Established in 1998, the Georgian Foundation for Strategic and International Studies is an independent, non-profit policy think tank dedicated to helping improve public policy decision-making in Georgia through research and analysis, training of policymakers and policy analysts, and public education about the strategic issues, both domestic and international, facing Georgia and the Caucasus in the 21st century. Most of the Foundation’s staff members are former high-ranking government officials. They possess a unique mixture of government policy expertise and academic achievement.

**DONORS AND PARTNERS IN 2016**

- Swedish International Development Cooperation Agency (Sida)
- U.S Department of State
- European Commission (EC)
- Turkish Development and Cooperation Agency (TIKA)
- Friederich Ebert Stiftung (FES)
- Japan Tobacco International (JTI)
- Romanian Embassy in Georgia
- National Endowment for Democracy

This publication is made possible by the support of Swedish International Development Cooperation Agency (Sida). The contents are the responsibility of the Georgian Foundation for Strategic and International Studies (Rondeli Foundation) and do not necessarily represent the views of Sida, the Swedish Government.
The Georgian Foundation for Strategic and International Studies, also referred to as the Rondeli Foundation since September 2016, named after its Founder and President (2001-2015), Alexander Rondeli, holds that the only way Georgia to succeed in the changing international environment and against a background of new hybrid threats is through democratic development and strive towards European and Euro-Atlantic integration, translated in good governance practices, professional public service, an educated youth - a basis for the future elite, equal rights, respect for the rule of law and economic development. A democratic, inclusive, stable Georgia would be attractive not only for its neighbors as a safe and secure place for business and transit routes, but would contribute directly to Euro-Atlantic security.

As development, democracy and human rights are both interdependent and mutually reinforcing, these standards and principles crosscut all programming work at the Foundation.

Throughout 2016, the Foundation continued its activities – teaching and training, research and analysis, public outreach and awareness-raising, directed at strengthening the policy-based decision-making culture in the country to promote good governance practices. All the activities encompassed at least one of the following strategic directions pursued by the Foundation – National Security and Public Policy, Peace building and National Integration, European and Euro-Atlantic Integration, or Youth Issues. We aim to convey the Foundation’s achievements and accomplishments in the following report.

We are grateful to our donors and partners for trusting in us and supporting us in the pursuit of our joint goal for the benefit of a stable, democratic and prosperous Georgia, part of a European family.

E. Medvedeli
President
Capacity Building

We aim to provide Georgia’s strategic community both inside and outside the government with various professional enhancement opportunities by drawing on both our human resources, and by attracting best expertise available.

Research and Analysis

We bridge the gap between international scholarship and policymaking in Georgia, bringing cutting-edge knowledge to the attention of decision makers and offering scholars interested in the Caucasus region greater insight into public policy issues – towards international best practice.

Public Outreach

We regularly host discussions, public hearings and roundtables to spread the ideas and values that we share among the wider public and fuel nationwide discussion create a critical mass that can lead the country towards the Euro-Atlantic community.

STRATEGIC DIRECTIONS in 2016

The Foundation’s thematic directions target both the opinion crafters and decision makers, including public servants, media, ethnic minority communities, journalists, political party staffers, academia and youth— all key stakeholders of decision-making process.

NATIONAL SECURITY AND PUBLIC POLICY

Stimulate broader understanding of national security agenda in the country and cultivate culture of strategic thinking and a realization of united inter-agency efforts to address the security challenges that Georgia faces.

PEACEBUILDING

Intensifying intellectual efforts within expert community and civil society to reconsider and rethink attitudes and established vision not only to break ice for finding way out, but prevent development of new conflicts in the country and the region.

NATIONAL INTEGRATION

Addressing the needs faced by ethnic minority communities of Georgia hampering their integration into the Georgian State and engaging them into the policy decision - making process.

EUROPEAN INTEGRATION

Support to the AA implementation process and create the space of dialogue with the civil society on Euro-Atlantic integration by providing the qualified analysis and recommendations on the policy areas essential for Georgia’s European integration path.

YOUTH ISSUES

Raising future elite of the country and encouraging strategic, critical thinking among them by introducing civic ideas and educating them about the essence of politics and economics.

INSTITUTIONAL DEVELOPMENT

Independent policy analysis institutes are a vital component of a normally functioning modern democracy therefore GFSIS team is determined to provide a sustainably institutionalized setting for analysis and providing training opportunities for the sake of improving policy making in the country.
Participants of the Capacity Building programs, according to communities, 2016

- NGO: 22%
- Public Service: 35%
- Political Parties: 29%
- Media: 6%
- Ethnic Minorities: 3%
- Youth: 5%

Around 600 individuals representing public service, civil society, political parties, media and ethnic minority communities of Javakheti and Kvemo Kartli went through the Foundation’s capacity building activities in 2016 adding to the already existing alumni network.

National Security and Public Policy

The Rondeli Foundation’s flagship program, running since 2001 through financial assistance from the US Embassy, Tbilisi, is designed to prepare analysts for the national security community for careers as government policymakers in defense/security agencies, diplomats, non-governmental policy analysts and business leaders. It offers 220 hours of instruction in analytical methods and approaches to national security and public policy, focusing on the skills and knowledge necessary to participate in the national security policy process and to shape its future. The emphasis is on transferring to future decision-makers the analytical tools to effectively address critical public policy and national security issues, thereby enhancing public policy debate and the capacity to make effective and better informed decisions.

In 2016, 27 civil servants and representatives of civil society graduated and a new 11th cohort composed of 28 participants joined the training program composed of courses in National Security, Defense Policy, Economics, International Finance, Policy Analysis, Research Methods, Islam and Georgia, Strategic Decision-making, etc., delivered by U.S. and Georgian instructors.

“...The program significantly helped me better understand Georgia’s as well as the international security framework. It incorporated a whole host of issues in the fields of security, diplomacy, policy making and politics. I am honored to be a graduate of this excellent program.”

Zviad Adzinbaia,
Tufts Fletcher School of Law and Diplomacy, MA Candidate
In 2016, within the framework of CBGL, 24 public servants from various governmental agencies successfully completed the public policy training, participated in a Study Tour to Tallinn, and developed and discussed policy papers on the issues pertinent for their agencies, while another 25 fellows enrolled in the program.

"Lectures conducted by the most qualified experts at Rondeli Foundation as well as at the Estonian School of Diplomacy were very interesting. Working on the Policy Document was extremely important and a great experience."

David Bragvadze, Deputy Director of Security and Analytical Department, National Security Council

Capacity Building of the Georgian Leadership Community (CBGL)

CBGL has become one of the most successful programs of the Foundation since its inception in 2009. The Program, consisting of a total 140 hours of instruction, aims to engage directly with mid-level public servants and civil society representatives in practical exercises in policy development and negotiation techniques. These exercises aim to modernize Georgian public administration and public policy decision-making through delivering actionable policy documents related to issues of national importance. It promotes a likeminded leadership culture that is accountable, oriented to meeting the needs of Georgian society, capable of making well-founded decisions in a transparent manner, and flexible in responding to changing circumstances. The program is funded by the Swedish International Development Cooperation Agency (Sida).

Capacity Building in International Relations

In consortium with the College of Europe, Belgium and Estonian School of Diplomacy (ESD), the Foundation has assisted the Diplomatic Academy of the Ministry of Foreign Affairs of Georgia in developing the administrative capacity of state institutions on the issues pertaining to international relations. Training sessions, methodological advice and the development of manuals produced with the Foundation’s contribution, aimed at building the national team of experts and curricula to deliver seminars on the EU-Georgia Association Agreement, DCFTA, Legal Approximation, Negotiation Techniques, Reporting Skills, Public Relations, and Communication. The project was funded by the European Commission (EC).
Mustafa Kemal Ataturk Leadership Program

This Program, implemented at the Rondeli Foundation since 2013 and funded by the Turkish Cooperation and Coordination Agency (TIKA), intends to create a network of young, motivated professionals, to promote ideas and prospects for the future of Turkish-Georgian friendship and strategic partnership, establish a venue for training and education of civil servants and academicians. The program trains 26 professionals and consists of two major parts: an intensive training course in National Security, and Diplomacy and the Media Training.

Training Course for Journalists

Within a two-month training course in 2016, young journalists representing various media outlets increased their theoretical and practical knowledge in Economics and Finances, Foreign Trade, European and Euro-Atlantic Integration, Foreign Policy, National Security, Mass Media, and more. The program was funded by Japan Tobacco International (JTI) Georgia.

Policy Training for Young Political Party Staffers

The Rondeli Foundation has been running a political school since 2008 through the assistance of various donors, including the British Embassy, International Republican Institute (IRI) and Japan Tobacco International (JTI) Georgia. In 2016, the political party staffers’ training, as part of the political school, was funded by the National Endowment For Democracy (NED) and aimed to address the lack of healthy policy debate and the polarized political environment existing in Georgia through a six-month training program. Seminars and discussions on hot contemporary issues helped the political party representatives to improve capacity, promote their interests and gain understanding of effective political culture.

“The program was interesting for two reasons. First, I have got the more theoretical knowledge of Economics, Sociology, International relations, etc. and the second was the networking opportunity, to getting know other fellows.”

Irina Pruidze
Member of Parliament, 2016
Georgian Dream – Democratic Georgia
Training in Modern Human Resources Management

In 2016, the Rondeli Foundation continued its work aiming at strengthening the capacity of the HR function and increasing the skills of HR professionals in Georgian public sector institutions by sharing Swedish expertise and introducing the best practices of the Swedish public as well as the private sector HRM. In addition to the seminars on HRM, the Foundation organized a Study Visit for Human Resources Managers from various ministries of Georgia to Stockholm, Sweden. The participants met with their counterparts from the Social Insurance Agency, Swedish Work Environment Authority (SWEA), Swedish Ministry of Foreign Affairs, Public Employment Agency and Swedish Agency for Government Employers. They also visited the Eskilsuna Municipality in Sweden to learn about the best practices of the Swedish public and the private sector HRM. The activities are funded through the Sida contribution.

Georgian Language Courses for Ethnic Armenian Community in Javakheti

The Georgian Language courses at the Akhalkalaki branch office aim to strengthen the State language knowledge of the ethnic Armenian community in Samtskhe-Javakheti, increasing their job opportunities and engagement in the social, economic and political life of the country.

In 2016, around 25 representatives of ethnic minority community - school teachers, NGO and local government representatives - were able to use their knowledge of the State language for better on-the-job performance.
Opinion Papers

The Foundation’s Opinion Papers are published twice per month in English and Georgian through the financial support of the US Embassy, Tbilisi. The topics of the analytical papers are on non-military aspects of the national security, and contributors include both Rondeli Foundation’s in-house as well as affiliated experts.

Over 40 Reports and Papers published in 2016

List of Publications:

- A Brief Overview of Iranian-Georgian Diplomatic Relations, Levan Asatiani
- A Comparative Analysis of Armenian and Georgian Relations with NATO, Eugene Kogan
- Expected Results of the Lifting of Sanctions on Iran and the Opening of the North/South Energy Axis, Liana Jervalidze
- Georgia’s Choice: The European Union or the Eurasian Economic Union, Vladimer Papava
- New Challenges for the Georgian Cyberspace, Vladimer Svanadze
- On the Need for Reforming School Education in Georgia, Natela Sakhokia
- Pre-election Political Climate in the Islamic Republic of Iran, Levan Asatiani
- Putin’s War in Syria: It’s Causes and Strategic Implications, Giorgi Badridze
- Georgian Perspective on Visa Liberalization, Tariel Vatchadze
- The Nagorno-Karabakh Conflict in 2015: Mostly Cloudy with a Chance of Crisis, Ondrej Zacha
- Technological Backwardness - Global Reality and Expected Challenges for the World's Economy, Vladimer Papava
- The Export of Georgian Agricultural Products - The Impact of the DCFTA Signed Between Georgia and the European Union, Victor Alexandri
- Russia's New Security Strategy and its Implications for Georgia, Tornike Zurabashvili
- Russian Military Capabilities, Eugene Kogan
- Recommendations for the Development of Georgia’s Cyberspace, Vladimer Svanadze
- Black Sea Security in NATO's Spotlight, Shota Gvineria
- Russia - Ukraine: The Causes of the Crisis and What Will Happen Next, Valeri Chechelashvili
- Key Features of the Evolution of Present-day Georgia-U.S. Bilateral Relations, Archil Gegeshidze
RESEARCH AND ANALYSIS

Exploring the Security-Democracy Nexus in the Caucasus (CASCADE)

This Project aims to carry out several studies with specific recommendations for the EU forming a policy towards the South Caucasus and the wider region. The Foundation leads a Work Package (WP 5) dedicated to conducting research activities on “Political Order, Democratization and Civil societies”. Within the WP Rondeli Foundation led elaboration of a number of research papers and policy briefs, co-organized several international workshops and took part in the conferences held within the CASCADE project. Among the most important deliverables are the following:

Papers published:

- Poverty and migration in Georgia: what mobility partnerships can solve, Kakha Gogolashvili
- Oversight of the security sector by Parliaments and Civil Society in the Caucasus, Edited by Kakha Gogolashvili. Authors: Ashot Khurshudyan, Marijn Zeger Van der Wal, Elkhan Mehdiev, Tamar Pataraya, Shorena Lortkinapidze and David Sikharulidze

Papers ready to be published:

- Conflicting Threat Perceptions and Securitization of Minority Issues: The Case of Javakheti, Georgia, Ekaterine Metreveli
- Towards “Uncivil” Society? Hussein Alyiev
- Informality and Civil Society in Georgia, Tatia Chikhladze
- Assessment of the Role of Civil Society Organizations in Georgia, Tamar Khidasheli
- Assessment of the role of civil society in institutional reforms in Azerbaijan, Vugar Bayramov
- The Political Constraints for Civil Service Reform in Georgia: History, Current Affairs, Prospects & Challenges, Bakur Kvashilava
- Independent journalism in Chechnya and Daghestan: How do local critical journalists work in challenging contexts? Sarah Mode

Kakha Gogolashvili moderating a panel at the international conference “The Democracy-Security Nexus in and around the Caucasus”, Brussels, (CASCADE), October 20-21, 2016
Georgian and Russian Experts Searching Ways for Normalisation

This initiative aimed to deepen constructive dialogue between Georgian and Russian experts and opinion-makers. In 2016, two meetings of selected Georgian and Russian experts and one conference with the wider participation of the Georgian expert community were held in Tbilisi. The output of the project is Policy Papers aiming to raise confidence between Georgian and Russian experts, identifying ways for further normalization of Russia-Georgia relations through experts' contributions as well as to assist the existing formats of consultations between the parties for a new momentum.

List of Policy Papers:

- How to Improve Russia-Georgia Talks?, Paata Gaprindashvili
- On the Role of Georgian-Abkhazian and Georgian-Ossetian Conflicts in Georgian-Russian Relations, Ivlian Haindrava
- The Russian-Georgian Visa Paradox: A long path to Normal, Sergey Utkin
- The Russian Soft Power vs. Russian Propaganda – The Georgian Case, Tornike Sharashenidze
- North Caucasus and Opportunities for Cooperation between Georgia and Russia, Irakli Menagarishvili
- Economic Links of Russia and Georgia and their Potential for Improving Bilateral Relations, Tatiana Romanova
- Trade and Investments: Area for Cooperation, Andrey Devyatkov
- Catch the Train to the Past: Why Abkhazia Fails to Succeed?, Ivan Sukhov

The Structural Dimension of Georgian Unemployment

The Structure of Unemployment and Structural Unemployment in Georgia,” - the comprehensive study analyzing the practice of the statistical reporting of unemployment in the country was carried out through the support of the Friedrich Ebert Foundation (FES). The study also looked at the quality of the existing database and other sources of information on structural aspects of unemployment. It also identified the structure of unemployment by groups and duration, and analyzed the structure of the supply and demand of the workforce for mapping the main factors of the structural unemployment in the country.
Since April 2013, the Foundation has been publishing the quarterly youth Journal - *My World*, funded by the US Embassy, Tbilisi. The journal is primarily designed for high school students and covers a variety of subjects and areas. The content include politics, economics, literature, science, arts, interesting news and events, and influential persons for the country or humanity. The main target group of the project is internally displaced children from Abkhazia and Samachablo. In addition to IDP schools, the publications are distributed to schools, libraries and resources centers throughout Georgia.

A quiz-competition on the topics published in the journal was organized for the pupils of Tserovani and Zugdidi IDP schools. Winners were awarded laptops and two-month English language training at Buckswood Summer School.
Conferences/Workshops/Roundtables

The Foundation has unified its activities aiming to raise awareness and inform the public and expert community on the important security and foreign policy issues affecting Georgia. Conferences, workshops, presentations, thematic discussions, and guest lectures in Tbilisi and the regions intend to alert the international community and Georgian society on Georgia’s current socio-, economic and political developments.


Conference - “NATO Warsaw Summit – Challenges and Expectations”, June 22, 2016
Conferences/Workshops/Roundtables


Amb. Marina Kaljurand, the Former Minister of Foreign Affairs of Estonia at the panel discussion “Nordic-Baltic Security cooperation: facing threats from Russia”, December 16, 2016

Dr. John C. Fortier, Director of the BPC’s Democracy Project, delivering a lecture on U.S electoral system, October 17, 2016


Public discussion on national security and NATO in “Marneuli Youth Center”, November 24, 2016
Support to International Scholars and Researchers

The Rondeli Foundation has been hosting interns and scholars since its very foundation from 2001. We provide a unique internship experience to students interested in international security, post-Soviet studies, economic development, political science and foreign policy. Throughout these years, totally up to 200 undergraduate, graduate and doctoral students have carried out internship at the Foundation.

“Through my internship at the Rondeli Foundation the organisation of conferences allowed me to gain experience in administrative and organisational work, as well as exposed me to the behind the scenes work for organisations such as NATO, while the research benefitted my future academic career as I gained valuable insight to Post-Soviet sphere.”

Alyssa Wilson, BA, International Relations, Franklin University, Switzerland

“Over 20 students and young researchers carried out internship at the Foundation in 2016”

Jan Blinka, PhD, Masaryk University, Czech Republic

Lauren Benjamin, MA, Sociology, Amherst University, USA

Jing Shi, MA, Political Science, Tsinghua University, China
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
### AS AT 31 DECEMBER 2016
#### (in Georgian Lari)

### ASSETS

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 December 2016</th>
<th>31 December 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>7</td>
<td>1,039,145</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>1,240</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td><strong>1,040,385</strong></td>
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<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>53,412</td>
</tr>
<tr>
<td>Receivables from exchange transactions</td>
<td>8</td>
<td>9,911</td>
</tr>
<tr>
<td>Taxes recoverable and prepaid</td>
<td></td>
<td>67,718</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>9</td>
<td>1,355,228</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td><strong>1,486,269</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td><strong>2,526,654</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES

|       |                 |                 |
| **NON-CURRENT LIABILITIES:** | | |
| Borrowings | 10 | - | 145,952 |
| **Total non-current liabilities** | | - | **145,952** |
|       |                 |                 |
| **CURRENT LIABILITIES:** | | |
| Payables from exchange transactions | | 2,067 | 5,350 |
| Advances received | | 4,376 | 300 |
| Borrowings | 10 | - | 1,200 |
| Income tax payable | | 6,779 | 1,556 |
| **Total current liabilities** | | **13,222** | **8,406** |
|       |                 |                 |
| **TOTAL LIABILITIES** | | **13,222** | **154,358** |

### NET ASSETS

|       |                 |                 |
| **Charter capital** | | **1,500** | **1,500** |
| Accumulated surplus and unused funds | | 2,511,932 | 2,253,892 |
| **Total net assets** | | **2,513,432** | **2,255,392** |
|       |                 |                 |
| **TOTAL NET ASSETS AND LIABILITIES** | | **2,526,654** | **2,409,750** |

*Deloitte & Touche has conducted an audit for the Rondeli Foundation’s financial statements.*
GEOGRAPHICAL COVERAGE OF THE FOUNDATION’S ACTIVITIES ACROSS GEORGIA

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