

Caucasus ELECTIONSWATCH

A weekly review of elections related processes in the Caucasus Region

10 July 2012

The Chairman of Georgian CEC speaks about preparations for October elections.

In an exclusive interview with *Caucasus Elections Watch*, the Chairman of the Georgian Central Elections Commission, Zurab Kharatishvili, welcomes the fact that it is not the CEC which is responsible to supervise political party finance and the compilation of the voters list. He speaks about the work of the CEC in other spheres as it prepares for the Parliamentary Elections in October.

CEW: Georgia is on the eve of important parliamentary elections. How do you describe the level of preparation of the Central Elections Commission at this point?

Zurab Kharatishvili (ZK): 2012-2014 is a busy election period for Georgia – there will be elections for the Parliament of Georgia and elections of the Supreme Council of Adjara in 2012, Presidential Elections in 2013 and Local Self-Government Elections in 2014. The CEC developed a multi-year Strategic Plan due to the forthcoming active election period, which is now being implemented by us. Meanwhile, we reorganised and modified the CEC structure into a more flexible and pliable modern system; we implemented wide-ranging and intensive capacity building training for the staff at all levels; we are designing and creating an intranet connecting all 73 District Election Commissions. Also we are developing web-resources to ensure that voters are able and empowered to get introduced to the election administration activities directly and personally, and share their own views. On the day the notice of elections is published, a hotline will be launched enabling voters to obtain detailed information and check their name in the voters' list via text messages, and through our web-site. We actively work to develop direct and effective communication channels with voters and stakeholders (local and international monitoring organizations, media and political parties), and we have initiated the formation of working groups on the issues of persons with disabilities and ethnic minorities. We believe that such activities improve the election environment, and enhance public trust towards the election process in Georgia.

Continued on page 7.

Opinion - a CEW Editorial Comment

Elections in the South Caucasus: Glass half full or half empty?

The Irish Chairmanship of the OSCE and the OSCE Office for Democratic Institutions and Human Rights (ODIHR) will be hosting a meeting in Vienna on 12-13 July to discuss democratic elections and elections observation. This Supplementary Human Dimension Meeting (SHDM) will provide a platform to discuss best practices in follow-up and implementation of the OSCE commitments on democratic elections and explore strategies and key issues in election observation. The SHDM will also address such election-related matters as universal and equal suffrage rights, legal framework, media, campaign financing, and gender. The meeting cannot be more timely for the countries of the South Caucasus in the middle of a crucial cycle of elections.

Since 1992 ODIHR has done sterling work in support of the process of democratization in the transition countries of Central and Eastern Europe. It accompanied the process of democratic development of many of the countries that now form part of the European Union, not least through support for their electoral process, and through monitoring of elections. The political elites in these countries may have been divided by ideology or political platforms, but they were united in wanting genuinely to make the passage to democracy complete. ODIHR has helped them achieve this objective.

ODIHR has also been much involved in the countries of the South Caucasus. Here however the results are mixed. All ODIHR election observation reports for Armenia, Azerbaijan and Georgia highlight serious shortcomings. Sometimes the reports, and the accompanying statements – not least during the controversial post election press conference – emphasise the positive; at other times they emphasise the negative. The glass is sometimes half full, and sometimes half empty.

Times however are changing. Twenty years into their regained statehoods Armenia, Azerbaijan and Georgia are changing too, and so are the expectations of their citizens. Half full glasses are no longer acceptable to them, and they should not be to ODIHR either. Election Observation reports need to be more robust and should stop taking heart from bright spots in isolation. It is time that the glass is full. ■

Caucasus Elections Watch is a specialised weekly publication focusing on elections related processes in the Caucasus, with news and analysis compiled by experts with long experience of the region.

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Baku

Gilal Mamedov, editor of the independent newspaper "Tolisi sado" (The Voice of Talysh), was arrested on June 21st in Baku and has been charged with treason. His lawyers claim that the charges laid against Mamedov for inciting racial, ethnic and religious hatred are politically motivated.

Mamedov, who is from the minority Talysh community, was arrested for drug possession after authorities searched him and his apartment allegedly finding 30 grams of heroin. Friends and colleagues describe the Azerbaijani mathematician and editor as someone who does not smoke, drink or do drugs.

Tolisi sado, according to a report by Radio Free Europe, is published in the Talysh language, a variant of Persian and was last published over a year ago.

Gilal Mamedov lived in Russia until 2005. Two years after his return to Baku he led the defence efforts of the former editor of Tolisi sado, Noruzali Mamedov, who was sentenced to 10 years' imprisonment on charges of spying for Iran in Azerbaijan. Noruzali died in jail in 2009.

According to Radio Free Europe, while Gilal Mamedov has advocated for the protection of the Talysh national identity he has never openly expressed opposition to the government, or laid claim to an independent Talysh state, leaving many puzzled as to the motive behind his recent arrest. In 2007, he was reported to have expressed his concerns that the Azerbaijani leadership was attempting to make the country into a mono-ethnic state.

The Talysh people speak a Persian-based language, and live mainly in the south eastern regions of Azerbaijan which border Iran. According to the 2009 Azerbaijani national census there are 112,000 Talysh living in the country. However, Talysh activists claim the number is in fact much higher at approximately half a million. ■

Tbilisi

On July 6, 2012 the eighth meeting of the Central Election Commission (CEC) of Georgia with representatives of political parties was conducted at the Marriott Courtyard Hotel. According to the website of the CEC the sides discussed the rules of registering international observer organizations and international observers, as well as their rights; they also discussed the rules of placement and disposal of the sum on deposit by independent majoritarian candidates. In the meeting participants presented their suggestions and recommendations on the mentioned issues.

The website adds that on the initiative of the CEC, technical meetings with political party representatives are conducted regularly. The next working meeting between the CEC and political parties will be held on July 20, 2012. ■

Yerevan

A Republican Party lawmaker Ruben Hayrapetyan handed his resignation from the Armenian Parliament after a meeting with the Armenian President Serzh Sargsyan.

It followed an incident during which a military doctor Vahe Avetyan was beaten to death at the Harsnaqar restaurant complex owned by the ruling party lawmaker. He was hospitalized with serious damages to the skull and died after remaining unconscious for twelve days.

The businessman MP, who is also the president of the Football Federation of Armenia (FFA), subsequently issued a statement, declaring his intention to vacate his seat in parliament.

"Such an incident was not supposed to happen and involve me and my family. I cannot forgive myself nor do I know how I can apologize. I feel the moral duty to vacate my seat in parliament. I apologize to my voters and hope they will show understanding. I hope Vahe's family will forgive me one day. In any case I will do my best for that," he said.

Hayrapetyan's statement resignation followed a wave of public outrage demanding fair prosecution of the culprits. ■

OSCE/ODIHR prepares to deploy 400 international observers for Georgia's autumn elections, as report of its "Needs Assessment Mission" highlights polarised environment.

An OSCE/ODIHR "Needs assessment mission", ahead of Georgia's parliamentary elections, scheduled for October, has released its report following its visit to the country from 11-15 June.

The report noted a "polarised" electoral environment in Georgia and stated the need to ensure that the elections are observed evenly across the country, with particular emphasis on the regions with national minorities. The OSCE/ODIHR representatives called for OSCE Member States to pledge 28 long-term observers to be deployed for the campaign period and 350 short-term observers for the actual election day, in addition to the core OSCE/ODIHR staff.

While noting several improvements, and the implementation of many of the OSCE/ODIHR and Venice Commission's previous recommendations to the electoral framework and preparations, the report highlighted concerns surrounding voters' lists, abuse of administrative funds for campaign purposes, intimidation of opposition supporters in the regions, the rigidity and selectivity of the State Audit Service (SAS), and the political polarisation of the media.

The report recommended the OSCE/ODIHR election observation mission (EOM) concentrate its activities on monitoring the implementation and impact of the new electoral legal framework, media coverage of the campaign, the application of the new regulations for campaign financing, the performance of the complaints and appeals mechanism, and the general conduct of candidates throughout the campaign.

New Electoral Code

The report welcomed the adoption of the new electoral code of Georgia in late 2011. It pointed to the generally inclusive legislative process, though concerns were recorded that many opposition parties felt their suggestions were not included in the final version. "The draft," concluded the OSCE and the Venice Commission last December, "included the necessary elements for administering elections and addressed several previous recommendations." The two international bodies repeated calls to address the issue of unequal sizes of electoral districts and provisions that allow "political officials to campaign while conducting their official duties and permitting the use of administrative resources as long as they are accessible to all contestants."

The most positive assessment with regard to the current pre-election environment in Georgia was reserved for the Central Election Commission (CEC), including the District and Precinct Election Commissions. In general, "overall trust" was noted by those interviewed for the report. Many interlocutors pointed out the efforts of the CEC chairperson to build trust in the institution amongst the Georgian population. The CEC, in collaboration with the International Foundation for Electoral Systems, has prepared a guide for the election commissions and the public on how to initiate and what to expect in the complaints procedure. Furthermore, the Needs Assessment Mission (NAM) praised the CEC for the numerous education campaigns it is planning to encourage voter participation, particularly among women, the disabled and national minorities.

Voter's list

On the whole, the OSCE/ODIHR NAM to Georgia viewed the changes to the compilation to the voters' list as positive. Importantly, in contrast to previous elections, the lists will not be compiled by the Central

Election Commission (CEC) but rather by the Commission for Ensuring Voter List Accuracy (CEVLA). As a result of the issues surrounding previous voter lists, the government and opposition parties agreed to create CEVLA as a neutral body which is chaired by a representative of the opposition and composed of seven representatives from the government, political parties and civil society, respectively.

CEVLA is currently undertaking a nation-wide voter list verification exercise. Twelve thousand staff have gone door-to-door to verify lists and discrepancies are checked with the Civil Registry Agency (CRA) of the Ministry of Justice. Verification is planned to be completed by August 1st, at which point the voter's list will be made available for public scrutiny on-line, via telephone hotlines and SMS.

Though many stakeholders have noted an increased confidence in this procedure to ensure accuracy, the NAM report highlights that the continued lack of a unified address system in Georgia complicates verification procedures. The CRA interlocutors also pointed to the difficulty of identifying and verifying voters living abroad.

The CRA has taken steps to address the above issues including initiating a procedure to establish an address system in Tbilisi and 200 large villages for the elections, the removal of deceased voters from the lists, as well as the creation of an on-line voter registration platform through the Georgian consular network – though some of those interviewed by the mission expressed their concerns that manipulation of the lists of voters abroad on election day was still a possibility.

Funding and Administrative Resources

The OSCE-NAM report underlined the public criticism of the newly formed State Audit Service (SAS), which was created in an effort to ensure greater transparency, oversight and enforcement mechanisms surrounding financing of political parties and campaigns. Concerns have been flagged about the discretionary authority granted to the SAS through the amendments to the Law on Political Unions of Citizens. Some of the persons interviewed by the OSCE-NAM representatives pointed to the apparently selective approach taken by the SAS and its focus on Bidzina Ivanishvili, the leader of the opposition coalition, Georgian Dream.

The report also brought to the attention of the CEC the OSCE/Venice Commission apprehension concerning the possible abuse of administrative resources by political officials during the campaign. The CEC, according to the report, is taking steps to sign a Memorandum of Understanding (MoU) with all candidates regarding the use of administrative resources during the campaign, although no further details were provided as to what will be included in this MoU.

The Media Environment

Finally, the NAM report presented a mixed picture of the media environment leading up to the elections. While on the one hand acknowledging the positive adoption of the must-carry/must-offer legislation in the Georgian Parliament this month, the report nevertheless presented its worries about the biased nature of national media coverage of the elections and highlighted the observation of the implementation of the new legislation as a task to be carried out by the EOM. ■

Source: Report compiled by Karina Gould for CEV. The full report of the "Needs Assessment Mission" is available on the website of ODIHR, www.odihr.pl.

President of the European Council high profile visit to the region

Elections featured prominently in the discussions held by the President of the European Council, Herman Van Rompuy, in the course of his high profile visit to the region during which he met the President of the three South Caucasus countries, as well as civil society and political party representatives. Recognising the progress made by Armenia in the conduct of its recent Parliamentary elections, van Rompuy addressed a special session of the Armenian Parliament.

CEW Victoria Arnold sums up the visit of the President of the European Council to Armenia, Azerbaijan and Georgia.

Although he had met political leaders from Georgia, Armenia and Azerbaijan at various talks and summits in Brussels and Warsaw, including the heads of state, this was the first time Herman van Rompuy was seeing them on their home ground, an indication perhaps of the European Union's growing engagement with the region's affairs. Over the period of two days, Mr Van Rompuy travelled to all three capital cities, held talks with ministers and civil society groups, and made two major speeches in which he outlined the EU's relationship with the three countries. Statements made by Van Rompuy and his hosts covered a wide range of topics, but certain themes were discernible, including the mutual benefit of closer relations with the EU, the potential for EU assistance in conflict resolution (namely in Nagorno-Karabakh), and the promotion of EU norms and values, particularly with regard to electoral reform and political accountability.

Armenia has just held elections to its National Assembly, and will have a presidential vote next February. Both Azerbaijan and Georgia will also be going to the polls in major political contests in the next eighteen months. As EU diplomats work on the negotiations of Association Agreements with all three South Caucasian states, the conduct of these elections and the long-term fostering of a transparent and pluralist political culture are of considerable importance, and will be the focus of much attention.

In Armenia

The OSCE Office for Democratic Institutions and Human Rights (ODIHR) reported that Armenia's parliamentary elections of the 6th of May "were characterized by a competitive, vibrant and largely peaceful campaign, which was, however, marked by a low level of confidence in the integrity of the process". A number of violations of campaign provisions (for example, in the deployment of administrative resources) were recorded, as were instances of undue interference in the voting process by representatives of political parties, and shortcomings in the complaints and appeals system. Mr Van Rompuy repeatedly alluded to these findings and their implications for the Armenian electoral system in his public comments in Yerevan, praising the generally free and fair nature of the elections, but emphasising that further work is needed.



Perhaps in recognition of the new situation in the Armenian Parliament, where deputies representing all major political forces in the country are now represented Herman Van Rompuy addressed a special session of the National Assembly during his trip to Yerevan. He stated.

"I am glad that the elections on 6 May demonstrated progress towards a more transparent and competitive electoral system. This was an important step forward, and I encourage Armenia to continue on this path, by strengthening democratic institutions, promoting transparency, human rights and the rule of law. At the same time, it is clear that a number of issues still need to be addressed to further improve the electoral system. Valuable work has been done by the observers of the OSCE/ODIHR as identified in their Final Report. I trust these issues could be addressed in good time for the presidential elections next year."

European Council in the South Caucasus.

In Georgia

In Georgia, Mr Van Rompuy's next destination, his observations were less positive and more pointed: "The parliamentary election in October and presidential elections in 2013 will be crucial indicators of the progress Georgia has made on its path to reform. I encourage all political actors in Georgia to support a tolerant political culture and issues-based debate. Fair competition and genuine participation in the elections will be fundamental".



The OSCE/ODIHR team monitoring Georgia's 2008 presidential election, while acknowledging that it was a genuinely competitive contest, nevertheless found some serious problems, including verifiable instances of intimidation of some voters and of opposition activists. They also noted that "distinction between State activities and the campaign of the ruling United National Movement (UNM) party candidate, Mr. Mikheil Saakashvili, was blurred". Similar observations of a hazy distinction between state and ruling party were made about the Georgian parliamentary elections in the same year.

Perhaps with this in mind, Mr Van Rompuy, at the press conference following his meeting with President Saakashvili, remarked: "I have pointed to the responsibility that lies with the President and his Government to ensure legitimacy of the elections. In this regard, I welcome President Saakashvili's aim to keep the electoral process open to election observers. I made the same point to the opposition when I met them earlier today. Building democracy needs responsible actors across the political divide".

In Azerbaijan

Azerbaijan's last parliamentary election, in 2010, was marked by inequality and bias in a number of crucial spheres, from media coverage to access to administrative resources, and the "fundamental freedoms of peaceful assembly and expression were limited".



One of the consequences is that many Azerbaijani opposition parties are currently not represented in Parliament and see street protests as their only means of voicing their views. Unauthorised demonstrations were held throughout 2011, largely led by the main opposition parties Musavat and the Popular Front Party. At several of these, participants were arrested.

Mr Van Rompuy made a point of welcoming the release of nine of those imprisoned last year, calling it "a positive step taken by Azerbaijan in its efforts to improve civil and political rights", and encouraged the Azerbaijani authorities "to continue and to deepen the reform process, including creating the necessary conditions for fair and transparent elections in 2013".

In general, Mr Van Rompuy's comments on elections in the South Caucasus were characterised by three things. Firstly, both the electoral system and the political culture in which elections are held must be pluralist and transparent if free and fair votes are to take place.

Secondly, improvements should come both from above and from below - while governments should, for example, improve their electoral codes and establish robust and open procedures for complaints and appeals, steps should also be taken to foster an involved and healthy civil society. "The role of civil society is paramount in any country's modernisation," Mr Van Rompuy remarked in Baku. "The greater the engagement of civil society, the deeper the democracy with political pluralism and a system of checks and balances".

Finally, greater proven electoral transparency and fairness are a vital part of the reform process required of the South Caucasus states by the EU, without which the Association Agreements for closer ties cannot proceed. ■

Source: CEW

Campaigning intensifying in Presidential contest in Nagorno-Karabakh.

With less than two weeks until the elections, all four presidential candidates have stepped up campaign activities in the self declared Nagorno-Karabakh Republic (NKR).

This past week saw incumbent president and presidential candidate Bako Sahakyan touring the NKR regions between official duties and expounding the improvements and developments implemented by his government. He started his tour in Kashatagh region, continuing onto Martakert by the end of the week. Pointing to infrastructure repairs made since his government took power five years ago, the president also made clear that much work was still needed and committed himself to continuing to improve infrastructure and social services provisions if re-elected. While in the northern part of Kashatagh region he promised to focus on developing the local economy.

At a meeting on July 5th, at the palace of culture in Stepanakert, Sahakyan met with workers from the communications, energy and transportation sectors. Outlining advances in infrastructure and energy development and exploitation, the President announced his commitment to working with these sectors for a prosperous NKR.

Vitaly Balasanyan, whom many consider to be the principal opponent to incumbent President Bako Sahakyan, also spent last week visiting different regions of Nagorno-Karabakh for his campaign. Speaking to voters in Martouni, Martakert and Askeran regions, Balasanyan presented his platform, promising changes to how public affairs are conducted, and his commitment to the construction of a free and fair country. While campaigning in the Martakert region, Balasanyan expressed his pledge to village and agricultural development programmes.

At the same time, the third candidate, Arkady Soghomonyan, held meetings in the regions Kashatagh, Berdzor, and Askeran. He also spent time meeting with civil servants as well as staff at hospitals across these regions, presenting his election programme and answering questions about his plans.



The incumbent President of Nagorno-Karabakh, Bako Sahakyan in a meeting with workers from the communications, energy and transport sectors ahead of the 19 July elections in the self-declared republic.

Of the four candidates, only Valeri Khachatryan is falling behind in campaigning, citing financial problems. Khachatryan, however, has stated that he is relying on his 50 years of experience and personal recognition across the NKR for the campaign.

According to R. Petrosyan, the chairperson of the NKR Central Election Commission (CEC), no serious irregularities have been reported thus far during the campaign period. However, Balasanyan, has lodged a complaint with the CEC concerning Bako Sahakyan's campaign material. According to Balasanyan, Sahakyan's printed material was not properly registered with the CEC. The CEC has since confirmed that this issue has since been rectified.

The elections in Nagorno-Karabakh are not recognised by the international community and have been condemned by Azerbaijan as yet another Armenian provocation. ■

Report prepared for CEW by Karina Gould with files from Artsakh Today and Artsakh.tv.

The Chairman of Georgian CEC speaks about preparations for October elections... continued.

CEW: Two important aspects of elections that in most countries are within the competence of the CEC, the compilation of the voters list and the supervision of political party finances have been delegated to other agencies. Do you think this is good practice and does it help or hinder your work?

ZK: Forming an independent body to monitor the political party finances has been recommended to Georgia by international organizations. The CEC had limited responsibility for these obligations in previous years and then, this was only in terms of election period, whereas now the Chamber of Control (recently renamed the State Audit Service), has a full-scale monitoring scope not only related to election matters, but covering the non-election period as well. Hence, constituting this institution can be considered a positive factor.

As for the Commission for Ensuring Voters' List Accuracy - we welcome the creation of such a body composed from the political parties and local NGOs. We evaluate their activities as reliable up to now, and do believe this will increase the confidence towards the voters' list.

CEW: The Government has set up a special Elections Task Force under the chairmanship of the Secretary of the National Security Council. How does the work of the Task Force impact the work of the CEC?

ZK: A similar commission already existed during the elections of 2008 and 2010. The existence of this commission is stipulated by the Election Code. The novelty is that now there is a wide representation of the stakeholders - political parties, media, local and international monitoring organizations - in the commission. In 2010, the commission impacted positively in preventing illegal use of administrative resources and significant risks of misconduct. Therefore, I evaluate existence of such a commission favourably as well.

CEW: How many people do you envisage will be involved in the organization of the elections? How is the CEC recruiting its staff?

The overall number of electoral administration staff significantly increases during the election period - from 500 to 48,100. Most of them are being assigned to District and Precinct Election Commissions by the political parties. The rest of the staff are being appointed on the basis of an open competition. They are coached according to the cascade training with a new methodology and multimedia format during the election period.

Testing, held after the training, will allow us to evaluate their knowledge and skills, which we consider as the component of risk mitigation at election precincts.

CEW: What are your plans with regards to the transparency of the counting process? Do you plan to publish the results precinct by precinct?

ZK: According to the new Election Code, representatives of political parties as well as observers may be involved in the vote counting procedure. At the same time, I would like to mention that with regard to the legislation, it has been already several years since our commission promptly uploads scanned summary protocols of all precinct election commissions on the CEC web-site. We will use the same practice during the 2012 Parliamentary Elections.

CEW: What plans does the CEC have with regards to the organisation of the work of the media, particularly television, and even more particularly the Public broadcaster once the election campaign starts officially?

ZK: The CEC will have an open-access interface to comprehensive media coverage through television, print or new media. Moreover, there is active interaction between the Elections Administration and the media throughout the year, offering to all media, information which is of interest, on a regular basis. We are also keen to create convenient working surroundings for them to offer favourable conditions for professional activities during the election period on a maximum level.

As for the organization of the work of the media, the Georgian National Communication Commission will launch the media monitoring program prescribed by the Election Code of Georgia.

CEW: What arrangements is the CEC making with regards to access for international and domestic monitors for the election process?

ZK: Authoritative international observer organizations traditionally are concerned to monitor elections in Georgia. We expect them to show interest in the upcoming elections as well, and like previous years, they will be able to conduct full scale monitoring in an objective and professional manner with minimal formal procedure prescribed by the law. We also actively support local observer organizations in their activities and within the framework of working groups we discuss ways of strengthening our cooperation. ■

Source: CEW



The Chairman of the Central Elections Commission of Georgia, Zurab Kharatishvili.

Georgia's State Audit Service widens investigations into companies associated with the opposition, amid warnings from the EU and the OSCE.

CEW Editorial writer Karina Gould follows the latest moves by Georgia's State Audit Service against the Georgian Dream Coalition.

On the heels of the property seizure and fines levied against Georgian Dream leader, Bidzina Ivanishvili, this week witnessed a continuation of the State Audit Service's (SAS) investigation into campaign and party financing in Georgia.

The increased investigations come just days after the OSCE published the report of the Needs Assessment Mission for the upcoming parliamentary elections in Georgia. The report notes that the SAS has been perceived in the country to be "applying a selective and excessively rigid approach due to the number of cases it launched to investigate the legality of spending by Mr. Ivanishvili" and his affiliates. Though recognising the need and importance of monitoring political financing and spending, the report cautioned that the penalties imposed were considered by many political stakeholders as excessive.

The SAS emphasised in a meeting with the OSCE mission that it is "guided solely by rule of law principles" and "scrutinises the activities and reports of all political parties."

The SAS sentenced Burji Ltd, a company they claim is affiliated to the billionaire leader of the opposition coalition, to pay an 8,644,640 lari fine, or about USD 5.2 million for what the Tbilisi City Court deems an illegal donation to a political party. The fine has been issued for the use of 54 cars that the company provided to Georgian Dream free of charge.

According to Merab Barbakadze, a lawyer for Burji Ltd, the court refused to consider evidence provided by the company that the parties indeed paid for the services provided by his company, citing the company tried to present receipts and contracts for the cars hired with the coalition parties.

Furthermore, given that Georgian Dream hired the cars for three days, Barbakadze stated the fine issued was completely disproportionate with the cost of the services provided. According to Georgian law, the SAS has the right to fine up to ten times the original value of the violation. However, Burji Ltd.'s lawyer confirmed that while the cost of the purchase of the cars was equal to 864 000 lari, the cost of renting the cars for three days is not equal to the total value of 54 cars.

According to the SAS, the owner of Burji Ltd. is registered offshore, and chaired by Kakha Kobiashvili, Ivanishvili's nephew.

In addition to the investigation mentioned above, the SAS also claims the company, along with Management Services (another company affiliated

with Ivanishvili and the subject of previous funding violations) provided renovation services that were "artificially deflated" for offices run by the opposition coalition. In a similar vein, the court found Burji Ltd and Management Services guilty of a violation of a non-monetary corporate donation to a political party and fined the enterprises a further 2 373 475 lari, or USD 1.4 million; the companies have seven days to pay the fines. On Friday, the court seized the company's bank account, which according to Democracy and Freedom Watch will make it impossible for the company to pay the fines. Burji Ltd. has stated that it will appeal both cases.

In addition, twenty-seven people were investigated by the SAS in relation to donations made to political parties, including the ruling party. Ten were able to provide sufficient evidence and their cases were closed, however the remaining seventeen were unable to satisfy the SAS that their donations were made legally and their cases have been submitted for review to Tbilisi City Court.

The investigations come just days after concerns were raised in the European Parliament.

On July 4th Andreas Mavroyiannis, on behalf of the current Cypriot Presidency of the European Union, read a statement in the European Parliament issued by EU foreign policy chief Catherine Ashton. The statement said,

"We have noted with concern the perception that the government is trying to hinder participation of opposition leader Ivanishvili, resources are deployed against him and laws on party finance are being applied in a one-sided way. We must insist that laws are correctly and transparently applied to leave no possible doubt that due process has been followed."

"On the other hand," continued the statement, "there is also a perception that Mr. Ivanishvili is using his... financial asset for electoral gain and this is a legitimate concern. Again we must insist that there is a level playing field for democratic competition and that votes cannot be bought."

Mavroyiannis concluded that "The EU stresses that politically-motivated persecution, direct or indirect, by law enforcement agencies or use of selective justice against political contenders are not compatible with democratic values."

Moreover, the session closed noting that the EU will continue to monitor closely the electoral environment in Georgia and is considering offering additional support to civil society and additional observation initiatives to ensure "maximum transparency" and confidence in the electoral process. ■

Source: CEW with civil.ge, dfwatch.net and europar1.eu