Georgia: Background and U.S. Policy

Updated October 23, 2020
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Georgia is one of the United States’ closest partners among the states that gained their independence after the USSR collapsed in 1991. With a history of strong economic aid and security cooperation, the United States has deepened its strategic partnership with Georgia since Russia’s 2008 invasion of Georgia and 2014 invasion of Ukraine. U.S. policy expressly supports Georgia’s sovereignty and territorial integrity within its internationally recognized borders, and Georgia is a leading recipient of U.S. aid to Europe and Eurasia.

Many observers consider Georgia to be one of the most democratic states in the post-Soviet region, even as the country faces ongoing governance challenges. The center-left Georgian Dream-Democratic Georgia party (GD) holds a dominant political position, with about 61% of seats in parliament. Parliamentary elections are scheduled to be held on October 31, 2020. Although Georgia faces high rates of poverty and underemployment, its economy entered a period of relatively strong growth in 2017. The International Monetary Fund estimates that Georgia’s GDP will decline by about 5% in 2020, due to the impact of the Coronavirus Disease 2019 (COVID-19) pandemic.

The ruling GD party led a coalition to victory in parliamentary elections in 2012 amid growing dissatisfaction with the former ruling party, Mikheil Saakashvili’s center-right United National Movement, which came to power as a result of Georgia’s 2003 Rose Revolution. In August 2008, Russia went to war with Georgia to prevent Saakashvili’s government from reestablishing control over the regions of South Ossetia and Abkhazia, which broke away from Georgia in the early 1990s and became informal Russian protectorates.

Congress has expressed firm support for Georgia’s sovereignty and territorial integrity. The Countering Russian Influence in Europe and Eurasia Act of 2017 (P.L. 115-44, Title II, §253) states that the United States “does not recognize territorial changes effected by force, including the illegal invasions and occupations” of Abkhazia, South Ossetia, and other territories occupied by Russia. In September 2016, the House of Representatives passed H.Res. 660, which condemns Russia’s military intervention and occupation of Abkhazia and South Ossetia. On October 22, 2019, the House passed the Georgia Support Act (H.R. 598) by voice vote. The bill expresses support for Georgia’s sovereignty, independence, and territorial integrity, as well as for its democratic development, Euro-Atlantic integration, and peaceful conflict resolution.

The United States provides substantial foreign and military aid to Georgia. Since 2010, U.S. nonmilitary aid to Georgia has totaled $64 million a year on average ($90 million in FY2019), in addition to a five-year Millennium Challenge Corporation grant of $140 million to support education. Since 2010, Georgia has received U.S. military assistance primarily through Foreign Military Financing (FMF), Coalition Support Funds, and Train and Equip and other capacity-building programs. From FY2010 to FY2019, the United States provided Georgia almost $265 million in FMF assistance. Defense assistance also includes a three-year training initiative, the Georgia Defense Readiness Program.
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Introduction

Historically located between empires, Georgia is in the South Caucasus, a region between the Black and Caspian Seas that is separated from Russia by the Greater Caucasus mountain range and also borders Iran and Turkey (see Figure 1). Various Georgian kingdoms and principalities were incorporated into the Russian Empire beginning in the early 19th century. Georgia enjoyed a brief period of independence from 1918 until its forcible incorporation into the Union of Soviet Socialist Republics (USSR, or Soviet Union) in 1921-1922. Georgia gained independence in 1991 with the collapse of the Soviet Union.

Since independence, Georgia has coped with two unresolved conflicts over the Russian-occupied regions of Abkhazia and South Ossetia. These regions, in addition to being home to ethnic Georgians, are home to minority ethnic groups that more closely identify with ethnic kin in Russia’s North Caucasus, located across the Greater Caucasus mountain range. After a short war with Georgia in 2008, Russia unilaterally recognized the independence of these breakaway regions and stationed military forces on their territory.¹

Georgians speak and write their own distinct Caucasian language, with a written literary form that emerged at least as early as the fifth century. The Georgian Orthodox Church, to which most Georgians belong, is autocephalous (independent), with roots that date back to the fourth century.

Politics and Governance

In over a quarter century of independence, many observers have considered Georgia to have a “hybrid” political system, containing both democratic and nondemocratic elements. The U.S.-based nongovernmental organization (NGO) Freedom House currently assigns Georgia a “global freedom” score of 61 out of 100 (“partly free”), the second-highest rating among the post-Soviet states that gained their independence upon the dissolution of the USSR (after Ukraine, and not including the Baltic States, whose annexation in 1940 the United States never recognized).²

Georgia has a parliamentary system of governance, shaped in large part by constitutional reforms that came into effect in 2013 and 2018. The prime minister is formally the country’s most

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¹ Georgia’s South Caucasus neighbors, Armenia and Azerbaijan, also have been locked in territorial conflict for almost three decades over the predominantly Armenian-populated region of Nagorno-Karabakh, formally part of Azerbaijan.

² Freedom House ranks all countries in the world by a “global freedom” score, which includes measures of political rights and civil liberties. Freedom House also ranks post-Communist states by a “democracy” score that ranges between 1 (least democratic) and 7 (most democratic). Georgia’s “democracy score” is 3.25 (transitional or hybrid regime). Scores reflect the state of affairs at the start of the year. Freedom House, Freedom in the World 2020, and Nations in Transit 2020.
powerful executive. Georgia’s president is commander in chief of the armed forces and has the power to veto legislation and dissolve parliament under certain circumstances. In addition, many observers believe that billionaire Bidzina Ivanishvili, the chairman of the center-left Georgian Dream-Democratic Georgia (GD) ruling party has a dominant behind-the-scenes role in policymaking and personnel appointments.

Georgia’s prime minister, Giorgi Gakharia (aged 45), assumed office at the start of September 2019. Gakharia served as minister of internal affairs from November 2017. Before then, he served as minister of economy and sustainable development, secretary of the Economic Council, and business ombudsman. Gakharia entered government in 2013; previously, he worked abroad, including in Russia.

Georgia’s unicameral parliament has 150 members who were elected in 2016 to a four-year term by one of two methods: 77 by party list and 73 by majoritarian district. Constitutional reforms adopted in 2018 established a fully proportional (i.e., party list) system from 2024. This change is expected to lead to greater opposition representation in parliament.  

For the next parliamentary elections, scheduled for October 31, 2020, parliament voted in June 2020 to support an intraparty agreement that temporarily establishes a system by which 120 seats will be elected by party list and 30 seats will be elected by majoritarian district (for more, see “October 2020 Parliamentary Elections,” below). To secure a majority of seats, a party will have to win at least 40% of the party-list vote. Parties that receive at least 1% of the vote are to enter parliament (the threshold in 2016 was 5%).

The center-left GD currently holds 61% of parliamentary seats (91 of 150). GD came to power in 2012 as the leader of an electoral bloc of parties and since 2016 has governed alone. In 2016, GD won 49% of the party-list vote and nearly all majoritarian races, leading to control of more than 75% of parliamentary seats (116 of 150 deputies). In 2019, GD experienced a series of parliamentary defections, reducing its majority (see “Ruling Party Changes,” below).

GD’s main competitor in 2016 was the center-right United National Movement (UNM), the former ruling party previously led by ex-President Mikheil Saakashvili. The UNM received 27% of the party vote and, in total, 27 seats (18%). After months of infighting, the UNM fragmented in 2017; most of its deputies, including much of the party’s senior leadership, formed a new opposition party called European Georgia-Movement for Liberty. A third electoral bloc, the nationalist-conservative Alliance of Patriots of Georgia-United Opposition, cleared the 5% threshold to enter parliament with six seats.

Georgia’s president, elected in November 2018, is Salome Zurabishvili (aged 68), a former independent member of parliament and minister of foreign affairs.  From 2023, as a result of

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5 The infighting concerned party tactics and relations with ex-President Saakashvili, who is under indictment and living abroad. Those who left the United National Movement (UNM) wanted to build a rebranded party without Saakashvili. Those who stayed in the UNM sought to remain faithful to Saakashvili’s legacy and believed the party should adopt a more active means of opposition, including popular protest.
6 Salome Zurabishvili, who was elected president in 2018, ran as an independent member of parliament.
7 Prior to entering the Georgian government, Zurabishvili was a French national and diplomat. For the 2018 presidential election, GD did not nominate its own candidate, which possibly reflected a belief within the party leadership that the powers of the presidency were too limited to warrant fielding a candidate for the position. After some deliberation, GD supported Zurabishvili, an independent candidate.
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constitutional reforms that were adopted in 2018, Georgia is to have an indirectly elected president chosen by a college of electors made up of parliamentary deputies and local government representatives.

Domestic and international observers considered the 2018 presidential election to be competitive but flawed. Observers noted instances of official pressure against state employees to support Zurabishvili, as well as incidents of ballot box stuffing. The U.S. Department of State said it shared the concerns of observers and indicated “these actions are not consistent with Georgia’s commitment to fully fair and transparent elections.”

Georgia’s Turbulent Transition: From the Rose Revolution to the Georgian Dream

Former USSR Foreign Minister Eduard Shevardnadze became Georgia’s leader in 1992 and was president from 1995 to 2003. In 2003, he resigned amid electoral protests known as the Rose Revolution and was replaced by Mikheil Saakashvili, who was Georgia’s president until 2013. Observers generally considered Saakashvili a pro-Western leader who pursued a program of anti-corruption and economic modernization. His United National Movement (UNM) oversaw a period of economic growth and rebuilt state institutions. At the same time, UNM opponents and critics accused Saakashvili’s government of authoritarian tendencies and blamed it for not sufficiently fighting poverty and unemployment.

In 2012, billionaire Bidzina Ivanishvili established a new opposition coalition, Georgian Dream (GD). Ivanishvili had spent considerable time in Russia, where he built a fortune in metals and banking before moving to France and eventually Georgia, where he became known as a reclusive philanthropist. On the eve of the 2012 parliamentary elections, a scandal related to prison abuse motivated mass protests against the UNM. GD won the election, and Ivanishvili became prime minister.

In 2013, Ivanishvili fulfilled a pre-election promise to serve as a transitional figure and stepped down as prime minister. Many in Georgia, however, believe Ivanishvili continued to exert influence behind the scenes. Former Interior Minister Irakly Garibashvili served as his successor for two years but resigned in 2015, amid declining popular support. In 2019, Garibashvili reentered politics as GD party secretary and subsequently minister of defense.

After coming to power, the GD government prosecuted former officials, including former Prime Minister Vano Merabishvili and former Tbilisi Mayor Giorgi Ugulava, for crimes including corruption and abuse of power; in February 2020, Merabishvili was freed after almost 7 years in prison (Ugulava served 15 months). Some observers considered the prosecutions to be political reprisal for actions the UNM government had taken against its opponents. In 2014, ex-President Saakashvili was charged with abuse of power relating to, among other things, a widely criticized 2007 crackdown on opposition protestors and media. He has been sentenced twice in absentia to a total of nine years in prison.


October 2020 Parliamentary Elections

Parliamentary elections are scheduled for October 31, 2020. Public opinion polls suggest GD has a substantial lead over all other parties. In two pre-election polls, at least 33% of respondents

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indicated that GD was their preferred party. GD’s popularity was declining prior to the onset of the Coronavirus Disease 2019 (COVID-19) pandemic. However, domestic and international approval of the government’s efforts to contain the pandemic and the relatively low spread of COVID-19 in Georgia through August 2020 appeared to boost GD’s election prospects (see “Coronavirus Disease 2019 Response,” below). In September 2020, Georgia suffered its first major rise in COVID-19 cases; it is unclear how, if at all, the outbreak will affect GD’s electoral prospects.

Several other parties appear popular enough to enter parliament. In the polls cited above, a UNM-led bloc (Strength in Unity) was in second place, with at least 15% support. Other parties that received between 1% and 5% support include European Georgia, For New Georgia – Strategy Aghmashenebeli, the Alliance of Patriots, the Labor Party, Lelo for Georgia, and Girchi. At the same time, party support remained in flux; 24%-30% of respondents either did not support any party, did not know which party to support, or did not respond.

**Coronavirus Disease 2019 Response**

Through August 2020, the Georgian government received international praise and popular support for its apparently successful efforts to contain the spread and impact of the coronavirus pandemic within Georgia. As of August 31, 2020, Georgia reported less than 1,500 confirmed cases of COVID-19 and 19 deaths attributed to the virus. In response to the pandemic, the government declared a state of emergency on March 21, 2020, that lasted for two months and adopted “lockdown” measures similar to those in other countries. These measures included quarantining foreign travelers, restricting movement, and closing schools and businesses. The government also provided stimulus payments and other forms of relief to individuals and businesses. In July-August 2020, Georgia cautiously began to open its borders to foreign travelers (Georgia’s growing tourism industry has suffered from the pandemic).

Georgia’s success in limiting the spread of COVID-19 declined in September 2020. As the government opened Georgia’s borders to some foreign travelers and encouraged domestic summer travel, the number of COVID-19 cases rose dramatically. In September and the first three weeks of October, Georgia reported almost 20,000 new cases—more than 13 times the total number of reported cases from February to August—and more than 150 new deaths attributed to the virus. At the start of September 2020, the government delayed easing some restrictive measures and reimposed a ban on certain large gatherings.

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13 Coronavirus Disease 2019 (COVID-19) data is from the Johns Hopkins University of Medicine Coronavirus Resource Center.


Other Political Developments

Ruling Party Changes

Since 2018, GD has exhibited some signs of internal tension and transformation. After stepping down as prime minister in 2013, GD founder Ivanishvili formally returned to politics as party chairman in 2018, reportedly due to frustration with the party’s growing internal divides. Then-Prime Minister Giorgi Kvirikashvili resigned less than two months later, citing “disagreements” with Ivanishvili.17 Mamuka Bakhtadze, a former minister of finance and head of Georgian Railways, succeeded Kvirikashvili in June 2018 but resigned in September 2019 for unclear reasons. Current Prime Minister Gakharia succeeded Bakhtadze.

In 2019, GD lost the supermajority that it won in 2016. About one-fifth of GD’s parliamentary deputies left the ruling faction. These defections occurred mainly in two rounds: first after a dispute concerning judicial appointments and again after several GD deputies controversially backtracked from a prior party commitment to hold fully proportional parliamentary elections in 2020 (see below).

Police Clash with Protestors (June 2019)

The GD government faced a political crisis in June 2019, after police used tear gas and rubber bullets against demonstrators, some of whom had confronted riot police in an attempt to forcibly enter the Georgian parliament.18 Demonstrators were protesting the decision to allow a Russian member of parliament to deliver a speech from the parliamentary speaker’s chair in his capacity as chairman of the Interparliamentary Assembly on Orthodoxy, which the Georgian parliament was hosting. Many protestors considered the decision a national affront, given Russia’s 2008 invasion of Georgia and occupation of parts of its territory (see “Relations with Russia and Secessionist Regions,” below).

After the crackdown, the government made some concessions but maintained that the police response was largely appropriate. The chairman of parliament resigned, although he did not take direct responsibility for the incident. The government did not meet the protestors’ main demand that then-Minister of Internal Affairs Giorgi Gakharia resign; instead, he was appointed prime minister. About 20 protestors, including a UNM member of parliament, were charged with participating in mass violence and resisting police.19

Protest and Compromise on 2020 Parliamentary Elections

One measure that GD party chairman Ivanishvili proposed to defuse tensions after the June 2019 protests was to accept the opposition’s demand to hold 2020 parliamentary elections entirely on the basis of party lists (which was expected to lead to a greater opposition presence in parliament). In November 2019, parliament failed to adopt the measure after several GD members from majoritarian districts (who likely feared losing their mandates) declared opposition

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to the reform. The reversal led several GD deputies who had supported the reform to leave the party’s parliamentary faction. It also led to new protests that police eventually dispersed. 20

Negotiations among Georgia’s political parties led to an agreement in March 2020 to establish a transitional electoral system for October 2020 elections (see above). The March agreement was facilitated by the United States, Germany, the European Union, and the Council of Europe and was widely praised by domestic and international stakeholders. 21 In July 2020, the parliament passed constitutional amendments to implement the agreed changes. One obstacle to implementing the March agreement concerned the status of three opposition-linked figures whom the opposition considered political prisoners. Opposition parties claimed the March 8 agreement required their release; the government disagreed. In May 2020, President Zurabishvili pardoned two of the individuals, 22 President Zurabishvili did not pardon a third individual, who subsequently was sentenced to four years in prison on illegal firearm charges after participating in the June 2019 protests. As a result, UNM and European Georgia parliamentary deputies boycotted the July 2020 vote.

Role of Ex-President Saakashvili

After leaving office in 2013, Saakashvili left Georgia. In 2014, he moved to Ukraine, where he became an adviser to then-Ukrainian President Petro Poroshenko, acquired Ukrainian citizenship, and, in 2015-2016, served as governor of Ukraine’s Odessa region. In 2015, the Georgian government stripped Saakashvili of his Georgian citizenship, citing limitations on dual citizenship (the Saakashvili government had taken a similar step against Ivanishvili before the 2012 elections).

Saakashvili grew critical of the Poroshenko government and eventually entered into opposition. In 2017, the Ukrainian government revoked Saakashvili’s citizenship and, in 2018, Saakashvili was forcibly detained and deported. Saakashvili returned to Ukraine in 2019, after new Ukrainian President Volodymyr Zelensky reinstated his citizenship. In May 2020, Zelensky appointed Saakashvili head of the executive committee of the National Council of Reforms, a presidential advisory body.

Saakashvili, who has been sentenced twice in absentia to a total of nine years in prison, remains engaged in Georgian politics from abroad. Saakashvili formally served as UNM chairman until March 2019, when he was replaced by Grigol Vashadze, the UNM’s 2018 presidential candidate. In September 2020, Vashadze said the UNM-led Strength in Unity bloc would nominate Saakashvili as prime minister. 23

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22 One of the individuals pardoned was former Tbilisi Mayor Giorgi Ugulava, who in February 2020 received a new 38-month prison sentence ostensibly for crimes during his time in office prior to 2012 (Ugulava previously served 15 months in prison from 2015 to 2017 on similar charges). The second was former Minister of Defense Irakly Otkrashvili, who in April 2020 was sentenced to five years in prison on charges relating to the June 2019 protests. RFE/RL, “Georgian Opposition Figure Sentenced to Three More Years in Prison,” February 10, 2020.
Government Cancels Major Port Project

In January 2020, the Georgian government canceled a contract to develop a major new deepwater port and free industrial zone in Anaklia, located on Georgia’s Black Sea coast near the Russian-occupied region of Abkhazia. The port project was considered Georgia’s largest-ever infrastructure investment and was to be accompanied by major government investments in Georgia’s road and rail infrastructure. Georgia has aspired to be a key transit hub for the growing East-West overland trade route between China and Europe. Observers have speculated about the government’s motives for canceling the contract and its level of commitment to the port project.

Uncertainty regarding the future of the port project first arose in 2019. In July 2019, Mamuka Khazaradze, the head of the Anaklia Development Consortium’s principal Georgian partner (TBC Holding, an affiliate of Georgia’s largest bank) and his deputy were charged with money laundering, in connection with what officials alleged were improper financial transactions from more than a decade before. In August 2019, a U.S. partner in the consortium reportedly withdrew from the project.

Many observers have raised questions about the ongoing case against Khazaradze. The U.S. government stated concerns “about the context and timing of [the] charges.” In January 2020, the Georgian public defender (ombudsperson) filed an amicus curiae brief that stated that “the case materials do not contain the elements necessary for assessing an action as a crime of money laundering.”

While under investigation, Khazaradze launched a new political movement, Lelo for Georgia, which has fashioned itself as a “third force” between GD and UNM. Public opinion polls in August 2020 suggest that Lelo has less than 5% popular support.

Controversy over Supreme Court Appointments

Georgia has adopted a series of judicial reforms in recent years that have restructured its judicial institutions. As part of these reforms, a High Council of Justice oversees the appointment and dismissal of judges. The council has 15 members, a majority of whom are selected by the Conference of Judges, the judiciary’s self-governing body.

In December 2018, several GD members of parliament criticized the High Council’s nomination of several judges to the Supreme Court whom they considered tainted by association with the

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UNM. The dispute sparked debate within the ruling party, as well as with NGOs that expressed concern that some of the nominated judges could be susceptible to corruption.30

Although the government agreed to alter the rules of appointment, the new judicial selection process remained controversial. The High Council of Justice submitted a revised (and expanded) list of 20 candidates to parliament in September 2019. In December 2019, the parliament approved the lifetime appointment of 14 new Supreme Court justices. Domestic and international stakeholders criticized the process as nontransparent and counter to the intent of long-awaited judicial reforms, and said that it did not lead to the appointment of a fully qualified and independent roster of judges.31

Figure 1. Georgia

Sources: Map created by CRS. Map information generated using data from the National Geospatial Intelligence Agency, DeLorme, Department of State, and Esri.

Economy

For more than two decades, Georgia has been recovering from the severe economic decline it experienced after the dissolution of the Soviet Union.32 In 2019, Georgia’s gross domestic product (GDP) declined by 45% in 1992, 29% in

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32 According to World Bank estimates, Georgia’s gross domestic product (GDP) declined by 45% in 1992, 29% in
product (GDP) was around $17.7 billion (approximately 11 times less than that of Oklahoma, which has a similar population size). Its per capita GDP ($4,764) is midsized in comparison to Russia and other post-Soviet states.

In 2017, Georgia’s economy entered a period of relatively strong growth. After average growth of around 3% a year from 2013 to 2016, Georgia’s GDP grew by around 5% a year from 2017 to 2019. The International Monetary Fund (IMF) estimates that Georgia’s GDP will decline by about 5% in 2020, due to the impact of the COVID-19 pandemic.

Prior to the onset of the pandemic, the IMF characterized Georgia as having “resilient” economic growth, a historically low current account deficit, strong revenue growth, and a healthy banking sector. The IMF also noted “rising inflationary pressures” and indicated that “advancing financial sector and sectoral reforms would make the economy more resilient to shocks and sustain medium-term growth.” In September 2020, the IMF underlined the pandemic’s significant economic impact but also indicated that Georgia’s “policy response … has been so far successful in containing the economic and social impact of the pandemic.”

Poverty has declined in recent years, although it is still relatively high. According to official data, 20% of the population lived in poverty in 2019 (down from 35% a decade before). In 2019, recorded unemployment was 12%, although some surveys suggest a higher rate of unemployment. About 38% of Georgian laborers work in agriculture, a sector of the economy that accounts for less than 10% of GDP.

Georgia’s economy depends in part on remittances from labor migration. From 2015 to 2019, remittances were estimated to make up about 9% of Georgia’s GDP. In 2019, the National Bank of Georgia reported that Russia was the source of about 25% of remittances, followed by Italy (14%), Greece (11%), the United States (10%), and Israel (9%).

In 2017, the IMF approved a three-year Extended Fund Facility arrangement to provide Georgia with around $285 million in loans to support economic reforms focusing, among other things, on financial stability and infrastructure investment. The IMF noted the need for Georgia to increase its agricultural productivity, improve its business environment, and reform its education system.

To help Georgia address the coronavirus pandemic, the IMF disbursed about $200 million, including about $160 million in new assistance, in May 2020.

1993, and 10% in 1994. In the three years before the 2008 global financial crisis, Georgia achieved annual growth rates of 9% or higher. After a 4% decline in 2009, Georgia achieved growth of 6%-7% from 2010 to 2012.


Georgia suffered from energy shortages and gas cutoffs in the past, but it has improved its energy security in recent years. Almost all of Georgia’s natural gas supplies come from neighboring Azerbaijan. Georgia has rehabilitated hydropower plants and constructed new ones, although some key hydropower development plans have engendered local and NGO opposition.41

In 2019, Georgia’s largest merchandise trading partner was the EU, which accounted for about 23% of total trade ($3.0 billion). Individually, Georgia’s four largest trading partners were Turkey ($1.8 billion, or 14% of Georgia’s trade), Russia ($1.5 billion, 11%), China ($1.1 billion, 8%), and Azerbaijan ($1.1 billion, 8%). More than half of Georgia’s merchandise exports (51%) went to five countries: Azerbaijan, Russia, Armenia, Bulgaria, and Ukraine. Its main exports were motor vehicles, copper ores, beverages (wine, water, and spirits), iron and steel, and pharmaceuticals.42

Free trade agreements with the EU (signed in 2014) and China (signed in 2017) may improve Georgia’s prospects for export-led growth. Georgia is also exploring a trade agreement with India. However, Georgia’s manufacturing sector is small, and its top exports include used foreign cars and scrap metal, which provide low added value. In 2017, the IMF indicated that Georgia could further diversify its agricultural exports but noted the need to improve quality and standards.43

Tourism to Georgia has increased in recent years, and annual tourism-related income has more than tripled since 2011. In 2019, the number of international visitors who stayed in the country overnight was around 5.1 million, a 277% increase since 2011. Most tourists are from neighboring countries: Azerbaijan, Russia, Armenia, and Turkey.44 In September 2020, the IMF noted that “tourism revenues have come to a virtual standstill” due to the pandemic.45

From 2015 to 2019, foreign direct investment (FDI) averaged $1.6 billion a year. About 60% of the total amount came from Azerbaijan, the United Kingdom, the Netherlands, and Turkey. During this period, most FDI was in transport (24%); other leading sectors were finance (15%), energy (12%), and construction (9%).46 In 2017, the IMF noted that attracting FDI to sectors with high export potential, including tourism and agriculture, is “crucial to ensure growth in foreign markets.”47

**Relations with the European Union and NATO**

The Georgian government has long made closer integration with the EU and NATO a priority. According to recent polls, more than 75% of the Georgian population supports membership in the EU and about 70% supports membership in NATO.48

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42 Geostat, as reported in Trade Data Monitor.


44 Georgian National Tourism Administration, at https://gnta.ge/statistics/.


48 CRRC Georgia (for the National Democratic Institute), “Public Attitudes in Georgia: Results of June 2020 Survey.”
In 2014, Georgia concluded an association agreement with the EU that included a Deep and Comprehensive Free Trade Area (DCFTA) and encouraged harmonization with EU laws and regulations. The EU granted Georgia visa-free travel in 2017. The EU also is a major provider of foreign aid to Georgia, providing on average about €130 million (about $154 million) a year in 2018 and 2019. As of 2019, the benefits of the EU free-trade agreement for Georgia remain unclear. In 2019, the total value of Georgian exports to the EU was about 32% greater than in 2014. Exports to the EU as a share of Georgia’s total exports, however, were the same in 2019 as they were in 2014 (21%). In January 2019, the European Commission stated that Georgia is “reaping the benefits of economic integration” with the EU but noted that “further efforts are needed to stimulate exports and improve the trade balance.”

Georgia has close relations with NATO, which considers Georgia one of its “closest partners.” A NATO-Georgia Commission was established in 2008. At its 2014 Wales Summit, NATO leaders established a “Substantial NATO-Georgia Package” to help Georgia bolster its defense capabilities, including capacity-building, training, exercises, and enhanced interoperability. Georgia also is one of NATO’s Enhanced Opportunity Partners, a cooperative status currently granted to six of NATO’s close strategic partners. In 2015, Georgia joined the NATO Response Force, a rapid reaction force.

Georgia is one of the top troop contributors (and the top non-NATO contributor) in the NATO-led Resolute Support Mission in Afghanistan. At its height, Georgia’s deployment to NATO’s previous International Security Assistance Force (ISAF) mission in Afghanistan reached over 1,500 troops, who served with no operational caveats. As of August 2020, Georgia is the fifth-largest contributor to the Resolute Support Mission, with 860 troops.

In 2015, NATO opened a Joint Training and Evaluation Center in Georgia to provide training, evaluation, and certification opportunities to enhance interoperability and operational readiness. The center hosted its second joint NATO-Georgia exercise in March 2019 (the first one was held in 2016). Some NATO member states also participate in two sets of regular U.S.-Georgia led military exercises: Agile Spirit and Noble Partner (see “Military Aid Since the August 2008 War,” below). NATO also has established a Defense Institution Building School for professional development and training.

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51 Georgian imports from the EU in 2019 (24%) made up a slightly smaller share of total imports than in 2014 (26%). EU data do not include data from the United Kingdom. Geostat, as reported in Trade Data Monitor.


Many observers consider that closer integration with the EU and NATO has not enabled Georgia to improve its near-term prospects for membership in these organizations. The EU is unlikely to consider Georgia a candidate for membership soon, given the EU’s internal challenges and a lack of support for enlargement among many members. In 2008, NATO members agreed that Georgia and Ukraine would become members of NATO, but Georgia has not been granted a clear path to or timeline for membership.56

Many observers attribute Georgia’s lack of a clear path to NATO membership to some members’ concerns that Georgia’s membership could lead to a heightened risk of war with Russia, which occupies around 18% of Georgia’s territory. Many believe that NATO will not move forward with membership as long as Russia occupies Georgian territory and the conflict remains unresolved.

Relations with Russia and Secessionist Regions

The Georgian regions of Abkhazia and South Ossetia sought to break away from Georgia in the early 1990s, during and after Georgia’s pursuit of independence from the USSR.57 At the time, many observers believed Soviet and, later, Russian authorities instigated the conflicts and/or assisted local forces to halt Georgia’s efforts to distance itself from Russia. After the conflicts ended, Russian peacekeeping forces remained in both regions.

Since the 1990s, Georgia’s relations with Russia have remained tense. Tbilisi has blamed Moscow for obstructing Georgia’s Western integration. Many observers believe that Moscow supports Abkhazia and South Ossetia to prevent Georgia from joining NATO.

Since 2012, however, the Georgian government has sought to improve economic relations with Russia. In 2013, Moscow lifted an embargo on popular Georgian exports (including wine and mineral water) that had been in place since 2006.58 As a result, Russia again became one of Georgia’s main trading partners. The share of Georgia’s merchandise exports to Russia as a percentage of its total exports rose from 2% in 2012 to 13% in 2019.59 The annual number of Russians visiting Georgia more than tripled from 2012 to 2019.60

Improved relations with Russia do not appear to have led to greater public support in Georgia for closer integration with Russia. Several overtly pro-Russian parties performed poorly in the 2016 parliamentary elections. One electoral bloc critical of Georgia’s European integration, the nationalist-conservative Alliance of Patriots, cleared the 5% threshold to enter parliament, but even this bloc’s leadership did not campaign for membership in the Russia-led Eurasian Economic Union. In August 2020, a Russian NGO alleged the Alliance of Patriots was receiving

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56 In the Bucharest Summit Declaration of April 2008, heads of state and government of NATO member countries declared that “NATO welcomes Ukraine’s and Georgia’s Euro-Atlantic aspirations for membership in NATO. We agreed today that these countries will become members of NATO.” NATO, “Bucharest Summit Declaration,” April 3, 2008.


58 Also in 2006, Russia forcibly deported more than 2,000 Georgian migrant workers, seemingly in response to Georgia’s arrest of four Russian military officers on espionage-related charges. In 2014, the European Court of Human Rights (ECHR) ruled that the deportation violated the European Convention of Human Rights but did not make a ruling regarding compensation. In 2019, the ECHR ruled that Russia should pay €10 million (currently almost $12 million) in compensation to the deportees; as of September 2020, Russia had not complied with the ruling. Civil Georgia, “CoE Concerned with Russia’s Failure to Pay to Deportation Victims,” September 5, 2020.

59 The share of Georgian merchandise imports from Russia also increased, from 6% in 2012 to 11% in 2019. Geostat, as reported in Trade Data Monitor.

60 Georgian National Tourism Administration, at https://gnta.ge/statistics/.
Russian financial and technical support. In preelection polls, the Alliance of Patriots has received support from 3% of respondents.

Abkhazia and South Ossetia

Abkhazia and South Ossetia are small but strategically located regions of Georgia (see Figure 1). Abkhazia accounts for more than half of Georgia’s Black Sea coastline. South Ossetia is located astride a major transportation route to Russia and close to Georgia’s main east-west highway.

Authorities in Abkhazia allege that the region’s population in 2011 was around 240,000 (51% Abkhaz, 19% Georgian, 17% Armenian, 9% Russian). Most Georgians—who were previously the largest ethnic group in Abkhazia—were forced to flee Abkhazia during the 1992-1993 war and became internally displaced persons, or IDPs (Abkhazia’s population in the 1989 Soviet census was around 525,000, of which 46% were ethnic Georgians and 17% ethnic Abkhaz).

The Georgian government has estimated that about 40,000 ethnic Georgians still live in Abkhazia. Many observers note these Georgians face challenges regarding freedom of movement, political rights, and native-language education. In 2020, a new local government came to power in Abkhazia and indicated it may seek to restore certain rights to the region’s ethnic Georgian population.

Authorities in South Ossetia allege that the region’s population in 2015 was around 54,000 (90% Ossetian, 7% Georgian). South Ossetia’s population in the 1989 Soviet census was around 98,000 (66% Ossetian, 29% Georgian). Most ethnic Georgians that remained in the region after the 2008 war (see below) are residents of the easternmost Akhalgori region, which was under Georgia’s direct control until the 2008 war.

As in occupied regions of Ukraine, Russia has provided citizenship to residents of Abkhazia and South Ossetia. Observers note that Russia justified its 2008 invasion of Georgia in part by alleging the need to defend Russian citizens in South Ossetia.

2008 Russia-Georgia War

Georgia’s relations with Russia worsened after ex-President Saakashvili came to power in 2003 and sought to accelerate Georgia’s integration with the West. The Georgian government established greater control over Georgian-populated villages in South Ossetia and the remote and thinly-populated Kodori Gorge in Abkhazia. In 2004, new clashes between Georgian and local forces occurred. After another round of escalation in 2008, Russia invaded Georgia to prevent the Georgian government from reestablishing control over South Ossetia. The five-day war in August

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2008 led to the deaths of more than 800 civilians and military personnel, the expulsion of some 20,000 Georgian residents from South Ossetia and the destruction of their villages, and Georgian loss of control over the Akhalgori region.66 In Abkhazia, local forces took control of the Kodori Gorge. Russian forces temporarily occupied Georgian territory outside Abkhazia and South Ossetia and recognized the latter as independent states.

After the 2008 War and Recent Developments

Since 2008, Moscow has tightened control over Abkhazia and South Ossetia. Russia has established military bases and border guard outposts in the two regions that reportedly house around 3,500-5,000 military and 1,500 border guard personnel in each region.67 Russian and local authorities have constructed boundary fences, imposed transit restrictions, and frequently detained Georgian citizens for “illegal” crossings.68

In 2019, new tensions arose around South Ossetia. In an apparent effort to harden and extend the boundary line, Russian and local authorities erected new fencing within two Georgian-populated villages and established border markers in another area within Georgian-controlled territory. Georgian authorities responded by establishing a new police checkpoint near the boundary line, after which authorities in South Ossetia closed the crossing point for the Akhalgori region (with an estimated resident population of under 2,000 and approximately 400 daily crossings). Locals said the closure led to the death of at least 10 residents who were unable to be transported for medical care.69 In January 2020, local authorities temporarily opened the crossing point for residents to receive medical care and pensions.70 In February 2020, local authorities enacted new crossing point closures, ostensibly related to coronavirus concerns.71

Conflict Resolution

The 2008 war ended with a six-point cease-fire plan brokered by then-French President Nicolas Sarkozy and a follow-on implementation plan. The six-point plan included a non-use of force


68 At least four Georgian citizens have been killed or died under suspicious circumstances while in detention or in incidents involving local armed forces. In 2018, the Georgian government compiled a list of human rights offenders in Abkhazia and South Ossetia (the Otkhozoria-Tatunashvili list) and called for international sanctions. Agenda.ge, “327 Detained Illegally By Occupying Forces in Georgia Between 2017-19,” February 26, 2019; Civil Georgia, “Independent Expert Speaks of Preliminary Details of Kvaratskhelia’s Forensic Examination,” March 17, 2019; Civil Georgia, “Government Unveils Tatunashvili-Otkhozoria List,” June 27, 2018.


pledge and the return of Russia’s armed forces to the positions they held prior to the start of hostilities.\(^{72}\) Regular Russian forces withdrew from areas they had occupied outside South Ossetia and Abkhazia, but within the two regions they deployed new forces in greater numbers and outside preexisting peacekeeping formats. As a result, many international observers consider Russia not to be in compliance with the six-point plan.

All parties to the conflict, together with the United States, the EU, the U.N., and the OSCE, participate in the Geneva International Discussions, convened quarterly to address issues related to the conflict. Parties to the conflict, together with the U.N. and OSCE, also have participated in joint Incident Prevention and Response Mechanisms (IPRMs) to address local security issues and build confidence. Abkhaz and South Ossetian representatives periodically suspend their participation in the IPRMs, which have not convened since June 2018 for Abkhazia and did not convene from August 2019 to July 2020 for South Ossetia.\(^{73}\) The EU leads an unarmed civilian Monitoring Mission in Georgia that monitors compliance with the cease-fire; Russian authorities do not permit it to operate in Abkhazia and South Ossetia.\(^{74}\)

**U.S.-Georgia Relations**

Georgia is one of the United States’ closest partners among the post-Soviet states. With a history of strong economic aid and security cooperation, the United States and Georgia have deepened their strategic partnership since Russia’s 2008 invasion of Georgia and 2014 invasion of Ukraine. A U.S.-Georgia Charter on Strategic Partnership, signed in 2009, provides the framework for much of the two countries’ bilateral engagement. A Strategic Partnership Commission convenes annual plenary sessions and working groups to address political, economic, security, and people-to-people issues.\(^{75}\)

Before the 2008 war, the United States supported granting Georgia a NATO Membership Action Plan and backed NATO’s April 2008 pledge that Georgia eventually would become a member of NATO. In August 2017, U.S. Vice President Michael Pence said in Tbilisi that the Trump Administration “stand[s] by the 2008 NATO Bucharest statement, which made it clear that Georgia will one day become a member of NATO.”\(^{76}\) At a press conference after the July 2018 NATO summit in Brussels, President Trump said that “at a certain point [Georgia will] have a chance” to join NATO, if “not right now.”\(^{77}\)

U.S. officials have frequently expressed support for Georgia’s sovereignty and territorial integrity. In a 2017 visit to Georgia, Vice President Pence said the United States “strongly condemns Russia’s occupation on Georgia’s soil.”\(^{78}\) In 2018, the State Department indicated that

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\(^{74}\) For more, see the EU Monitoring Mission in Georgia website, at https://eumm.eu.
\(^{76}\) White House, “Remarks by the Vice President and Georgian Prime Minister in a Joint Press Conference,” August 1, 2017.
\(^{77}\) White House, “Remarks by President Trump at Press Conference After NATO Summit,” July 12, 2018.
\(^{78}\) White House, “Remarks by the Vice President and Georgian Prime Minister in a Joint Press Conference,” August 1,
“the United States’ position on Abkhazia and South Ossetia is unwavering: The United States fully supports Georgia’s territorial integrity within its internationally recognized borders.”

The United States calls on Russia to comply with the terms of the 2008 cease-fire agreement, including withdrawal of its forces to prewar positions, and to reverse its recognition of Abkhazia and South Ossetia as independent states. U.S. officials have criticized Russian efforts at hardening and extending the boundary lines of Abkhazia and South Ossetia. The U.S. government has expressed support for Georgia’s “commitment to dialogue and a peaceful resolution to the conflict,” and in 2018 the State Department welcomed a new peace initiative that the government of Georgia unveiled.

The United States has criticized recent cyberattacks against Georgia. In February 2020, Secretary of State Michael Pompeo condemned a cyberattack he attributed to Russian military intelligence that “disrupted operations of several thousand Georgian government and privately-run websites and interrupted the broadcast of at least two major television stations.” Secretary Pompeo said that the United States would “offer additional capacity building and technical assistance to help strengthen Georgia’s public institutions and improve its ability to protect itself from these kinds of activities.”

In September 2020, the U.S. Embassy in Georgia said that it was “appalled” by reports of an unattributed cyberattack that “attempted to illegally access [COVID-19] pandemic management information,” including from Georgia’s Richard G. Lugar Center for Public Health Research. The Lugar Center is a government laboratory that was established with U.S. financial support and houses the Georgian National Center for Disease Control and Public Health, as well as the U.S. Army Medical Research Directorate-Georgia, an “overseas infectious disease laboratory of the Walter Reed Army Institute of Research.”

The United States has strongly supported democracy and governance reforms in Georgia for many years. In June 2020, the State Department stated that “the United States applauds Georgia’s historic adoption of constitutional amendments that establish a more proportional electoral system.” The next month, Secretary Pompeo spoke by phone to Georgian Prime Minister Gakharia. According to the State Department, Secretary Pompeo “highlighted the importance of holding free, fair, and transparent parliamentary elections […] and stressed the importance of rigorous implementation of recently passed electoral reforms.” The Secretary also “urged continued efforts to strengthen the independence of Georgia’s judiciary as an essential step for

2017.

Congressional Action

Congress has expressed firm support for Georgia’s sovereignty and territorial integrity. The Countering Russian Influence in Europe and Eurasia Act of 2017 (P.L. 115-44, Title II, §253) states that the United States “supports the policy known as the ‘Stimson Doctrine’ and thus does not recognize territorial changes effected by force, including the illegal invasions and occupations” of Abkhazia and South Ossetia, and other territories occupied by Russia. 87

Since FY2017, foreign operations appropriations have prohibited foreign assistance to governments that recognize the independence of Abkhazia or South Ossetia and have restricted funds from supporting Russia’s occupation of Abkhazia and South Ossetia (P.L. 116-94, §7047(c)). The 2014 Ukraine Freedom Support Act (P.L. 113-272) provides for sanctions against Russian entities that transfer weapons illegally to the territory of Georgia and other states.

On October 22, 2019, during the 116th Congress, the House passed the Georgia Support Act (H.R. 598) by voice vote. The bill expresses support for Georgia’s sovereignty, independence, and territorial integrity, as well as for its democratic development, Euro-Atlantic and European integration, and peaceful conflict resolution. If passed, the bill would require the Secretary of State to submit to Congress reports on U.S. security assistance to Georgia, U.S.-Georgia cybersecurity cooperation, and a strategy to enhance Georgia’s capabilities to combat Russian disinformation and propaganda. The bill also would require the President to impose sanctions on those responsible for serious human rights abuses in Abkhazia and South Ossetia.

The House version of the FY2021 National Defense Authorization Act (H.R. 6395) would express the sense of Congress that the United States “should reaffirm support for an enduring strategic partnership” with Georgia, support Georgia’s sovereignty and territorial integrity, and “continue support for multi-domain security assistance” (§1245). The act also would express the sense of Congress that the United States should support “Georgia’s continued development of democratic values, path to electoral reform, commitment to combating corruption, and efforts to ensure the Georgian private sector upholds international recognized standards” (§1299C). In addition, the act would require the Secretary of State to submit reports to Congress on the status of democratic reform in Georgia and on internally displaced persons in Georgia, as well as in Ukraine, Moldova, and Azerbaijan (§§1299C, 1281).

The House-passed FY2021 Consolidated Appropriations Act (H.R. 7608) would withhold 15% of economic and development assistance funds to Georgia until the Secretary of State determines and reports to Congress that the government is “taking effective steps” to strengthen democratic institutions, combat corruption, and “ensure the rule of law in the private sector is consistent with internationally recognized standards” (§7046). At the same time, the House Committee on

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87 As noted in a proposed concurrent resolution introduced in September 2008 (H.Con.Res. 430), the Stimson Doctrine is named for Secretary of State Henry Stimson, who “declared in 1932 that the United States would not recognize territorial changes effected by force following the seizure of Manchuria by Japan.”
88 Nicaragua, Venezuela, Nauru, and Syria have joined Russia in recognizing Abkhazia and South Ossetia as independent states. In 2014, Tuvalu retracted its earlier recognition of these regions’ independence. Vanuatu, which recognized the independence of Abkhazia but not South Ossetia, appears to have changed its policy over time.
89 The House passed a similar bill (H.R. 6219) by unanimous consent during the 115th Congress.
Appropriations “applaud[cd] the adoption of constitutional amendments … enacted as a result of an agreement among a majority of Georgian political parties.”

Many Members of Congress have expressed their support for Georgia in House and Senate resolutions. In 2016, during the 114th Congress, the House of Representatives passed H.Res. 660, which expressed support for Georgia’s territorial integrity, in a 410-6 vote. The resolution condemned Russia’s military intervention and occupation, called upon Russia to withdraw its recognition of Abkhazia and South Ossetia as independent states, and urged the U.S. government to declare unequivocally that the United States will not recognize Russia’s de jure or de facto sovereignty over any part of Georgia under any circumstances.

The Senate and House have passed other resolutions in support of Georgian sovereignty and territorial integrity: in 2011-2012 (S.Res. 175, H.Res. 526), in September 2008 (S.Res. 690), and, before the conflict, in May-June 2008 (H.Res. 1166, S.Res. 550) and December 2007 (S.Res. 391).

In 2019 and 2020, Members of Congress sent several letters to Georgian leadership, calling on the Georgian government to maintain democratic reforms and adhere to the rule of law.

**Foreign Aid**

Since independence, Georgia has been a leading recipient of U.S. foreign aid in Europe and Eurasia. In the 1990s (FY1992-FY2000), the U.S. government provided more than $860 million in total aid to Georgia ($96 million a year on average). In the latter part of the decade, the United States began to provide Georgia with increased amounts of aid to improve border and maritime security and to combat transnational crime, including through the development of Georgia’s Coast Guard.

In the 2000s, Georgia became the largest per capita recipient of U.S. aid in Europe and Eurasia. From FY2001 to FY2007, total aid to Georgia amounted to more than $945 million ($135 million a year, on average). In 2005, Georgia also was awarded an initial five-year (2006-2011) $295 million grant from the U.S. Millennium Challenge Corporation (MCC) for road, pipeline, and municipal infrastructure rehabilitation, as well as for agribusiness development.

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90 H.Rept. 116-444 to accompany H.R. 7608.
91 A parallel resolution (S.Res. 106) was introduced in the Senate during the 115th Congress.
92 A list of congressional letters sent to Georgian leadership from November 2019 to February 2020 is available at Civil Georgia, “U.S. Congressman Weber Concerned Over Georgia’s ‘Backsliding from Democratic Values,’” February 12, 2020.
The United States gave increased amounts of military aid to Georgia after the terrorist attacks of September 11, 2001. At the time, the George W. Bush Administration considered Georgia part of a “second stage” in the “war on terror,” together with Yemen and the Philippines, and supported Georgia with a two-year Train and Equip Program. 97 This program was followed by a Sustainment and Stability Operations Program through 2007 that supported a Georgian troop deployment to Operation Iraqi Freedom.

After Russia invaded Georgia in August 2008, the United States substantially increased its assistance to Georgia. The U.S. government immediately provided over $38 million in humanitarian aid and emergency relief, using U.S. aircraft and naval and coast guard ships. 98 In September 2008, then-Secretary of State Condoleezza Rice announced a total aid package worth at least $1 billion. 99 Total U.S. assistance to Georgia for FY2008-FY2009 amounted to $1.04 billion, including $634 million in supplemental funds. 100 Georgia also received an additional $100 million in MCC funds (taking the total amount of Georgia’s first MCC grant to $395 million). 101

Since the 2008 war, Georgia has continued to be a major recipient of U.S. foreign aid in the Europe and Eurasia region. Nonmilitary aid totaled $64 million a year on average from FY2010 to FY2019 ($89.8 million in FY2019). 102 In addition, Georgia received a second five-year (2014-2019) MCC grant of $140 million to support educational infrastructure and training, and to improve the study of science and technology. 103 Separate nonproliferation and threat reduction assistance administered by the Department of Defense, including to support the establishment of the Lugar Center for Public Health Research, has amounted to over $266 million in obligated funds since FY2011. 104

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97 In March 2002, President George W. Bush said: “Now that the Taliban are gone and al Qaeda has lost its home base for terrorism [in Afghanistan], we have entered the second stage of the war on terror—a sustained campaign to deny sanctuary to terrorists who would threaten our citizens from anywhere in the world.” He named the Philippines, Georgia, and Yemen as three sites of this second stage. White House, “President Bush Thanks the World Coalition for Anti-Terrorism Efforts,” March 11, 2002, at https://2001-2009.state.gov/coalition/ctrm/2002/8729.htm.


102 This total includes all State Department and USAID bilateral assistance, except for Foreign Military Financing (FMF) and International Military Education and Training (IMET).


For FY2020, the State Department allocated $89.8 million in nonmilitary aid. The president’s FY2021 nonmilitary aid request for Georgia was $41.3 million, and the House Appropriations Committee recommended $94.8 million.

Military Aid Since the August 2008 War

Since FY2010, Georgia has received U.S. military assistance primarily through Foreign Military Financing (FMF), Coalition Support Funds, and Train and Equip and other capacity-building programs. These funds have been used to support Georgia’s deployments to Afghanistan in ISAF and the follow-on Resolute Support Mission (around $200 million since 2010), as well as for Georgian border and maritime security, counterterrorism, and defense readiness. From FY2010 to FY2019, the United States provided Georgia almost $265 million in FMF assistance.

In 2017, the Department of Defense launched a three-year, $35 million training initiative, the Georgia Defense Readiness Program, which is scheduled to conclude in 2021. This initiative is intended to improve Georgia’s capacity “to generate, train and sustain forces to defend [its] territorial integrity and deter Russia.”

For FY2020, the State Department allocated $40 million in FMF assistance and $2.2 million in IMET funds. Additional planned military assistance was to be provided under the Department of Defense’s “Section 333” (global train-and-equip) authority. For FY2021, the President requested $20 million in FMF assistance and $2.2 million in IMET assistance for Georgia; the House Appropriations Committee recommended $35 million in FMF assistance and $2.2 million in IMET assistance for Georgia.

In recent years, U.S.-Georgia security cooperation has focused increasingly on improving Georgia’s homeland defense capabilities. In a 2012 visit to Georgia, then-Secretary of State Hillary Clinton said that increased cooperation would help improve Georgia’s self-defense capabilities, promote defense reform and modernization, and provide training and equipment to support Georgia’s ISAF deployment and NATO interoperability. The Obama Administration refrained from approving major lethal arms sales to Georgia after the 2008 war. Observers considered various reasons for this hesitation, including doubts regarding the deterrent effect of such weaponry, concerns about encouraging potential Georgian offensives to retake territory, and a desire to avoid worsening relations with Russia as the Administration embarked on a new “reset” policy with Moscow.

106 H.Rept. 116-444 to accompany H.R. 7608.
107 FMF assistance for Georgia includes bilateral funds, as well as funds allocated through the Europe and Eurasia Regional account and the Countering Russian Influence Fund. U.S. Department of State, “U.S. Security Cooperation with Georgia,” June 16, 2020; CRS calculations.
110 H.Rept. 116-444 to accompany H.R. 7608.
112 In testimony to the Senate Foreign Relations Committee a year after Russia’s invasion, then-Assistant Secretary of Defense Alexander Vershbow characterized U.S. defense cooperation with Georgia as “a methodical, yet patient, strategic approach . . . [focused] on building defense institutions, assisting defense sector reform, and building the strategic and educational foundations” for training and reform. He said the United States was “carefully examining each step of its military assistance program] to ensure it would not be counterproductive to our goals of promoting
In 2016, the United States and Georgia concluded a three-year framework agreement on security cooperation focusing on “improving Georgia’s defense capabilities, establishing [an] effective and sustainable system of defense, enhancing interoperability of the Georgian Armed Forces with NATO, and ensuring effective military management.” The framework agreement led to the establishment of the Georgia Defense Readiness Program (noted above). In November 2019, the United States and Georgia signed a new three-year Security Cooperation Framework “that reaffirmed the importance of the U.S.-Georgia strategic relationship and prioritized bilateral security cooperation focused on Georgian defense readiness and interoperability.”

The Trump Administration has approved the provision of major defensive lethal weaponry to Georgia. In November 2017, the Department of Defense notified Congress of a Foreign Military Sale to Georgia of over 400 Javelin portable anti-tank missiles, as well as launchers, associated equipment, and training, at a total estimated cost of $75 million.

The United States and Georgia have held regular joint military exercises in Georgia since 2011. Initial exercises, dubbed Agile Spirit, began as a counterinsurgency and peacekeeping operations training exercise and shifted to a “conventional warfare focus” in 2015, the year after Russia’s invasion of Ukraine. That year, Agile Spirit began to include other NATO partners. A second bilateral exercise, Noble Partner, was launched in 2015 and was designed “to enhance regional partnerships and increase U.S. force readiness and interoperability in a realistic, multinational training environment.”

Trade

In 2019, the United States was Georgia’s seventh-largest source of merchandise imports and eighth-largest destination for exports. The value of Georgia’s merchandise imports from the United States—mainly vehicles, copper ores and concentrates, and industrial machinery—was $389 million in 2019. The value of merchandise exports to the United States—mainly iron and steel—was $132 million in 2019.

Since 2012, the United States and Georgia periodically have discussed the possibility of a free-trade agreement. The two countries have signed a bilateral investment treaty and a Trade and Investment Framework Agreement. They also have established a High-Level Dialogue on Trade and Investment. During Vice President Pence’s August 2017 visit to Georgia, he expressed the United States’ “keen interest in expanding our trade and investment relationship with Georgia.” The Georgia Support Act (H.R. 598), which the House passed by voice vote on October 22, 2019,

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118 Geostat, as reported in Trade Data Monitor.
would express the sense of Congress that “the United States Trade Representative should make progress toward negotiations with Georgia to enter a bilateral free trade agreement with Georgia.”

In 2019, the United States expressed support for Georgia’s deepwater port project in Anaklia prior to the government’s cancellation of the project contract (see “Government Cancels Major Port Project,” above). Assistant Secretary of State for Economic and Business Affairs Manisha Singh said that the port would “grow Georgia’s economy, make Georgia an even stronger trading partner to the United States, and provide greater connectivity between Europe and the entire Caspian region.”120 Secretary of State Pompeo expressed “hope that Georgia completes the port project [which] will enhance Georgia’s relationship with free economies and prevent Georgia from falling prey to Russian or Chinese economic influence.”121

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