



# Integrated Country Strategy

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## Georgia

**FOR PUBLIC RELEASE**

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## 1. Chief of Mission Priorities

The overarching goal of the U.S. Mission in Georgia is to anchor Georgia more firmly as the United States' most reliable partner in a strategically critical region. A strong, democratic Georgia that is integrated into Western political and economic structures will stand staunchly by the United States in addressing global security challenges and will promote economic prosperity on both sides of the Atlantic.

Recognizing that Georgia remains one of the largest, most reliable troop contributors to the NATO mission in Afghanistan and coalition operations elsewhere, we will continue to support Georgia on its path to NATO membership, in line with Allies' 2008 Bucharest Summit declaration. We will also assist Georgia in strengthening its territorial defense capabilities and further develop its interoperability with U.S. and NATO forces. We will continue to build Georgia's capacity to address regional and transnational threats like violent extremism, trafficking in persons and narcotics, proliferation of nuclear materials, and biosecurity threats. We will firmly support Georgia's territorial integrity and sovereignty and push for full implementation of the 2008 ceasefire agreement by Russia. At the same time, we will support Georgia's peaceful, pragmatic engagement with Russia through the Geneva International Discussions, as well as Georgia's efforts to promote reconciliation and engagement with the occupied territories of South Ossetia and Abkhazia.

Georgia is determined to complete its transition to a free market democracy despite pressure from Russia to abandon its Western course. Unwavering support from the United States and the European Union has helped Georgia launch difficult political and economic reforms, but full implementation and consolidation of reforms require a sustained, long-term effort. We will assist Georgia's efforts to strengthen the rule of law, develop more transparent and accountable institutions, create a more independent judiciary, further reform the prosecution and security services, improve respect for civil liberties and human rights, and adhere to principles of due process in criminal investigations and prosecutions. We will also support Georgia in carrying out further electoral reforms during the 2018 presidential and 2020 parliamentary elections in order to ensure a free media market accessible to all political points of view and a level playing field for all political parties.

We will help Georgia further modernize its economic governance, focusing on improvements to the business and investment environment, as well as growth-oriented regulation of the energy sector. We will also help Georgia increase the value and volume of agricultural production through more effective policy-making and building sustainable private sector capacity. We will

expand U.S.-Georgia commercial ties, opening new markets for U.S. companies while imparting internationally accepted business practices. Our assistance will also help Georgia fulfill its potential to become a vital hub in the trade, logistics, and energy corridors linking European and Asian markets. Building on USAID's primary education programs and the science, technology, engineering and math (STEM)-focused education programs of the Millennium Challenge Corporation's \$140 million second compact, we will help raise the quality of Georgia's workforce through better education matched to workforce requirements.

Because Georgia's Western course requires patience and the full commitment of the Georgian nation, we will expand people-to-people engagement that builds on common interests and values. Using a wide range of exchanges we will build a deeper understanding of the United States, American society, and our democratic values. Our public diplomacy will highlight U.S. brands – like our university education system, technology, innovation, and entrepreneurship – to remind Georgians of the long-term benefits of their pro-Western choice and counter Russian anti-Western propaganda. We will also encourage national unity and stability through support to regional and ethnic minority media in Georgia, translation of content into minority languages, promotion of citizen journalism, and improving media literacy for journalists and information consumers alike. We will support the integration of Georgia's internally displaced persons, as well as the inclusion of all of the country's ethnic and religious minorities into Georgia's national political, economic, and social life.

The primary external risk to achieving our strategic goals is the potential for Russia to increase economic or military pressure on Georgia, while other regional actors also may exert negative influence beyond U.S. control. Continued support from EU and NATO partners provides significant burden sharing in realizing our shared goals for Georgia's development, while U.S. diplomatic leadership will be needed to maintain resolve among Allies for Georgia's NATO membership. Risks internal to Georgia include a recurring tendency toward one-party rule (which our shared goals of developing transparency and democracy aim to mitigate), as well as the potential for natural disasters to create humanitarian crisis and disrupt economic progress (a risk we mitigate through assistance to Georgia's crisis preparedness and management agencies).

Our strategy identifies the Mission elements responsible for implementing each strategic goal, as well as outputs and indicators we will use as measures of success. On a broader scale, we will recognize achievement of our goals as Georgia's ratings continue to rise on international indices assessing areas such as economic freedom, ease of doing business, anticorruption, and respect for human rights. We also expect to see NATO and the EU recognize Georgia's continued progress toward membership in these institutions.

## 2. Mission Strategic Framework

**Mission Goal 1:** Georgia further integrates with the West as a more democratic and stable country.

**Mission Objective 1.1:** Georgia's democratic checks and balances and accountable governance are enhanced by institutions with increased capacity, a pluralistic media environment, and vibrant civil society organizations. (USAID FY 2013-2019 CDCS DO 1)

**Mission Objective 1.2:** An increasingly stable, integrated, and healthy society ensures stability and creates the conditions for the peaceful restoration of Georgia's territorial integrity. (USAID FY 2013-2019 CDCS DO 3)

**Mission Goal 2:** Georgia is a more economically prosperous and reliable partner of the United States.

**Mission Objective 2.1:** Inclusive and sustainable economic growth is strengthened by expanding the opportunities for Georgia's citizens to benefit from and contribute to their country's economic development. (USAID FY 2013-2019 CDCS DO 2)

**Mission Objective 2.2:** Global trade and energy routes are diversified and regional stability is promoted by supporting Georgia's emerging role in an east-west economic and energy corridor.

**Mission Goal 3:** Georgia's enhanced security and defense capabilities promote international stability.

**Mission Objective 3.1:** Georgia's capacity to defend its own territory and its ability to contribute to global security operations are strengthened.

**Mission Objective 3.2:** Georgia's security/law enforcement sector becomes a stronger bulwark against domestic, international, and transnational threats.

**Management Objective 1:** A secure, safe, and efficient program-driven management platform enables the success of the Mission's strategic goals.

### 3. Mission Goals and Objectives

**Mission Goal 1:** Georgia further integrates with the West as a more democratic and stable country.

**Description and Linkages:** The United States will support Georgia's political and economic integration with the West. In order for Georgia to resist Russia's long-term strategy to bring the country back into its orbit, the United States must provide firm, consistent, and unwavering support. This is in line with the U.S. top foreign policy priorities of:

- **Preserve Western Democratic Principles (JRS Goal 4)** through continued assistance to Georgia's efforts to strengthen the rule of law, improve respect for civil liberties and human rights, and support democratic governance and civic participation.
- **Ensuring Effectiveness and Accountability (JRS Goal 5)** through engagement with the Georgian government to allocate sufficient resources for operation and maintenance of U.S. government-financed technical assistance and systems, through building strong, capable institutions, and through maximizing development outcomes and supporting Georgia's journey to self-reliance.
- **Secure and Stabilize the Eastern and Southern Frontiers (JRS Goal 3)** by improving Georgia's capacity to resist Russia's malign influence and disinformation.

**Mission Objective 1.1:** Georgia's democratic checks and balances and accountable governance are enhanced by institutions with increased capacity, a pluralistic media environment, and vibrant civil society organizations. (USAID FY 2013-2019 CDCS DO 1)

**Justification:** Continued support for Georgia's development as a sustainable, Western-oriented, democratic country is a key Mission goal. The judiciary plays a key role in that development. Georgia made significant strides toward independence of the judiciary and freedom of expression since the 2012 elections. Similarly, Georgia has taken the first steps toward reforming prosecutor and law enforcement institutions. However, additional reforms are needed to secure the independence of the judiciary and transform related institutions into modern, accountable, and independent establishments.

Internal challenges to democratic checks and balances – including less pluralistic political, judicial, and media environments – offer vulnerabilities for Russian malign influence and could jeopardize Georgia's integration with the West. Russian levers to pressure Georgia include direct military intervention, media manipulation, and

economic pressure. U.S. assistance to Georgia in order to establish accountable, effective governance will build resilience against these malign influences.

Risks associated with failure to achieve this Mission Objective include political and social instability that has the potential to flare into civil unrest or push Georgia back into the sphere of Russian influence.

Please see USAID CDCS for all USAID activities in this area:

<https://www.usaid.gov/documents/1863/georgia-country-development-cooperation-strategy-fiscal-year-2013-%E2%80%932017>

**Mission Objective 1.2:** An increasingly stable, integrated, and healthy society ensures stability and creates the conditions for the peaceful restoration of Georgia's territorial integrity. (USAID FY 2013-2019 CDCS DO 3)

**Justification:** A stable, integrated, and healthy society is essential for the country's continued democratic development. Currently, women and ethnic minorities are significantly underrepresented in political office at the national and local levels, with Georgia ranked 94 out of 144 in the 2017 Gender Gap Index. Greater integration and inclusion of Georgia's women, ethnic, and religious minorities, as well as citizens with disabilities and internally displaced persons, will contribute to greater economic growth and more inclusive citizen participation in governance.

Improved health will benefit all Georgians, contributing to a more productive workforce. Georgia maintains its status as a Phase II Global Health Security Agenda (GHSA) focus country. Georgian leadership has consistently demonstrated its commitment to the health agenda. The public health vision for Georgia is to improve the health and well-being of all Georgians by broadly improving access to health care and focusing on women and the economically and socially disadvantaged.

Russian occupation of the separatist territories of South Ossetia and Abkhazia remains a destabilizing factor, presenting a barrier to Georgia's future NATO and EU membership. Entrenched positions and Russian control of the de facto regimes limit opportunities for meaningful interaction among the parties. Increased engagement and confidence building efforts with Abkhazia and South Ossetia may contribute to a foundation for the eventual peaceful reintegration of these territories.

Risks associated with failure to achieve this objective include escalation of tensions with breakaway regions, marginalization of ethnic minorities, undermining Georgia's

western orientation, pushing Georgia into Russia's sphere of influence, and/or giving rise to transnational threats, such as violent extremism.

Please see USAID CDCS for all USAID activities in this area:

<https://www.usaid.gov/documents/1863/georgia-country-development-cooperation-strategy-fiscal-year-2013-%E2%80%93-2017>

**Mission Goal 2:** Georgia is a more economically prosperous and reliable partner of the United States.

**Description and Linkages:** U.S. foreign assistance supports Georgia in its stated desire to integrate more fully economically with the West. This is in line with the U.S. top foreign policy priority of:

- **Strengthen and Balance the Transatlantic Trade and Investment Relationship (JRS Goal 2)** by supporting market-oriented reforms and economic security in Georgia, which will create a predictable business environment and a more profitable market for U.S. exports and investment. Georgia's renewed efforts to strengthen its strategic role as a vital economic link between the East and West create further opportunities for U.S. businesses. Supporting Georgia's efforts to become an energy transit corridor to the West will increase energy security, supply, and transit routes, which would benefit the United States. Strengthening Georgia's ability to impose Western standards on trade from Iran, Turkey, and Russia will promote a level playing field, ensure fair trade, and market reciprocity to sustain America's competitive economic advantage.

**Mission Objective 2.1:** Inclusive and sustainable economic growth is strengthened by expanding the opportunities for Georgia's citizens to benefit from and contribute to their country's development. (USAID FY 2013-2019 CDCS DO 2)

**Justification:** Equal opportunity to enter the Georgian market, to access capital and skilled labor, and to operate in a fair and predictable business environment will ensure sustainable economic growth in Georgia. Enhanced dialogue between the public and private sectors will promote the policies necessary to drive economic development, including regulations that ensure transparency, accountability, and oversight of the state and its institutions. Broader adoption of global business practices, norms, and standards will allow major Georgian enterprises and industries to look beyond regional markets into more advanced economies.

More inclusive and sustainable economic growth will contribute to Georgia's transition to a more democratic, stable, and prosperous country. Strong economic growth will also decrease Georgia's economic vulnerability to Russian economic pressure. Improved economic governance will reduce the risk of investment, increasing private sector-led growth. In targeted sectors, such as agriculture, assistance will lead to a significant increase in job opportunities, particularly in vulnerable, rural areas, which will reduce income inequality between rural and urban populations. Promoting entrepreneurship will generate new opportunities for the many underemployed youth (ages 18-25).

Responsible development and management of Georgia's natural endowments will contribute to sustainable commercial use of these resources, on an environmentally sustainable basis. Access to affordable energy will facilitate Georgia's economic growth and stability. Further development of its abundant renewable energy resources will develop Georgia's potential for increased export of electricity, helping it become an energy transportation corridor. Finally, development of human capital to stimulate economic growth and meet the demands of a modern market-based economy will facilitate increased competitiveness and self-reliance.

Failure to meet this objective would leave Georgia vulnerable to persistent unemployment and economic inequality that could undermine the durability of Georgia's western aspirations. Georgia could also become an increasingly unstable economic partner, and its predominantly smallholder economy might succumb to the proximity of the Russian market.

Please see USAID CDCS for all USAID activities in this area:

<https://www.usaid.gov/documents/1863/georgia-country-development-cooperation-strategy-fiscal-year-2013-%E2%80%93-2017>

**Mission Objective 2.2:** Global trade and energy routes are diversified and regional stability is promoted by supporting Georgia's emerging role in an east-west economic and energy corridor.

**Justification:** Georgia's strategic location makes it a natural nexus for regional cooperation on issues important to broader U.S. national interests. Georgia's geography affords unique U.S. commercial opportunities related to Georgia's development into an international trade, commerce, and energy transit corridor between European, Asian, and potentially Middle Eastern markets. Meanwhile, China and Georgia are expanding their political, commercial, and economic relationship. Balancing Georgia's trade, customs, and energy regulatory regimes with international standards will contribute to

trade diversification, economic development, and energy security within the region and beyond. It will also promote business-to-business and people-to-people links along the corridor. Reducing costs, improving efficiencies, and guaranteeing predictability remain critical and will require additional transport infrastructure and improved regulations, harmonized customs procedures, and strong, transparent legal institutions.

U.S. government programming will reduce Georgia's reliance on external energy sources by advancing the country's renewable energy resources and helping Georgia trade electricity competitively with its European neighbors. Energy efficiency and renewable energy action plans for the country will reduce the strong reliance on hydropower in Georgia's power sector. Market-based pricing, government support for diverse energy resources, as well as increased transparency and competition in the power market will allow Georgia to attract the necessary investments to this sector. U.S. partnership with Georgia on the Southern Gas Corridor will diversify energy supplies to the West by allowing new gas from Azerbaijan to transit Georgia and Turkey. Increased energy independence in Georgia will mitigate Georgia's geopolitical risk, creating a more stable environment for increased foreign direct investment and expanded international trade.

Risks associated with failure to achieve this objective include Georgia becoming increasingly dependent on Russian export markets and energy sources, making the country susceptible to Russian economic pressures, such as embargos and reduced access to affordable energy, which may undermine the country's economic growth and stability.

**Mission Goal 3:** Georgia's enhanced security and defense capabilities promote international stability and strengthen Georgia's territorial defense capabilities.

**Description and Linkages:** The United States will pursue its global security interests by strengthening Georgia's ability to defend its own territory and by enhancing the Georgian military's capacity to contribute to regional and global military operations, including in Afghanistan. The United States will also enhance Georgia's capacity to address global and regional threats, including violent extremism, trafficking in persons and narcotics, proliferation of nuclear materials, and biosecurity threats to public health. Georgia can play a constructive role in the peaceful resolution of conflicts in the South Caucasus and wider Black Sea region. The U.S. Mission will support restoration of Georgia's territorial integrity through international dialog and support to negotiations

aimed at restoring Georgia's sovereignty over the Russian-occupied territories of Abkhazia and South Ossetia. This is in line with the U.S. top foreign policy priority of:

- **Strengthen the Western Alliance (JRS Goal 1)** by strengthening Georgia's own stability and security, and by enhancing its ability to address transnational crimes and shared security threats and contribute to U.S.-priority peace and security efforts around the world.
- **Secure and Stabilize the Eastern and Southern Frontiers (JRS Goal 3)** by helping Georgia secure its own territorial integrity and mitigate further Russian aggression, which poses a threat to the United States' global peace and security priorities.

**Mission Objective 3.1:** Georgia's capacity to defend its own territory and its ability to contribute to global security operations are strengthened.

**Justification:** Georgia is on the front lines of Russian aggression. Russia occupied 20 percent of Georgian territory in 2008, when it took control of Abkhazia and South Ossetia. Enhancing the Georgian Armed Forces' capacity to defend Georgia's territorial integrity deters further Russian aggression by increasing the cost to Russia of any further military push into Georgian territory. Strengthening Georgian forces' territorial defense capabilities is essential not only to Georgia's security, but also to regional and international peace and stability. Buttressing Georgia's defenses demonstrates U.S. resolve to counter Russian malign influence and uphold the principles of sovereignty and territorial integrity. It is in the U.S. interest to continue to assist Georgia in its diplomatic efforts to restore control of Abkhazia and South Ossetia, thereby increasing regional stability. Georgia also serves the vital role of contributing forces to international peace and security efforts – most visibly, as part of the NATO-led Resolute Support Operation in Afghanistan. Georgian soldiers fight alongside U.S. and NATO forces in Afghanistan, where Georgia is the third largest contributor of troops to the Resolute Support Mission and deploys without caveats. Georgian forces' interoperability with NATO forces allows Georgia to play this key role in international stability operations.

**Mission Objective 3.2:** Georgia's security/law enforcement sector is improved in order to make it a stronger bulwark against domestic and transnational threats.

**Justification:** Georgia borders Turkey, Armenia, Azerbaijan, Russia, and the Black Sea, and is located in a region with significant risk of transit and transshipment of illicit

weapons and commodities of proliferation concern. Enhancing Georgia's border security, ability to interdict illicit exports, and capacity to prosecute violators is therefore vital to regional security. It is essential that as Georgia's security and law enforcement bodies work to protect society, they simultaneously respect human rights and secure the trust of the Georgian people. A strong system of checks and balances, as well as oversight mechanisms, is key to ensuring that security and law enforcement bodies are performing their duties effectively.

## 4. Management Objectives

**Management Objective 1:** A secure, safe, and efficient program-driven management platform enables the success of the Mission's strategic goals.

**Justification:** At this steadily growing mission with five percent annual increases in American staffing and expanding programs, U.S. Embassy Tbilisi faces the challenge of providing adequate workspace and a safe and secure environment for employees. Active assistance programs in all areas of the country and an increase in official visits to Georgia necessitate a clear and well-defined in-country travel policy to ensure the security of USG officials. Increases in American staffing require continued efforts to provide additional residences that meet the Department's fire safety, seismic safety, and security requirements. At present, only four of the Embassy's 130 residences fully comply with the Department's anti-seismic and fire and life safety requirements. Management and security support must expand, while increasing efficiencies and safeguarding against theft and fraud.