

Georgian Authorities Face Backlash Over Russian Purchases

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The Didube metro station in Tbilisi, Georgia. mibuchat (CC BY-SA 2.0)

News that Tbilisi is moving forward with the purchase of Russian-made subway cars has been met with outrage in Georgia, where dealings with the northern neighbor have become particularly controversial amid the Ukraine war.

Though the deal dates to 2021, Tbilisi City Hall confirmed this week for the first time that Russia's war on Ukraine, and Western sanctions, would not scupper the contract.

Tbilisi announced plans to purchase 44 subway cars worth almost \$50 million from the Russian company Metrovagonmash in 2021 as part of its efforts to revamp the Tbilisi subway with funds from the European Bank for Reconstruction and Development. At the time, City Hall officials said the EBRD had approved Metrovagonmash as the supplier.

After Russia invaded Ukraine last February and Moscow fell under international sanctions,

City Hall <u>stated</u> that the EBRD had suspended payments to Metrovagonmash. Later, in November, Tbilisi Mayor Kakha Kaladze further <u>asserted</u> that no contract would be signed with the company due to the risk of possible sanctions, and talks were underway with alternative companies.

However, the matter has received renewed scrutiny, and backlash, after municipal officials made it clear on Feb. 1 that they would in fact be buying the cars from the Russian manufacturer.

Tbilisi officials said in their defense that despite their desire and attempts together with EBRD to reverse the deal, they were forced to carry on to avoid financial losses.

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"Considering that we wouldn't be able to buy the cars from an alternative supplier and switching to the next tender proposal would have made the purchase 30-35% costlier, we tried to complete the talks with the current supplier in a way that would protect our interests to the maximum extent possible," Irakli Khmaladze, deputy mayor of Tbilisi, told reporters on Feb. 1.

Khmaladze said that contractual changes included paying only after the product has been delivered, and that all changes had been agreed upon with the EBRD. The deputy mayor stressed that Metrovagonmash had not been sanctioned.

In a separate interview, MP Maia Bitadze, head of the parliament's environment committee and former deputy mayor of Tbilisi, further defended the deal by pointing to the "technical compatibility" of the company with the Georgian capital's Soviet-made subway.

"Subways vary in many countries. In this case, the Russian company is technically the most suitable company, which can carry out high-quality work in terms of subway car purchase and supply in exchange for the [Tbilisi] Transport Company saving money," Bitadze told Imedi TV on Feb. 1.

"It does not matter here whether the company is Russian, African, or Transatlantic. What matters is that the purchase is made by the European Bank for Reconstruction and Development," Bitadze said.

EBRD <u>confirmed</u> on Feb. 2 that the city hall-owned Tbilisi Transport Company conducted the tender in 2021 "in accordance with EBRD's procurement procedures and rules," but did not elaborate further.

But some critics, including opposition politicians, <u>have argued</u> that the authorities exaggerated EBRD's role to deny their own responsibility for the questionable purchase. Others noted that the Russian company, while not under Western sanctions, was still included in <u>Kyiv's list of sanctions</u>.

For years, the Georgian authorities have come under scrutiny for any dealings with Russian companies, seen by many Georgians as a security threat. Recently, a Georgian <u>investigative</u> <u>media project</u> found that the country's law enforcement bodies have relied on Russian and

Belarusian-made artificial intelligence software, leading to concerns about sensitive personal data being compromised.

This allegedly includes the habitoscopy (face identification) and ballistic (arms and ammunition) forensic software produced by Russia-based Papillon and fingerprint software made by Belarusian TODES. A few years ago, journalists in the United States raised concerns about the vulnerability of FBI data amid whistleblower claims that the American domestic intelligence agency uses software containing Papillon-made code.

Georgia's Interior Ministry <u>confirmed that it did use the software</u> but claimed it was compatible with internationally approved standards and is used in many other countries, including Poland, Moldova, and Ukraine. The ministry ruled out the possibility of external actors getting access to sensitive data and called the allegations a deliberate attempt to discredit Georgian investigative and forensics agencies.

In earlier controversies, the government has faced criticism for buying <u>Russian-made</u> <u>exercise equipment</u> for public spaces and for <u>purchasing Russian Niva cars</u> for public agencies.

But the scrutiny over such purchases has grown in the wake of Russia's invasion of Ukraine. Tbilisi has not itself sanctioned Russia, but it has aligned with international financial sanctions and claims it is doing its utmost to ensure Georgia is not used for sanctions evasion.

The government's lukewarm support for Ukraine and Moscow-appeasing rhetoric, however, have led critics to doubt its commitment. This is compounded by talk on the <u>possible</u> <u>resumption of air travel</u> between Georgia and Russia, which was unilaterally halted by Moscow three years ago. (As things stand, Moscow and Tbilisi have treated the decision on flight renewal as each other's responsibility.)

And Moscow's repeated praise for Tbilisi for not succumbing to Western "pressure" for tougher action against Russia further exacerbates tensions.

"I will just quote [the Georgian] prime minister and his ministers, who in response to the unprecedented pressure demanding that they join sanctions, open a second front — even such terminology has been applied — say they are guided by their national interests," Russian Foreign Minister Sergei Lavrov said in a recent interview.

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