

Georgia's Two-Faced Support for Ukraine

When Russia invaded Ukraine, the West stood by Kyiv's side with arms, money, humanitarian assistance, sanctions against Moscow, and diplomatic and political support. Georgia, however, decided to cherry-pick from the available options, sparring a two-year-long discussion about whether its support for Ukraine is sufficient, rational, and moral.

When the Prime Minister Irakli Gharibashvili declared on 25 February 2022 that Georgia was not joining the Western sanctions against Russia, the overwhelming feeling in Georgia and Western capitals was that Tbilisi chose the wrong side. Indeed, in February-March 2022, not being fully on Kyiv's side, as President Zelenskyy and his team heroically stood up to Mos-

cow, left no room for interpretation. Either you were with Ukraine or with Russia. And not joining the sanctions against Russia meant that you were not with Ukraine.

The traditionally friendly relations between Ukraine and Georgia were already at their low in 2022. Former President Mikheil Saakashvili and his colleagues have occupied high positions of power in Ukraine since 2014, something which caused irrational irritation in Tbilisi. The Georgian Dream was adamant about getting these former high officials either arrested or extradited, failing all attempts until Saakashvili fell into their hands in late 2021 when he smuggled himself into Georgia and was arrested shortly after. The neutralization of the main foe, how-



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ever, did not soothe the differences Tbilisi had with Kyiv.

And then the war started. Georgia had to make a choice, whether to support Ukraine against a common enemy fully and unconditionally or to find a middle ground without upsetting Russia and instigating its wrath in the form of aggression or any other punitive measure. While the probability of Russia's aggression against Georgia as the war raged in Ukraine was not high, many in Georgia could not help but wonder what Moscow would do if Kyiv fell shortly after the invasion.

The decision by the Georgian Dream government not to extend the full possible support to Kyiv was only partially motivated by the fear of Moscow. Another, just as important component was the disbelief that Russia could be defeated on the battlefield and that Ukraine could win. Finally, as Thorniké Gordadze explains in another article in this volume, the reluctance to see Ukraine rise to the status of regional power and change the geopolitical status quo in the region also played a role in determining the Georgian Dream's position.

Political Silence vs. Diplomatic and Humanitarian Support

Since the start of the war, Georgia has pursued a two-faced approach. On the one hand, the Georgian diplomatic service offered unwavering support for Ukraine in international organizations, and the Government of Georgia provided humanitarian assistance to Ukraine and the refugees fleeing the war.

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On the other hand, Georgia's political leaders did not support Ukraine at the political level. Unlike Western leaders who made high-profile visits to Kyiv to express solidarity, Georgian leaders were notably absent from such diplomatic gestures. When President Zelenskyy addressed European and Western Parliaments online, seeking political, economic, and military support, the Georgian Parliament was not on the list. This absence was particularly striking when compared to the events of August 2008 when leaders of Eastern European countries, including Ukraine's then-President Viktor Yushchenko, traveled to Georgia during the five-day war with Russia. This difference in approach was indicative of Georgia's two-faced stance during the Ukraine-Russia conflict.

Furthermore, the Georgian Dream government exploited the Ukrainian tragedy for domestic political purposes. Their message centered on a "peace vs. war" scare tactic, portraying the West and Ukraine as dragging Georgia into the war against the interests of ordinary Georgians. The ruling party positioned itself as

a wise guardian, preventing Georgia from opening a "second front."

Former Prime Minister Irakli Gharibashvili even went as far as <u>blaming</u> NATO's expansion strategy for Russia's invasion in an attempt to appease Moscow. This rhetoric resonated with the Georgian Dream's long-standing message that negotiation with Russia was possible and that irritating Moscow could lead to undesirable consequences.

Georgia's diplomatic support for Ukraine, however, remained relatively high. Not only did the Georgian ambassador and embassy personnel stay in Kyiv throughout the first months of the war, but Georgia supported, joined, or co-sponsored over 500 resolutions, statements, joint statements, and initiatives proposed within major international organizations and institutions.

The Georgian government joined various international endeavors against Russia and in support of Ukraine. For instance, when the Russian aggression and acts of atrocities were <u>referred</u> to the International Criminal Court's (ICC) prosecutor, Tbilisi was among the co-signatories. When the Ramstein format was established, the Georgian defense minister also joined in, and when a group of friends about Russia's accountability was created, Georgia also signed up.

Within the United Nations, Georgia co-sponsored the UN General Assembly (UNGA) resolutions Aggression against Ukraine, Humanitarian Consequences of the War, and Principles of the UN Charter that Underline the Comprehensive, Just, and Lasting Peace in Ukraine. In these resolutions, Russian aggression was condemned, and an immediate withdrawal of the Russian military was demanded.

Georgia also co-sponsored the UNGA resolution on the Suspension of the Rights of Membership of the Russian Federation in the Human Rights Council and the Human Rights Council resolution on the Situation of Human Rights in Ukraine Stemming from the Russian Aggression, which condemned "in the strongest possible terms" the human rights violations and abuses resulting from the aggression against Ukraine by Russia.

Similar diplomatic vigor was observed in the Council of Europe. In February 2022, right after the Russian invasion, Georgia voted in favor of suspending Russia's voting rights in the Council of Europe's institutions. A month later, in March 2022, Georgia also supported the decision of the Committee of Ministers of the Council of Europe to kick Russia out of the organization. Georgia also joined other European nations in founding the register of damage caused by Russian aggression, also an initiative within the Council of Europe.

However, when it came to the more political arm of the Council of Europe - the Parliamentary Assembly (PACE), where the Georgian Dream MPs are represented, activity was nowhere close to the diplomatic efforts. In the fall of 2023, the Parliamentary Assembly of the Council of Europe (PACE) adopted two significant resolutions. The first recognized the Great Famine (Holodomor) as an act of genocide against Ukraine, and the second declared Russia a dictatorship, calling on the international community to reject Vladimir Putin's presidency after 2024. PACE also supported the creation of an international criminal tribunal to investigate Russia's role in Crimea, the war in Donbas, and the MH17 plane crash in 2014. Georgian Dream MPs did not participate in these votes, citing other important "commitments" as reasons for their absence.

A similar trend was visible within the OSCE. Georgia supported the invocation of the OSCE Moscow Mechanism in response to Russia's war on Ukraine in March 2022. However, during the 2023 OSCE ministerial council, Georgia's foreign minister did not join the walk-out of the Western nations when Russia's foreign minister addressed the ministerial. In the speech, however, Georgia's foreign minister condemned the "ongoing war of aggression against Ukraine" and expressed "unwavering"

support for Ukraine's sovereignty and territorial integrity."

Not Joining, But Implementing - Georgia's Stance on Sanctions

One of the most contentious aspects of Georgia's role in the Ukraine-Russia conflict was its stance on international sanctions against Russia. While many Western countries, including the European Union and the United States, imposed sanctions to pressure Russia for its aggressive actions in Ukraine, Georgia found itself in a peculiar position choosing not to join these sanctions but claiming that it is implementing them.

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The only set of sanctions that Georgia joined were the ones related to goods and products originating from Crimea. Georgia has aligned with similar restrictive measures since 2014. Georgia, however, did not join any other sanctions imposed by the EU, which brought down its alignment rate with the EU's Common Foreign and Security Policy significantly. In 2023, almost half of the EU's foreign policy statements were about the restrictive measures against

Russia. Not aligning with them left serious questions about Georgia's foreign policy alignment.

Georgia did join the sanctions imposed on Russia's financial institutions because of the international nature of these sanctions. The banking sector in Georgia, which is heavily dependent on international financial institutions and includes two publicly listed banks (TBC Bank and Bank of Georgia), complied fully with the sanctions regime from day one. Furthermore, Russian VTB Bank was compelled to sell a significant portion of its portfolio to Georgian banks, Basis Bank and Liberty Bank, after the intervention from the National Bank of Georgia (NBG).

The Georgian government claimed that even though it did not officially join the sanctions, it has set up a system at customs to prevent the export of those EU-imported goods to Russia that are sanctioned. In a public report, the government claimed that it had prevented about 1,000 shipments of this sort to Russia. Georgian authorities also did not allow the use of Georgian territory to circumvent the sanctions on military or dual-purpose goods.

Moreover, Georgia periodically made concrete decisions to align its actions with the EU's sanctions. For instance, in September 2023, Georgia <u>banned</u> the re-export of specific EU-made cars to Russia

and Belarus. The ban applied to vehicles with an engine capacity of more than 1,900 cm and electric vehicles. In 2022, Georgia also banned the export of such vehicles that cost more than EUR 50,000. The number of cars exported to Russia, therefore, fell from almost 700 cars sold per month during January – July 2023 to just 85 cars exported in August and only four in November 2023.

This approach of not allowing the sanctioned goods to reach Russia was commended by the sanctions coordinators from the EU, the US, and the UK, who visited Georgia in June 2023. James O'Brien, the Head of the Office of Sanctions Coordination in the US, <u>said</u> that the Georgian government has done a "great job" in preventing the circumvention of sanctions.

The EU Sanctions Envoy David O'Sullivan also <u>noted</u> that while Georgia was not joining the EU's sanctions, the EU was "very satisfied with the systems of checking and monitoring which the Georgian authorities have put in place."

Is Georgia Really Implementing the Sanctions?

One might ask if the Georgian government has implemented the sanctions, as it has claimed, and if the Western sanctions coordinators are commending Georgia, then why is there a perception that Georgia's stance on the sanctions is controver-

sial and positions the country as being in cahoots with Russia?

There are several major reasons for this.

First of all, the Government of Georgia, while claiming that they are effectively implementing all the sanctions, has not issued any formal legislation or decree that would instruct the relevant agencies to follow the sanctions. Compliance seems to be based on the political will of the authorities, which makes it impossible to scrutinize whether the sanctions are actually followed or not. If no laws or legal instruments exist, they cannot be broken; thus, legally, Georgia's position is sound-proof. However, the questions still remain.

Second, various independent investigations have raised questions about Georgia's compliance with EU sanctions. In 2023, the New York Times and Deutsche <u>Welle</u> ran pieces in which the transit of goods from Turkey to Russia via Georgia was described, and even though no concrete evidence was presented that Georgia was used for the transit of the sanctioned goods, the impression was given that the increase of trade between Turkey and Russia through Georgia implied the circumvention of sanctions. Indeed, the trade turnover between Georgia and Russia, as well as Turkey and Russia, increased after the Russian invasion. Common sense would suggest that such an increase happened to balance the imbalance in trade that occurred because of the sanctions. However, no direct evidence was found either by the New York Times or other investigators. In fact, the New York Times also said that "it is impossible to tell how much of the European cargo crossing Georgia is subject to European Union sanctions."

Thus, a truck destined for Kyrgyzstan, which crosses the Georgia-Russia border, is technically not in violation of the sanctions; however, once it is on Russian territory, it is anyone's guess whether the goods stay in Russia or indeed go to Central Asia.

The reality is that, indeed, the trade turnover increased between Georgia and other neighboring states, including the countries of Central Asia. For instance, exports of goods from Georgia to Armenia amounted to USD 256 million in 2021. That number increased by 300% to USD 787 million in 2023. Exports to Kazakhstan amounted to USD 96 million in 2021, but in 2023, the number went up to USD 702 million (a 700% increase). Exports to Kyrgyzstan were a meager USD 30 million in 2021. In 2023, however, the number went up 23 times to USD 695 million. From a legal point of view, there is nothing wrong with the increase in trade with Central Asian countries. However, one must take into account that a lot of this transit goes through Russia. Thus, a truck destined

for Kyrgyzstan, which crosses the Georgia-Russia border, is technically not in violation of the sanctions; however, once it is on Russian territory, it is anyone's guess whether the goods stay in Russia or indeed go to Central Asia.

As for the export of cars to Russia, this declined dramatically in 2023, as noted above. However, the re-export of automobiles from Georgia reached a record high in 2023, increasing 4.7 times compared to 2021. One can easily conclude that this increase happened not because the Central Asian states suddenly started importing more but because the Russian demand for Western cars is now satisfied through rerouting trade via Georgia and the Central Asian states.

There is a third reason for the continued questions about Georgia's possible circumventing of the international sanctions. The Georgian Dream has shown that it takes a decision in favor of its political allies and not the international community's side when it and its associated circle are threatened with sanctions. For instance, in 2023, the National Bank of Georgia (NBG), under the leadership of the former Georgian Dream Economy Minister Natia Turnava, made a series of decisions that undermined compliance with the sanctions and the credibility of the National Bank.

On 18 September 2023, when news of

the sanctioning of Otar Partskhaladze (a Russian national turned former Prosecutor General of Georgia), described by the US government as "a Georgian-Russian oligarch whom the FSB has used to influence Georgian society and politics for the benefit of Russia," broke, the NBG promptly froze his accounts. A day later, Ms Turnava reversed the move and hastily amended the NBG's regulations, making it impossible to apply the sanctions to Georgian citizens without a prior court ruling. The move - allegedly aimed at allowing Mr Partskhaladze to rescue his assets - was preceded by a stream of statements by Georgian Dream leaders, including Party Chair and now Prime Minister Irakli Kobakhidze, in defense of Mr Partskhaladze.

Such personal connections also explain why Georgia did not follow the EU in sanctioning those individuals who are related to the war or support the war directly or indirectly. One might wonder that, unlike joining the EU's economic sanctions, which could hurt Georgia's economy, the decision to sanction concrete individuals should have been easier for Georgia. However, the <u>leaked</u> phone conversations in 2022 showed that the links between Georgian oligarchs and Russian oligarchs are still there.

It turned out that Russian oligarch Vladimir Yevtushenkov is connected with Bidzina Ivanishvili and his associates, such as David Khidasheli, who previously held a

prominent role within the Russian communications company Sistema, owned by Yevtushenkov. Khidasheli's acknowledgment of Yevtushenkov as a friend further fuels suspicions of strong ties between Georgian officials and Russian oligarchs. Mr Khidasheli was involved in a major scandal before the 2020 elections when he spearheaded the campaign that the UNM government of Georgia "sold out" the important David Garedji monument to Azerbaijan, which led to a brief arrest of two former civil servants, but fueled the pre-election campaign of the Georgian Dream under the aegis - "Garedji is Georgia."

The previously mentioned leaked audio recording between Bidzina Ivanishvili and Vladimir Yevtushenkov showed that Ivanishvili easily redirected the Russian oligarch to the Prime Minister to discuss the topic of wheat trade in the heat of the European sanctions on the import and export of Russian goods.

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Finally, the logic of "not joining but implementing" was seriously challenged when the Georgian government agreed to open the sky for Russian air carriers and resume direct flights, which Moscow had suspended since the June 2020 anti-Russian protests. Before the summer of 2023, the Georgian sky was closed to Russian carriers for security reasons. When the flights resumed, Georgian authorities still claimed that they would not allow those carriers, which were banned by the EU, but would allow other companies. Very swiftly, new companies, also linked with Georgian businessmen, were created and are providing services to Russian air companies flying to Georgia.

The EU demarched this decision by the Georgian government but could not do much. The EU spokesperson Peter Stano stated that this decision "raises concerns in terms of Georgia's EU path and Georgia's commitments to align with the EU decisions in the foreign policy as foreseen in the EU Georgia Association Agreement." The fact that the EU could only refer to the Association Agreement shows that there was no other legal instrument on which the EU could draw. Indeed, the Georgian position that they cannot violate something they never signed stood once again.

Reasons Why Georgia is "Not Joining, but Implementing"

Georgia's nuanced stance of "not joining, but implementing" sanctions during the Ukraine-Russia conflict was driven by a combination of factors.

The Georgian Dream's fear of Russian repercussions, coupled with the animosity with the Ukrainian government, was probably the most important factor why Georgia chose the path of misalignment with the EU sanctions.

In addition, the Georgian Dream used the economic opportunities arising from Russia's sanctioning to boost the Georgian economy. Allowing Russian migrants, increasing transit through Georgia, and trade with Russia and the neighboring states boosted the Georgian economy and gave dividends to the Georgian Dream in the run-up to the 2024 electoral year. Georgia's GDP increased by 10.4% in 2022 and had a quarterly growth of 8%, 7.5%,

and 5/7%, respectively, in the first three quarters of 2023.

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But most importantly, the Georgian Dream government leveraged the Ukraine-Russia conflict for domestic political gain. By adopting a stance that portrayed itself as a guardian of peace and stability, the government aimed to appeal to a significant portion of the Georgian population which favored a cautious approach towards Russia. This approach served to maintain its political support base and prevent potential domestic unrest.