and our Armenian colleagues also. I am planning my visit to Azerbaijan, I met my Armenian colleague a week ago in Brussels. We spoke about the issues like I am speaking now. So we should give more attention to the local cooperation.

Question: Just wanted to ask a question referring back to the situation in South Ossetia with the Georgian population there. You mentioned some of the recent events about kidnappings and killings. I was just wondering, how serious is it that the Georgian population might actually get out of control or take things in a way that the situation could get out of control. What preventive measures are you planning for? And if it does get out of control how will you respond?

Okrushvili: A very difficult question. We several times applied and continue to apply to the Russian peacekeepers whose primary responsibility is to maintain peace in that region. Last year we undertook this function and we were criticized about what happened because of this. We don't want to appear in the same kind of situation. That's why we will remind our Russian colleagues that they should do their best not to escalate the situation there, because it cannot continue like that. I mentioned that in difficult cases, we cannot prevent the situations when Georgians will seek revenge or maybe there will be the same kind of action from the Ossetian side, then we will lose control there. And all those peaceful resolution plans, everything that we have submitted that we are advertising, we are trying to talk to the people, and delivery with the people will be just lost. What we are doing is that there was contact between our officials and the local authorities to work on each side like we are working with the Georgian population that lives there: a day before yesterday I had some phone calls to local leaders explaining to people that we cannot undertake any action. You can consider me as an influential person there because I am originally from this region. I am spending much time to prove to the people there that they should do their best to maintain stability there, because we have a really big chance now to reach the results—results about the peace, results about the status of South Ossetia. And also Russians should do their best. I do not hope that there will be a really big positive action undertaken by South Ossetians because, as I already mentioned, they are not the decision-makers there. Mostly Russians are having control and they should do their best to stop the escalation of the situation.

Dr. Welt: The minister has been very gracious to answer all the questions that we've been putting to him, putting him on the spot on several, and answering them very capably and giving us a very thorough overview of the issues that face him. We have time, I think, to take one more question that we have up front.

Question: Mr. Minister, thank you for taking the time. You've already accomplished a lot of reforms in Georgia. You have a civilian defense minister. You have a civilian defense ministry. I would like to ask you two related questions about Georgia's move toward NATO. First, as you look toward the completion of the IPAP, sometime this year or early next year, what are the one or two major changes we can expect to see in the

ministry of defense? And second, as we look forward, Georgia's membership in NATO will go beyond IPAP, it will go beyond the membership action plan, it will go beyond what we are doing in Kosovo and Iraq. What argument would you make to skeptics, why should, for instance, our European allies in NATO want to have Georgia in NATO? What does Georgia bring to the alliance?

Okruashvili: I mentioned that it is very important to finalize the Strategic Defense Review which will give a clear picture of where we have to move, where we are moving, where we were moving before, and what is the real status of the Georgian troops, what are the conditions of the Georgian troops, etc. There was the situation before when nobody knew the exact number of troops that Georgia had, there was a situation when nobody knew the exact amount of ammunitions that Georgia had in the stocks and warehouses. So, finalizing this will finally provide us with this kind of information and, accordingly, will help us to properly finalize the defense planning process. This will be a really big progress that we will show at the end of this year or beginning of next year.

What concerns the integration of Georgia to NATO. As I already mentioned that Georgia's Rose Revolution became and can also become additionally as an example to other nations to enlarge the democracies which will be a really big contribution to, of course, to the international community and the NATO...As you know that NATO is not only a coalition about the military issues only. Georgia's contribution can be that if democracy in Georgia will grow up, if democracy in Georgia will be very strong this can become a really good example for the other countries in Central Asia, which will really become a big contribution for security, not only in the Caucasus region but also in Central Asia. Not only in the Caucasus region, but also some neighbors of Ukraine. This will be a contribution from the Georgian side. Why NATO should undertake Georgia as a headache.

Dr. Welt: Wonderful, thank you very much Mr. Minister, I appreciate you taking your time out of your busy schedule.

(Applause)

I am very grateful that you came. I also wanted to point out that he brought an absolutely superb delegation representing at least two branches of the government, including his deputy minister of defense David Sikharulidze, members of parliament Giga Bokeria and Nick Rurua, and head of the presidential administration Gigi Ugulava, as well. We are very grateful that the entire delegation was able to come and to express to their counterparts here Georgia's position. Thank you very much.

(Applause)