Georgia: Background and U.S. Policy

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Georgia is one of the United States’ closest partners among the post-Soviet states that gained their independence after the dissolution of the Soviet Union 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 in Europe and Eurasia.

Many observers consider Georgia to have a “hybrid” political system, containing both democratic and nondemocratic elements. The center-left Georgian Dream-Democratic Georgia (GD) party has governed Georgia since 2012. Controversy over the October 2020 parliamentary elections, an opposition boycott of parliament, and the February 2021 arrest of opposition leader Nika Melia led to heightened political tensions. European Union (EU) efforts to mediate Georgia’s political crisis led to a negotiated agreement in April 2021 that included opposition parties’ entry into parliament and Melia’s release.

Although Georgia faces high rates of poverty and underemployment, its economy entered a period of relatively strong growth in 2017. In 2020, due to the impact of the Coronavirus Disease 2019 (COVID-19) pandemic, Georgia’s gross domestic product (GDP) declined by an estimated 6%. Georgia’s GDP is expected to grow 3.5% to 4% in 2021.

Since the 1990s, Georgia’s relations with Russia have been tense. Georgian authorities accuse Moscow of obstructing Georgia’s Western integration. In 2008, Russia invaded Georgia to prevent the Georgian 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. Many observers believe Russia supports the secession of Abkhazia and South Ossetia to prevent Georgia from joining NATO. The Georgian government has long made closer integration with NATO and the EU a priority.

Over many years, Congress has expressed firm support for Georgia’s sovereignty and territorial integrity. In the 117th Congress, the Georgia Support Act (H.R. 923) was introduced on February 8, 2021. The act calls for enhanced U.S. assistance to Georgia. If enacted, the act would require the President to impose sanctions on those responsible for serious human rights abuses in Abkhazia and South Ossetia. The House passed similar bills (H.R. 6219, H.R. 598) during the 115th and 116th Congresses. Members of the 117th Congress and previous Congresses also have expressed views on domestic developments in Georgia, including the state of its democracy. On April 22, 2021, a bipartisan group of Senators introduced S.Res. 176, calling for Georgia’s political parties to implement the April 2021 political agreement and for the Georgian government to institute systemic reforms.

Since FY2017, State Department and U.S. Agency for International Development (USAID) bilateral aid allocations to Georgia have totaled $123 million a year on average ($131 million in FY2020, including $40 million in Foreign Military Financing, or FMF). For FY2021, Congress appropriated $132 million in bilateral aid to Georgia, including $35 million in FMF. For FY2022, the State Department/USAID budget request includes $120.6 million in bilateral aid to Georgia. Since FY2010, Georgia has received U.S. military aid primarily through FMF, Department of Defense capacity-building programs, and Coalition Support Funds.
Contents

Introduction ............................................................................................................................. 1
Politics and Governance ......................................................................................................... 1
   October 2020 Election Controversy .................................................................................. 4
   Arrest of Opposition Leader ............................................................................................. 5
   EU-Brokered Political Dialogue ....................................................................................... 6
   Judicial Reform Challenges ............................................................................................... 7
Economy ................................................................................................................................. 8
Relations with the European Union and NATO ................................................................. 10
Relations with Russia and Seccessionist Regions ............................................................. 12
   Abkhazia and South Ossetia .......................................................................................... 12
   2008 Russia-Georgia War ............................................................................................. 13
   Conflict Resolution ....................................................................................................... 14
   After the 2008 War and Recent Developments ............................................................ 14
U.S.-Georgia Relations ......................................................................................................... 15
   Congressional Action ..................................................................................................... 17
   Foreign Aid ..................................................................................................................... 18
   Trade ............................................................................................................................... 20

Figures

Figure 1. Georgia .................................................................................................................... 11

Tables

Table 1. October 2020 Parliamentary Elections .................................................................. 3

Contacts

Author Information ................................................................................................................. 21
Introduction

Historically situated at the edge of empires, Georgia is located in the South Caucasus, a region between the Black and Caspian Seas separated from Russia by the Greater Caucasus mountain range and bordering 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 dissolution of the Soviet Union.

Since 1991, Georgia has coped with two territorial 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. After a short war with Georgia in 2008, Russia unilaterally recognized the independence of Abkhazia and South Ossetia and stationed military forces in these regions.1

Georgians speak and write a 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 almost thirty years of Georgia’s independence, many observers have considered the country to have a “hybrid” political system, containing both democratic and nondemocratic elements. The U.S.-based nongovernmental organization Freedom House currently assigns Georgia a “global freedom” score of 60 out of 100 (“partly free”), one of the highest ratings among the post-Soviet states that gained their independence upon the dissolution of the USSR.2

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1 Georgia’s South Caucasus neighbors, Azerbaijan and Armenia, fought a six-week war in autumn 2020 over the predominantly Armenian-populated region of Nagorno-Karabakh (also known in Armenian as Artsakh) and surrounding territories internationally recognized as part of Azerbaijan. The war resulted in Azerbaijani control over a portion of Nagorno-Karabakh and most of the surrounding territories it lost during a previous conflict in the 1990s, as well as the deployment of Russian forces as peacekeepers in Nagorno-Karabakh. For more, see CRS Report R46651, Azerbaijan and Armenia: The Nagorno-Karabakh Conflict, by Cory Welt and Andrew S. Bowen.

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 3.18 (transitional or hybrid regime). Scores reflect the state of affairs at the start of the year. Freedom House, Freedom in the World 2021; and Freedom House, Nations in Transit 2021.
Georgia has a parliamentary system of governance, shaped by constitutional reforms that came into effect over the last decade. The center-left Georgian Dream-Democratic Georgia (GD) came to power in 2012 as the leading party in an electoral bloc. In 2016, GD campaigned alone and won reelection with a supermajority of more than 75% of parliamentary seats. In 2019, GD lost about one-fifth of its parliamentary deputies, following party disputes about judicial appointments and the party’s backtracking from a commitment to hold fully proportional parliamentary elections in 2020.

Many observers believe billionaire Bidzina Ivanishvili, former GD party chairman and a former prime minister, exerts a dominant behind-the-scenes role in policymaking and personnel appointments. Ivanishvili resigned from the position of GD party chairman in January 2021. He retired from politics once before, in 2013, after serving as prime minister for 13 months. He formally returned to politics as GD chairman in 2018.

Officially, Georgia’s most powerful executive is the prime minister. The current prime minister, Irakli Garibashvili, assumed office in February 2021. Garibashvili previously served as GD party secretary from March 2019 and as minister of defense from September 2019. Garibashvili served as prime minister once before (2013-2015) and as minister of internal affairs (2012-2013).

Georgia’s president, elected in 2018, is Salome Zurabishvili, a former independent Member of Parliament (MP) and minister of foreign affairs. Georgia’s president is commander in chief of the armed forces and has the power to veto legislation and dissolve parliament under certain circumstances. Zurabishvili is to be Georgia’s last directly elected president; from 2023, Georgia is to have a president chosen by MPs and local government representatives.

Georgia’s unicameral parliament has 150 members. Constitutional reforms adopted in 2018 established a fully proportional (i.e., party list) system beginning in 2024. For the 2020 parliamentary elections, the parliament established a transitional election system by which 120 seats were elected by party list and 30 seats by majoritarian district. The threshold for entering parliament was 1% of the vote.

The October 2020 parliamentary elections were mired in controversy (see “October 2020 Election Controversy,” below). According to official results, GD placed first, with 48% of the proportional vote. GD party candidates also won 13 of 30 majoritarian seats in the first round. Opposition parties boycotted the second round, helping GD secure victory in the remaining majoritarian races. In all, GD received 60% of parliamentary seats.

GD’s main competitor was the opposition bloc Strength in Unity, led by the center-right United National Movement (UNM), the former ruling party once led by ex-President Mikheil Saakasvili (2004-2013). The party is led currently by Nika Melia, who became party chairman

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5 Prior to entering the Georgian government, Zurabishvili was a French national and diplomat.


7 Mikheil Saakasvili has Ukrainian citizenship and currently serves as head of the executive committee of Ukraine’s National Council of Reforms, a presidential advisory body. In 2015, Saakasvili lost his Georgian citizenship, allegedly due to restrictions against dual citizenship. Georgia Today, “Former President Saakasvili Loses Georgian Citizenship,” December 4, 2015.
in December 2020. The UNM officially received 27% of the proportional vote and 36 seats (24%). UNM splinter party European Georgia-Movement for Liberty came in third with 4% of the vote (and five seats).\(^8\) Six other opposition parties were elected to parliament, each with four seats or less (see Table 1).

Due to their claims of electoral fraud, most opposition parties boycotted parliament until a political agreement was reached via EU mediation in April 2021. Before the agreement, only 96 MPs out of 150 were seated: 90 from GD and 6 from opposition parties. By early June 2021, most opposition MPs had entered parliament. The parliament’s composition has undergone some changes, however. Some elected MPs have renounced their mandates and have not entered parliament. Others, including most European Georgia MPs and six ex-GD MPs affiliated with former Prime Minister Gakharia, have left their parties or electoral blocs. Finally, several MPs from various opposition parties have united to create new interparty factions in parliament.

<table>
<thead>
<tr>
<th>Party</th>
<th>Party List Seats</th>
<th>Percentage of Party List Vote</th>
<th>Total Seats</th>
<th>Percentage of Total Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgian Dream</td>
<td>60</td>
<td>48.2%</td>
<td>90</td>
<td>60.0%</td>
</tr>
<tr>
<td>UNM - Strength in Unity</td>
<td>36</td>
<td>27.2%</td>
<td>36</td>
<td>24.0%</td>
</tr>
<tr>
<td>European Georgia</td>
<td>5</td>
<td>3.8%</td>
<td>5</td>
<td>3.3%</td>
</tr>
<tr>
<td>Lelo</td>
<td>4</td>
<td>3.2%</td>
<td>4</td>
<td>2.7%</td>
</tr>
<tr>
<td>Strategy Aghmashenebeli</td>
<td>4</td>
<td>3.2%</td>
<td>4</td>
<td>2.7%</td>
</tr>
<tr>
<td>Alliance of Patriots</td>
<td>4</td>
<td>3.1%</td>
<td>4</td>
<td>2.7%</td>
</tr>
<tr>
<td>Girchi</td>
<td>4</td>
<td>2.9%</td>
<td>4</td>
<td>2.7%</td>
</tr>
<tr>
<td>Citizens</td>
<td>2</td>
<td>1.3%</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>Labor Party</td>
<td>1</td>
<td>1.0%</td>
<td>1</td>
<td>0.7%</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100%</td>
<td>150</td>
<td>100%</td>
</tr>
</tbody>
</table>


The shift to a more proportional election system in 2020 was the result of a March 2020 interparty agreement facilitated by the United States, Germany, the European Union (EU), and the Council of Europe and widely praised by domestic and international stakeholders.\(^9\) Leading opposition parties did not support the relevant amendments in parliament, however, in response to what they said was GD’s failure to uphold the agreement in full. In particular, opposition parties claimed the agreement required authorities to amnesty three opposition-linked figures the opposition considered political prisoners. President Zurabishvili pardoned two of the individuals but not a third, Giorgi Rurua, who then was sentenced to four years in prison on illegal firearm...

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\(^8\) The United National Movement (UNM) split in 2017 after months of infighting concerning party tactics and relations with ex-President Mikheil Saakashvili, who is under indictment and living abroad. Those who left the UNM sought to build a rebranded party without Saakashvili. Those who stayed in the UNM sought to adhere to Saakashvili’s legacy and, in part, direction.

charges the opposition said were politically motivated (Rurua eventually was pardoned in April 2021).\footnote{One individual pardoned was former Tbilisi Mayor Giorgi Ugulava, who received a 38-month prison sentence in February 2020, 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 Irakli Otkrashvili, who was sentenced to five years in prison in April 2020 on charges relating to June 2019 protests. Civil Georgia, “President Zurabishvili Pardons Gigi Ugulava, Irakli Otkrashvili,” May 15, 2020; and Civil Georgia, “President Zurabishvili Pardons Giorgi Rurua,” April 27, 2021.}

**October 2020 Election Controversy**

GD’s popularity declined prior to the emergence of the Coronavirus Disease 2019 (COVID-19) pandemic. However, internationally lauded efforts to contain the pandemic by then-Prime Minister Giorgi Gakharia’s government and a relatively low spread of COVID-19 through the summer appeared to boost GD’s election prospects.\footnote{Giorgi Lomsadze, “Georgia Gets Rare Plaudits for Coronavirus Response,” Eurasianet, March 20, 2020; Rayhan Demytrie, “Coronavirus: How ‘Three Musketeers’ Helped Georgia Fight Virus,” BBC News, July 6, 2020; and Giorgi Lomsadze, “Georgia’s Epidemiological Elections,” Eurasianet, July 23, 2020.} At the same time, a COVID-19-related economic decline and a dramatic rise in COVID-19 case numbers from September 2020 may have countered GD’s rising popularity somewhat.\footnote{Giorgi Lomsadze, “New Wave of COVID Complicates Georgian Ruling Party’s Election Strategy,” Eurasianet, September 25, 2020.}

International observers appeared to view the October 2020 election results as legitimate overall, although they expressed concerns about various shortcomings. A mission led by the Organization for Security and Cooperation in Europe (OSCE) assessed the elections as “competitive” and stated that “overall, fundamental freedoms were respected.”\footnote{The observation mission was limited in size due to the COVID-19 pandemic. OSCE/Office for Democratic Institutions and Human Rights (ODIHR), *Georgia Parliamentary Elections, 31 October 2020*, March 5, 2021, p. 2 (hereinafter, OSCE/ODIHR, *Georgia Parliamentary Elections*).} The OSCE mission, however, expressed concerns about an appeals process that was a central focus of opposition complaints after the election. The mission also raised concerns about “allegations of pressure on voters and blurring of the line between the ruling party and the state.”\footnote{Other concerns included “the dominance of the ruling party” in election commissions, campaign finance rules that “disadvantaged smaller and new parties,” the widespread and intimidating “presence of party coordinators and activists, often acting on behalf of the ruling party, outside of most observed polling stations,” and an “excessive number of party representatives and party-affiliated citizen observer groups (that) at times interfered in the election process or actively determined who should enter the voting premises.” OSCE/ODIHR, *Georgia Parliamentary Elections*, p. 3-4, 29.}

Opposition parties and civil society organizations (CSOs) focused their claims on certain irregularities, including poll book imbalances and the election commissions’ rejection of most complaints.\footnote{More than 2,000 complaints were submitted on or after election day, and more than half were dismissed on technical grounds. Central Election Commission of Georgia (CEC), “Statement on the So-Called Misbalance in PEC Summary Protocols,” December 16, 2020; CEC, “Statistics on Dispute Resolution of Electoral Subjects and Observer Organizations,” January 12, 2021; and International Society for Fair Elections and Democracy (ISFED), “ISFED Explains About Summary Protocols of PVT Polling Stations,” January 29, 2021.} Opposition parties called for new elections, accusing authorities of electoral fraud on a scale that was sufficient to grant GD a majority in parliament.\footnote{Civil Georgia, “Thousands Rally Toward CEC, Demand Snap Elections,” November 8, 2020.} Some domestic CSOs said the elections were the most poorly conducted since GD came to power in 2012 but called for recounts only in specific precincts.\footnote{Georgian Young Lawyers’ Association et al., “NGOs’ Assessment of the 2020 Parliamentary Elections,” November 11, 2020.}
Georgian authorities made some efforts to address complaints, but opposition parties and CSOs contended these efforts were limited or flawed. Election commissions reportedly conducted 39 recounts (out of about 450 requested), issued a relatively high number of corrected protocols, and upheld or partially upheld about 13% of complaints.\(^\text{18}\) Authorities attributed many discrepancies to human error and COVID-19-related staffing issues. One of the most commonly cited discrepancies was later found to stem from an error in how a leading CSO reported results from a parallel vote tabulation (PVT), an election monitoring tool.\(^\text{19}\)

After the elections, opposition parties organized several protests, including a demonstration outside the Central Election Commission that was dispersed with the use of anti-riot equipment, including water cannons.\(^\text{20}\) Opposition parties boycotted the second round of elections, and most opposition MPs refused to take their seats in parliament. Members of the diplomatic community, including the U.S. and EU ambassadors, sought to negotiate a resolution to the dispute.\(^\text{21}\)

**Arrest of Opposition Leader**

Georgia’s tense political climate deteriorated further in February 2021, when authorities arrested UNM party chairman Nika Melia, who had been elected to the position in December 2020. The arrest was the culmination of a lengthy official confrontation with Melia (see text box, below). After the October 2020 elections, Melia demonstratively removed an ankle monitoring bracelet he was required to wear pending trial in connection with charges lodged against him in 2019. Authorities ordered Melia to wear the bracelet or pay increased bail; he refused to do either, maintaining his prosecution was politically motivated.\(^\text{22}\)

In February 2021, the GD majority in parliament voted to remove Melia’s immunity as an MP, and he was ordered into pretrial detention for violating court orders. Then-Prime Minister Gakharia resigned, stating he opposed Melia’s detention given its political overtones, risk of violence, and potentially destabilizing effects.\(^\text{23}\) A special police operation raided UNM headquarters, arrested Melia, and temporarily detained about 20 others. Melia’s arrest was condemned by CSOs and Georgia’s public defender (ombudswoman) and was criticized internationally.\(^\text{24}\)

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**June 2019 Protest and Prosecution of Nika Melia**

In June 2019, the Georgian government faced a political crisis 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. Demonstrators were protesting the decision to allow a Russian Member of Parliament (MP) to deliver a speech from the parliamentary speaker’s chair in his capacity as chairman of the Interparliamentary Assembly on

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\(^{4}\) 2020.  
\(^{19}\) ISFED, “Updated Information on ISFED’s PVT Results,” December 11, 2020.  
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.

After the crackdown, the government made some concessions but maintained 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 were charged with participating in mass violence and resisting police.

Melia, then an MP and former Tbilisi mayoral candidate, was charged with inciting and leading an attempt to storm the Georgian parliament. Opposition supporters considered the charges to be politically motivated. The parliamentary majority voted to remove Melia’s MP immunity from charges; he paid bail and was ordered to wear a monitoring bracelet. In December 2019, in a second case that supporters considered politically motivated, Melia was found guilty of abuse of office for actions taken in 2012 against a bank founded by Bidzina Ivanishvili, before his Georgian Dream party won elections that year. As part of an April 2021 political agreement, Georgia’s parliament is considering a bill that would provide amnesty for crimes related to the June 2019 events.


EU-Brokered Political Dialogue

After Georgian authorities faced widespread criticism for the February 2021 arrest of Melia, they agreed to launch a political dialogue with opposition parties mediated by the EU and supported by the United States. The dialogue was launched in March 2021, via the facilitation of European Council President Charles Michel, who mandated an EU mediator to assist with the dialogue. At the same time, a parliamentary working group on electoral reform, co-led by an opposition MP who entered parliament, proposed amendments to the election code to address, among other things, the composition of election commissions and the appeals process. A group of domestic CSOs issued recommendations on how to reach a political compromise and implement needed reforms.

The EU-brokered dialogue led to a negotiated agreement in April 2021 that resulted in opposition parties’ entry to parliament and the release from prison of UNM chairman Melia. On April 18, 2021, European Council President Michel released the text of the proposed political agreement, after parties did not agree to an earlier proposal. Most of the boycotting opposition parties and some individual MPs signed the agreement; the UNM said it would defer signing until after Melia’s release from prison. The agreement includes a provision on holding early parliamentary elections if GD receives less than 43% of the party list vote in fall 2021 local elections. The agreement also provides for electoral and judicial reforms, which are ongoing, as well as committee leadership positions for opposition MPs.

Melia was freed from pretrial detention in May 2021, after the EU volunteered to pay his bail. The parliament is considering an amnesty law for criminal charges relating to the June 2019

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protest and police response. In addition, the agreement led President Zurabishvili to amnesty Giorgi Rurua, whom opposition parties also considered a political prisoner. UNM MPs entered parliament after Melia’s release, although the UNM ultimately did not agree to sign the April 2021 political agreement.

Judicial Reform Challenges

In recent years, Georgia has adopted a series of judicial reforms 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 late 2018, some 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 UNM. The dispute sparked debate within the ruling party, as well as with some CSOs and legal professionals who expressed concern that some of the nominated judges could be susceptible to corruption.29

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 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; they also said the process did not lead to the appointment of a fully qualified and independent roster of judges.30

Domestic and international stakeholders continue to call on Georgian authorities to reform the judiciary. In March 2021, several CSOs proposed a set of reforms to address “institutional and functional problems which obstruct judicial independence and the ability of judges to exercise their professional authority competently and with integrity.”31 In March 2021 testimony to Congress, a U.S. State Department official said Georgia’s judicial reforms should address “the undue influence of powerful judges on other judges, and use of the disciplinary, promotion, and appointment system to exert influence on judges.”32 Subsequently, Georgian CSOs criticized GD-sponsored legislation to reform the justice system as “completely detached” from reality and unable “to improve the process … increase public confidence [or] address important challenges.”33 In May 2021, four judges were elected to the High Council of Justice, despite calls

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by U.S. and EU diplomats to delay judicial appointments until after the implementation of judicial reforms.34

Economy

For three decades, Georgia has been recovering from the severe economic decline it experienced after the dissolution of the Soviet Union.35 In 2019, Georgia’s gross domestic product (GDP) was around $17.5 billion (approximately 11 times less than that of Oklahoma, which has a similar population size). Georgia’s per capita GDP ($4,698 in 2019) is midsized in comparison to the per capita GDP of Russia and other post-Soviet states.

From 2017 to 2019, Georgia’s GDP grew by about 5% a year, following average growth of about 3% a year from 2013 to 2016. In 2020, Georgia’s GDP declined by an estimated 6% due to the impact of the COVID-19 pandemic.36 Georgia’s GDP is expected to grow 3.5% to 4% in 2021.

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.37 In 2020, the IMF stated that Georgia “faces a pronounced economic slowdown” but that the government’s “policy response helped limit the human toll of the pandemic and rightly focused on protecting the vulnerable.”38

Poverty in Georgia has declined in recent years. According to official data, 21% of the population lived in poverty in 2020 (down from 37% a decade before). The official unemployment rate in 2020 was 19% (down from 27% in 2010).39 About 20% of Georgian laborers work in agriculture, a sector of the economy that accounts for less than 10% of GDP.40

Georgia’s economy depends in part on migrant remittances. From 2016 to 2020, remittances were equivalent to about 9% of Georgia’s GDP. In 2020, the National Bank of Georgia reported that Russia was the largest source of remittances, followed by Italy, Greece, the United States, and Israel.41

Prior to the COVID-19 pandemic, tourism was a steadily growing sector in Georgia. Most tourists to Georgia come from neighboring countries: Azerbaijan, Russia, Armenia, and Turkey. From 2011 to 2019, annual tourism-related income more than tripled; in 2019, tourism was responsible

35 According to World Bank estimates, Georgia’s gross domestic product (GDP) declined by 45% in 1992, 29% in 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.
for about 8% of GDP. In 2020, the IMF noted that “tourism revenues came to a virtual standstill” due to the COVID-19 pandemic.

In 2017, the IMF approved a three-year Extended Fund Facility (EFF) arrangement to provide Georgia with about $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 COVID-19 pandemic, the IMF expanded Georgia’s lending program and, by April 2021, had disbursed about $687 million to Georgia since 2017.

Georgia 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 hydropower development plans have engendered local and CSO opposition.

In 2020, Georgia’s largest merchandise trading partner was the EU, which accounted for about 22% of total trade ($2.5 billion, down from $3 billion in 2019). Individually, Georgia’s four largest trading partners were Turkey ($1.6 billion, or 14% of Georgia’s trade), Russia ($1.3 billion, 12%), China ($1.2 billion, 10%), and Azerbaijan ($934 million, 8%). Half of Georgia’s merchandise exports went to four countries: China, Azerbaijan, Russia, and Bulgaria. Georgia’s main exports were copper ores, beverages (wine, water, and spirits), motor vehicles, and iron and steel. Georgia has free trade agreements with the EU and China.

From 2015 to 2019, foreign direct investment (FDI) in Georgia 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%). 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.” In 2020, FDI declined to an estimated $617 million.

Cancellation of Anaklia Port Project

Georgia has aspired to be a key transit hub for the growing East-West overland trade route between China and Europe. In January 2020, however, 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. Officials said project consortium partners, who are contesting the cancellation in international arbitration court, failed to raise the necessary funds for the project. In March 2021, Georgian officials said a process to select a new port developer would commence soon.

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42 Georgian National Tourism Administration, at https://gnta.ge/statistics.
47 Geostat, as reported in Trade Data Monitor.
Many observers have speculated about the government’s motives for canceling the contract and its level of commitment to the port project. In 2019, Mamuka Khazaradze, the head of the project 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. Subsequently, a U.S. partner in the consortium withdrew from the project.

Observers raised questions about the 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, “the case materials do not contain the elements necessary for assessing an action as a crime of money laundering.”


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**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 80% of the Georgian population supports membership in the EU and more than 70% supports membership in NATO.50

In 2014, Georgia concluded an association agreement with the EU that included a Deep and Comprehensive Free Trade Area and encouraged harmonization with EU laws and regulations.51 In 2017, the EU granted Georgian citizens visa-free entry to the EU’s Schengen area of free movement, which allows individuals to travel without passport checks between most European countries. The EU also is a major provider of foreign aid to Georgia, providing more than €100 million (about $120 million) a year and additional pandemic-related aid.52

NATO considers Georgia “one of the Alliance’s closest partners.”53 A NATO-Georgia Commission was established in 2008. At the NATO 2014 Wales Summit, NATO leaders established a “Substantial NATO-Georgia Package” to help Georgia bolster its defense capabilities. Georgia is one of NATO’s Enhanced Opportunity Partners, a cooperative status currently granted to six of NATO’s close strategic partners.54 In 2015, Georgia joined the NATO Response Force, a rapid reaction force.

Georgia has been one of the top troop contributors (and the top non-NATO contributor) to the NATO-led Resolute Support Mission in Afghanistan, which is ending in 2021. As of February 2021, Georgia was the fourth-largest contributor to the Resolute Support Mission, with 860

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53 NATO, “Relations with Georgia,” updated April 12, 2021.
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.

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.

In 2015, NATO opened a Joint Training and Evaluation Center in Georgia to enhance interoperability and operational readiness. The center has hosted two joint NATO-Georgia exercises. Some NATO member states participate in two sets of regular U.S.-Georgia led military exercises: Agile Spirit and Noble Partner (see “Military Aid” below).

Closer integration with the EU and NATO does not appear to have 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 Georgia and Ukraine would become members of NATO, but neither state has 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. Many

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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.
believe 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

Since the 1990s, Georgia’s relations with Russia have been tense. Georgian authorities accuse Moscow of obstructing Georgia’s Western integration. Many observers believe Russia supports the secession of Georgia’s breakaway regions of Abkhazia and South Ossetia to prevent Georgia from joining NATO.

Abkhazia and South Ossetia originally sought to secede from Georgia in the early 1990s, during and after Georgia’s pursuit of independence from the Soviet Union. At the time, many observers believed Soviet and, later, Russian authorities instigated the conflicts, assisted local forces to halt Georgia’s efforts to distance itself from Russia, or both. After the conflicts ended, Russian forces remained in both regions to serve as peacekeepers.

Abkhazia and South Ossetia

Abkhazia and South Ossetia are small but strategically located regions of Georgia that make up almost 20% of Georgia’s territory (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.

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 about 525,000, of which 46% were ethnic Georgians and 17% were ethnic Abkhaz. Authorities in Abkhazia allege the region’s population in 2011 was about 240,000 (50% Abkhaz, 19% Georgian, 17% Armenian, and 9% Russian).

The Georgian government has estimated that about 40,000 ethnic Georgians still live in Abkhazia, primarily in the southeastern district of Gali. Many observers note these Georgians from the Gali district face challenges regarding freedom of movement, political rights, and native-language education. In 2020, a new local government came to power in Abkhazia and suggested it might be more attentive to the rights of the region’s ethnic Georgian population.

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

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 Georgia’s 2003 Rose Revolution, which brought ex-President Saakashvili to power. Under Saakashvili, the Georgian government sought to accelerate Georgia’s integration with the West and reintegrate the breakaway regions. Authorities established greater control over Georgian-populated villages in South Ossetia and the remote and thinly-populated Kodori Gorge in Abkhazia. In 2004, new clashes occurred in South Ossetia between Georgian and local forces. In 2006, Russian authorities imposed an embargo on popular Georgian exports (including wine and mineral water) and forcibly deported more than 2,000 Georgian migrant workers from Russia, seemingly in response to Georgia’s arrest of four Russian military officers on espionage-related charges.

After another round of escalation in 2008, Russia invaded Georgia to prevent the Georgian government from reestablishing control over South Ossetia. A five-day war in August 2008 led to the deaths of more than 800 civilians and military personnel, the expulsion of some 20,000 Georgian residents from South Ossetia, the destruction of villages, and Georgian loss of control over the Akhalgori region. 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.

In February 2021, the European Court of Human Rights ruled Russia violated several articles of the European Convention of Human Rights with regard to Russian actions in Georgia in 2008, including “through its responsibility for the arbitrary detention of civilians, the … treatment, torture, and other ill-treatment of prisoners of war, and the denial of Georgian citizens’ right to return to their homes.”

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63 In 2014, the European Court of Human Rights (ECHR) ruled 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 (almost $12 million) in compensation; as of April 2021, Russia had not complied with the ruling. Civil Georgia, “CoE Concerned with Russia’s Failure to Pay to Deportation Victims,” September 5, 2020; and Agenda.ge, “Russia Ready to Discuss €10 Mln ECHR Fine over 2006 Deportations of Georgian Citizens,” February 8, 2021.


Conflict Resolution

The 2008 war ended with a six-point cease-fire plan and a follow-on implementation plan brokered by then-French President Nicolas Sarkozy. The six-point plan included a nonuse of force pledge and the return of Russia’s armed forces to the positions they held prior to the start of hostilities.66 Regular Russian forces withdrew from areas they had occupied outside South Ossetia and Abkhazia, but within the two regions Russia deployed new forces in greater numbers and outside prior peacemaking formats. As a result, U.S. officials and others consider Russia to be in noncompliance with the six-point plan.67

All parties to the conflict, together with the United States, the EU, the United Nations, 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 United Nations and the OSCE, also participate in joint Incident Prevention and Response Mechanisms (IPRMs) to address local security issues and build confidence. Abkhaz and South Ossetian representatives frequently suspend participation in the IPRMs.68 The EU leads an unarmed civilian monitoring mission in Georgia that monitors compliance with the cease-fire; Russian authorities do not permit the mission to operate in Abkhazia and South Ossetia.69

After the 2008 War and Recent Developments

Since 2008, Moscow has tightened control over Abkhazia and South Ossetia. In these regions, Russia established military bases and border guard outposts that reportedly each house around 3,500-5,000 military and border guard personnel.70 Russian and local authorities constructed boundary fences, imposed transit restrictions, and frequently detain Georgian citizens for “illegal” crossings. Since 2015, at least four Georgian citizens have been killed or have died under suspicious circumstances while in detention or in incidents involving local armed forces.71

In recent years, new tensions have arisen around South Ossetia. In 2019, Russian and local authorities hardened and extended the boundary line. Georgian authorities responded by

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69 For more, see the EU Monitoring Mission in Georgia website, at https://eumm.eu.
70 The 7th Military Base in Abkhazia is in Gadauta; the 4th Military Base in South Ossetia is in Tskhinvali. The estimated number of armed forces does not include local military formations. Abkhazia maintains local forces under the command of the Russian military; some local South Ossetian forces have been absorbed into the Russian military. International Institute of Strategic Studies, Military Balance 2020, p. 208; and Margarete Klein, Russia’s Military Policy in the Post-Soviet Space: Aims, Instruments, and Perspectives, SWP, January 2019.
establishing a new police checkpoint nearby, after which local authorities closed the crossing point for the Akhalgori region (with a remaining population of under 2,000). The closure reportedly contributed to the deaths of at least 16 residents who were unable to be transported for medical care.\textsuperscript{72} In 2020, authorities in both regions enacted new crossing point closures, ostensibly related to COVID-19 concerns, although authorities in Abkhazia occasionally have opened humanitarian corridors across the boundary line.\textsuperscript{73} In April 2021, Georgian authorities reported the drowning deaths of four Georgian residents of Abkhazia who attempted to bypass closed crossing points by swimming across the boundary line.\textsuperscript{74}

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. 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 2020.\textsuperscript{75} The annual number of Russians visiting Georgia more than tripled from 2012 to 2019.\textsuperscript{76} At the same time, disputes between Georgia and Russia persist; since 2019, for example, Russian authorities have banned passenger flights to and from Georgia, a measure they imposed in response to Georgian protests against a visiting Russian MP (see “June 2019 Protest and Prosecution of Nika Melia” text box, above).

\section*{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 has deepened its strategic partnership with Georgia 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.\textsuperscript{77}

U.S. officials frequently express support for Georgia’s sovereignty and territorial integrity within its internationally recognized borders. Successive U.S. Administrations and Members of Congress on a bipartisan basis have condemned Russia’s occupation of territory in Georgia. The Countering Russian Influence in Europe and Eurasia Act of 2017 (P.L. 115-44, Title II, §253) states 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, South Ossetia, and other territories occupied by Russia.\textsuperscript{78}


\textsuperscript{74} Civil Georgia, “Georgian President, MFA Say Russia Responsible for Drownings in Enguri,” April 7, 2021.

\textsuperscript{75} The share of Georgian merchandise imports from Russia also increased, from 6% in 2012 to 11% in 2020. Geostat, as reported in Trade Data Monitor.

\textsuperscript{76} Georgian National Tourism Administration, at https://gnta.ge/statistics/gnta.

\textsuperscript{77} U.S. Department of State, “U.S.-Georgia Strategic Partnership Commission.

\textsuperscript{78} As noted in a proposed concurrent resolution introduced in September 2008 (H.Con.Res. 430), the Stimson Doctrine
The United States has called on Russia to comply with the terms of the cease-fire agreement that ended its 2008 war against Georgia, 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. U.S. officials have criticized Russian efforts at hardening and extending the boundary lines of Abkhazia and South Ossetia.79 The U.S. government has expressed support for Georgia’s “commitment to dialogue and a peaceful resolution to the conflict.”

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 2017, then-Vice President Michael Pence said in Tbilisi that the United States “stand[s] by the 2008 NATO Bucharest statement, which made it clear that Georgia will one day become a member of NATO.”

The United States has criticized cyberattacks against Georgia. In 2020, then-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.” Also that year, the U.S. Embassy in Georgia said 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 (see “Foreign Aid” below).

The United States continues to strongly support democracy and governance reforms in Georgia. With regard to Georgia’s 2020 parliamentary elections, U.S. officials shared the assessment of the international observation mission that the elections “were competitive and, overall, fundamental freedoms were respected.” However, the U.S. Embassy in Georgia expressed concern about irregularities and allegations of abuse that “while not sufficient to invalidate the results, continue to mar Georgia’s electoral process and are unacceptable.”

In February 2021, the U.S. Department of State said the United States was “deeply troubled” by the arrest of UNM chairman Melia and called on the Georgian government to ensure “its judicial and prosecutorial system is free of political bias.”

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.”


81 White House, “Remarks by the Vice President and Georgian Prime Minister in a Joint Press Conference,” August 1, 2017.


“committed to assisting the Georgian parliament to ensure this agreement achieves its aspirations.”

Congressional Action

Members of the 117th Congress and previous Congresses have expressed support for Georgia’s sovereignty and territorial integrity. Since FY2017, foreign operations appropriations prohibit foreign assistance to governments that recognize the independence of Abkhazia or South Ossetia and restrict funds from supporting Russia’s occupation of Abkhazia and South Ossetia (P.L. 116-260, §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.

In the 117th Congress, the Georgia Support Act (H.R. 923) was introduced on February 8, 2021. The House passed similar bills (H.R. 6219, H.R. 598) during the 115th and 116th Congresses. The Georgia Support Act calls for enhanced U.S. assistance to Georgia and 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. If enacted, it also would require the President to impose sanctions on those responsible for serious human rights abuses in Abkhazia and South Ossetia.

Members of the 117th Congress and previous Congresses also have expressed views on domestic developments in Georgia, including the state of its democracy. The FY2021 Consolidated Appropriations Act (P.L. 116-260, §7046) requires the Secretary of State to submit a report on actions taken by the Georgian government since January 1, 2020, to “(1) strengthen democratic institutions, including through recent elections; (2) combat corruption; and (3) ensure that rule of law in the private-sector and the foreign investment climate meet international standards.” On April 22, 2021, a bipartisan group of Senators introduced S.Res. 176, calling for Georgia’s political parties to implement the April 2021 political agreement and for the Georgian government to institute systemic reforms.

The Senate and the House have passed several resolutions in support of Georgia’s sovereignty and territorial integrity: in 2016 (H.Res. 660), in 2011-2012 (S.Res. 175, H.Res. 526), in September 2008 (S.Res. 690), and, before the conflict that year, in May-June 2008 (H.Res. 1166, S.Res. 550) and December 2007 (S.Res. 391).

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87 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.
Foreign Aid

Since independence, Georgia has been a leading recipient of U.S. foreign and military aid in Europe and Eurasia. In the 1990s (FY1992-FY2000), the U.S. government allocated more than $860 million in total aid to Georgia ($96 million a year, on average).90

In the 2000s, Georgia became the largest per capita recipient of U.S. aid in Europe and Eurasia. From FY2001 to FY2007, foreign aid allocations to Georgia totaled more than $945 million ($135 million a year, on average).91 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.92

After Russia invaded Georgia in 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.93 In September 2008, then-Secretary of State Condoleezza Rice announced a total aid package worth at least $1 billion.94 Total U.S. assistance allocated to Georgia for FY2008-FY2009 totaled $1.04 billion, including $634 million in supplemental funds.95 Georgia also received another $100 million in MCC funds.96

After the 2008 war, Georgia continued to be a major recipient of U.S. foreign aid in the Europe and Eurasia region. From FY2010 to FY2016, State Department and U.S. Agency for International Development (USAID) bilateral aid allocations to Georgia amounted to $77 million a year on average (including Foreign Military Financing, or FMF). Georgia also 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.97

Since FY2017, bilateral State Department and USAID assistance to Georgia has increased to $123 million a year on average ($131 million in FY2020, including $40 million in FMF).98 For FY2021, Congress appropriated $132 million in bilateral aid to Georgia, including $35 million in FMF.99 For FY2022, the State Department/USAID budget request includes $120.6 million in bilateral aid to Georgia.

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90 Foreign aid totals from FY1992 to FY2000 include all agencies and accounts. Over 40% of this total was for humanitarian food assistance. See U.S. Department of State, U.S. Government Assistance to and Cooperative Activities with the New Independent States of the Former Soviet Union, FY2000 Annual Report (Appendix).
91 CRS calculations, based on data available in the U.S. Department of State’s U.S. Government Assistance to and Cooperative Activities with Eurasia reports for FY2001 to FY2007.
92 U.S. Millennium Challenge Corporation (MCC), “Georgia Compact.”
93 Testimony of Daniel Fried, in U.S. Congress, Senate Committee on Armed Services, Georgia and Implications for U.S. Policy, hearings, 110th Congress, 2nd sess., September 9, 2008.
95 CRS calculations, based on data available in the U.S. Department of State’s U.S. Government Assistance to and Cooperative Activities with Eurasia reports for FY2008 and FY2009. Also see testimony of S. Ken Yamashita, in U.S. Congress, Senate Committee on Foreign Relations, Georgia: One Year After the August War, hearings, 111th Congress, 1st sess., August 4, 2009.
96 MCC, “Georgia Compact.”
97 MCC, “Georgia Compact II.”
Separate nonproliferation and threat reduction assistance administered by the Department of Defense has totaled more than $266 million in obligated funds since FY2011. Such assistance has supported the establishment of the Lugar Center for Public Health Research. The Lugar Center is a government laboratory that 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.”

Military Aid

The provision of U.S. military aid to Georgia predates Russia’s 2008 invasion of Georgia. In the late 1990s, the United States began to provide Georgia with increased aid to improve border and maritime security and to combat transnational crime, including through the development of Georgia’s Coast Guard. U.S. military aid increased after the terrorist attacks of September 11, 2001. 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. This program was followed by a Sustainment and Stability Operations Program through 2007 that supported a Georgian troop deployment to Iraq in Operation Iraqi Freedom.

Since FY2010, Georgia has received U.S. military aid through FMF and International Military Education and Training (IMET), as well as the Department of Defense’s Section 333 (Building Partner Capacity) account and other train-and-equip programs. The Georgia Defense Readiness Program, a three-year initiative scheduled to conclude in 2021, has sought to “[enhance] Georgia’s interoperability and [strengthen its] territorial defense capabilities.” FMF assistance is provided on a bilateral basis, as well as through the Europe and Eurasia Regional account and the Countering Russian Influence Fund. In 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. U.S. military assistance totaling more than $200 million also has supported Georgia’s deployments to Afghanistan in ISAF and the follow-on Resolute Support Mission.

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


102 In total, the United States provided about $166 million for the Georgia Border Security and Law Enforcement program, which existed from FY1998 to FY2011. Another $34 million in border security assistance was provided to Georgia through the Export and Border Security program. International Business and Technical Consultants, Maritime Security Special Thematic Report, Georgia Monitoring Project, submitted to U.S. Department of State, April 2012, p. 3.

103 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.” White House, “President Bush Thanks the World Coalition for Anti-Terrorism Efforts,” March 11, 2002.


and sustainable system of defense, enhancing interoperability of the Georgian Armed Forces with NATO, and ensuring effective military management.” 

In 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 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 designed “to enhance regional partnerships and increase U.S. force readiness and interoperability in a realistic, multinational training environment.”

Trade

In 2020, the United States was Georgia’s 4th-largest source of merchandise imports and 10th-largest destination for exports. The value of Georgia’s merchandise imports from the United States—mainly vehicles—was $537 million in 2020 (up from $389 million in 2019). The value of merchandise exports to the United States—mainly iron and steel—was $80 million in 2020 (down from $132 million in 2019).

Since 2012, the United States and Georgia periodically have discussed the possibility of a free-trade agreement. The Georgia Support Act (H.R. 923), if enacted, would express the sense of Congress that “the United States Trade Representative should make progress toward negotiations with Georgia” on a free trade agreement. The United States and Georgia 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.

U.S. officials expressed support for Georgia’s deepwater port project in Anaklia prior to the Georgian government’s cancellation of the project contract in 2020. Then-Assistant Secretary of State for Economic and Business Affairs Manisha Singh said 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.” Then-Secretary Pompeo said the port would “enhance Georgia’s relationship with free economies and prevent Georgia from falling prey to Russian or Chinese economic influence.”

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111 Trade data from Geostat, as reported in Trade Data Monitor.
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