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**STRIKING THE BALANCE:  
U.S. POLICY AND STABILITY IN GEORGIA**

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A REPORT  
TO THE  
COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS  
FIRST SESSION

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## LETTER OF TRANSMITTAL

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UNITED STATES SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC, December 22, 2009.*

DEAR COLLEAGUE: From October 26 to November 1, 2009, I directed my Senate Foreign Relations Committee professional staff member for European Affairs, Marik String, to travel to Georgia to evaluate U.S. security assistance and policies to promote regional stability. During the trip, staff met with U.S. embassy and senior Georgian national security officials, as well as with monitors from the European Union and other international donors.

In the aftermath of the August 2008 conflict between Georgia and Russia, the United States pledged \$1 billion in assistance to Georgia to alleviate the humanitarian suffering of the Georgian people and assist in rebuilding the Georgian economy. As this infusion of post-conflict assistance is concluded, the United States must develop a long-term policy for moving Georgia towards Euro-Atlantic institutions, while averting a renewal of armed conflict. Even as the Obama administration pursues a more productive relationship with Russia on arms control, nuclear security, Iran, Afghanistan, and other issues, we must raise the profile of diplomatic efforts to mitigate deep tensions that remain between Georgia and Russia.

Russia's 2008 foray into Georgia seriously damaged Georgia's military capacity, and Russian threats to sanction entities engaging in arms deals with Georgia have left it unable to procure many defense articles, even as some NATO allies explore unprecedented military sales to Russia. The United States, too, has not provided lethal defense articles to Georgia since the 2008 war but has focused instead on the intellectual aspects of defense reform such as doctrine and training. As Georgia continues reforms in the direction of Euro-Atlantic institutions, the United States and NATO allies must reconcile a policy that leaves a dedicated NATO partner unable to provide for its basic defense requirements. These efforts will be most effective if they are undertaken on a multilateral basis. The Alliance must come to grips with the reality that Georgia will require coordinated security support from America and European nations for some years to come.

This staff report examines how the United States can enlist greater diplomatic support among NATO partners for a coordinated strategy on Georgia, which includes regional arms sales, non-use of force agreements, and confidence building measures in South Ossetia and Abkhazia. It also explores how addressing these inter-

related sources of insecurity on a multilateral basis could benefit the Russian Federation.

Given the role of Congress in reviewing assistance proposals for Georgia, I am hopeful that this report can provide useful background and advance policy avenues in support of stability and political progress in Georgia and the entire region.

Sincerely,

RICHARD G. LUGAR,  
*Ranking Member.*

## **STRIKING THE BALANCE: U.S. POLICY AND STABILITY IN GEORGIA**

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From October 26 to November 1, 2009, minority professional staff of the Senate Foreign Relations Committee travelled to Georgia to assess the security situation and U.S. foreign assistance provided since the August 2008 conflict with Russia. Staff met with U.S. embassy officials as well as senior defense and national security officials from the Georgian Government, opposition leaders, international donors, members of the NGO community, think-tank representatives, and international monitoring officials. At the direction of Senator Richard Lugar, the purpose of the visit was to:

- Assess the \$1 billion assistance package pledged to Georgia following the 2008 Russia-Georgia conflict;
- Investigate the mix of security assistance provided to Georgia prior and subsequent to the 2008 conflict;
- Examine the security situation with regard to the breakaway enclaves of South Ossetia and Abkhazia; and
- Generate policy recommendations for advancing stability in Georgia and the region.

### INTRODUCTION

Despite extraordinary economic commitments by the United States and international community, comprising over \$4.5 billion since the August 2008 Russia-Georgia conflict, Georgians convey an acute sense of insecurity. No international observers or non-governmental organizations have been granted access to South Ossetia, only a 45 minute drive from Tbilisi. Russian troops, instead of withdrawing to pre-war positions and reducing troop strength to pre-war levels as the French-brokered 2008 ceasefire requires, are constructing permanent bases in South Ossetia and Abkhazia.

As a result of Russian diplomatic pressure and threats to restrict commercial ties with entities selling defense articles to Georgia,<sup>1</sup> the Georgian military has been unable to replenish much of its military capacity that was eviscerated in the war. While U.S. instruction in military doctrine and advice on institutional reform continues apace, even the United States, under substantial Russian diplomatic pressure, has paused the transfer of lethal military articles to Georgia, and no U.S. assistance since the war has been directly provided to the Georgian Ministry of Defense. Consequently, Georgia lacks basic capacity for territorial defense, and stability

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<sup>1</sup>In January 2009, Russian President Dmitry Medvedev asked his government to “restrict or cut military-technical and military-economic cooperation” with entities providing weapons to Georgia.

along the administrative line with South Ossetia has been achieved largely through a delicate political balance facilitated by unarmed monitors from the European Union Monitoring Mission (EUMM).

The current state of affairs in Georgia has left the United States and allies in the North Atlantic Treaty Organization (NATO) in a tenuous situation. The Obama Administration,<sup>2</sup> the United States Congress,<sup>3</sup> and NATO Heads of State<sup>4</sup> have expressed support for Georgia's integration within NATO. Nonetheless, Georgia has lacked the influence to acquire many capabilities that form the basis of territorial defense planning. Meanwhile, certain NATO allies are exploring unprecedented military agreements with the Russian Federation.<sup>5</sup>

Failing a coordinated, NATO-led strategy for security assistance in the region, allies run the risk of disturbing an already fragile political balance and engendering an excessive nationalization of Georgian defense policy. In the longer-term, a continuation of the status quo appears to ensure that Georgia will not only have difficulty providing for its own territorial defense needs but remain susceptible to the internal strife and external manipulation that often accompany such national insecurity.

This report assesses the role the United States has played in stabilizing the situation in Georgia since the 2008 conflict and offers policy recommendations on how the United States and international community can avert renewed violence in the region.

## BACKGROUND

Spanning the political fault lines of Europe and Asia, Georgia and the nations of the Caucasus have prospered and suffered for centuries as a result of imperial rivalry. The United States has developed a close partnership with Georgia since its independence in 1991 and has provided \$1.67 billion in foreign assistance dollars from 1992 to 2009, the largest amount to any country in the South Caucasus (*see* Appendix II). After President Mikheil Saakashvili and a cadre of Western-oriented officials came to power in 2004, Georgia has sought to burnish its position not simply as a strategic ally but as a reform-minded, democratic one.

Within the former Soviet Union, nearly all armed conflict that has occurred since 1991 has been in the Caucasus. Georgia, in particular, has struggled with separatist movements and irredentist claims of outside powers. Following conflict with separatist regions in the early 1990s, tensions escalated again during the tenure of President Saakashvili, whose overtures for new negotiation frameworks were rebuffed by *de facto* separatist authorities. War was

<sup>2</sup>See testimony of Assistant Secretary of State for European and Eurasian Affairs Philip H. Gordon, "Georgia: One Year After the August War," hearing of the Senate Foreign Relations Committee, August 4, 2009.

<sup>3</sup>See NATO Freedom and Consolidation Act of 2007, which became law (P.L. 110-17) on April 9, 2007.

<sup>4</sup>See Declaration of Heads of State and Government, Summit of the North Atlantic Treaty Organization, Bucharest, Romania, April 3, 2008.

<sup>5</sup>For example, France has approved the sale of a Mistral-class amphibious assault ship to Russia, reportedly one of the largest military sales ever from a NATO country to Russia. Mistral-class ships can carry landing barges, tanks, and helicopters, providing littoral combat capability. Russian Admiral Vladimir Vysotskiy has boasted that in the 2008 conflict with Georgia, "a ship like that would have allowed the Black Sea Fleet to accomplish its mission in 40 minutes, not 26 hours, which is how long it took us."



again sparked in August 2008 between Georgia and Russia, constituting the first extra-territorial use of force by Russia since the demise of the Soviet Union.

On August 26, 2008, Russia formally recognized the independence of South Ossetia and Abkhazia, breaching core principles of the Helsinki Final Act;<sup>6</sup> only Nauru, Nicaragua, and Venezuela have followed suit. Notably, Russian attempts to secure broader recognition at meetings of the Shanghai Cooperation Organization (comprised of Russia, China and Central Asian nations) and the Collective Security Treaty Organization have been unsuccessful.

The conflict left Russian relations with the West at a post-Cold War nadir. Ambassadorial and ministerial contacts at the NATO-Russia Council were suspended for the remainder of 2008; then-Secretary of State Condoleezza Rice also asserted that Russia was “more and more becoming the outlaw in this conflict.” In September 2008, the Bush administration withdrew from Congressional consideration the U.S.-Russia Agreement for Peaceful Nuclear Cooperation.

In response to hostilities that decimated the Georgian economy and military,<sup>7</sup> the United States pledged \$1 billion in aid over a two-year period. The assistance package has addressed the acute humanitarian needs of internally-displaced persons; sorely-needed projects focusing on economic growth; and the building and reform of public institutions. The Congressional Notification for the last tranche of \$242 million was transmitted on December 7, 2009. In order to mollify Russian concerns and target pressing humanitarian needs, no lethal defense items have been provided to Georgia since the 2008 conflict.

Several months after the war, Georgia was buffeted by another political force: the Obama administration’s announcement of a “reset” in U.S. relations with the Russian Federation. Given the deteriorated state of Russian-Georgian relations that has taken on extremely personal dimensions, this change in U.S. policy has had the potential to drastically affect the direction of U.S. policy towards Georgia.

In outlining the mutual U.S.-Russian interests that will be pursued as part of its new policy towards Russia, senior administration officials have mentioned the fight against the Taliban and al-Qaeda in Afghanistan and the opening of an alternate supply distribution network through Russia; nuclear security and non-proliferation; and Iran. While administration officials have repeated that U.S.-Georgian relations will not suffer as a result of a “reset” in policy, statements reflect the sentiment that the administration expects disagreements over the situation in Georgia to persist.<sup>8</sup>

<sup>6</sup>Helsinki Final Act, Questions Relating to the Security of Europe, 1(a)III states that parties “shall regard as inviolable all one another’s frontiers . . . and therefore they will refrain now and in the future from assaulting these frontiers. Accordingly, they will also refrain from any demand for, or act of, seizure and usurpation of part or all of the territory of any participating State.” Questions Relating to the Security of Europe, 1(a)IV states that “participating States will likewise refrain from making each other’s territory the object of military occupation . . . or the object of acquisition by means of such measures or the threat of them. No such occupation or acquisition will be recognized as legal.”

<sup>7</sup>According to the World Bank’s Joint Needs Assessment, the conflict caused \$394.5 million in damage in Georgia and reduced its economic growth for 2008 from 9 percent to 3.5 percent.

<sup>8</sup>Vice President Joseph Biden noted at the Munich Security Conference in February 2009 that “We will not agree with Russia on everything. For example, the United States will not recognize

After meetings in Moscow in October, Secretary of State Hillary Clinton asserted that the United States “will help the Georgian people to feel like they can protect themselves.” The focus of U.S. assistance has been on intellectual issues like doctrine and personnel management, as well as ongoing training of Georgian troops to deploy in Afghanistan. The situation in Georgia is being addressed in Geneva through Status Conference Meetings with delegations from Georgia, Russia, the United States and representatives from de facto Abkhaz and South Ossetian authorities.

#### ANALYSIS

Georgian national security officials remain deeply wary of the Obama administration’s recalibration of U.S.-Russian relations and still view Russian troops as an existential threat to the Georgian state. As one senior Georgian defense official noted, “we hear the same words [from the Obama and George W. Bush administrations], but how deep in practical terms the U.S.-Georgian relationship will be is still vague.” Other Georgian officials expressed the view that the current administration appears unsure as to what shape U.S. policy in Georgia will take. When pressed on this point, however, Georgian officials conceded that they have seen only modest tangible changes in the United States commitment to Georgia.

#### *Security Assistance*

One such tangible change has been in the realm of security assistance. Staff met with U.S. and Georgian security assistance officials in Washington, D.C. and Tbilisi to assess past and current U.S. security assistance programs in Georgia. As detailed below (see Appendix III), U.S. train-and-equip programs have undergone several iterations in Georgia, but since the 2008 conflict, senior Department of Defense and security assistance officials have reported that no lethal assistance has been provided through Section 1206, Foreign Military Financing, or Foreign Military Sales.<sup>9</sup>

The United States has developed close military-to-military cooperation with Georgia since its independence in 1991.<sup>10</sup> U.S.-Georgian security cooperation has been an especially sore point in Russia’s relationship with Georgia, even though enhanced cooperation began during the term of former Georgian President (and former Soviet Foreign Minister) Eduard Shevardnadze and was initially focused on addressing threats of terrorism raised by Russia.

After the 2008 conflict, Russian Prime Minister Vladimir Putin asserted that the United States had been “arming Georgians to the teeth.” More recently, Russian officials have alleged that renewed military assistance has been “under the guise of humanitarian aid”<sup>11</sup> and that Georgia’s “military potential is much higher today

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Abkhazia and South Ossetia as independent states. But the United States and Russia can disagree and still work together where our interests coincide.”

<sup>9</sup>According to staff interviews and testimony before the Senate Foreign Relations Committee. See testimony of Assistant Secretary of Defense for International Security Affairs Alexander Vershbow, “Georgia: One Year After the August War,” hearing of the Senate Foreign Relations Committee, August 4, 2009.

<sup>10</sup>The United States has not been the only NATO country to develop enhanced security cooperation with Georgia. For example, France has funded a military training center in the mountainous area of northern Georgia, which France reportedly pressured Russian forces not to destroy during the 2008 conflict.

<sup>11</sup>Russian Deputy Foreign Minister Grigory Karasin.

than last August.”<sup>12</sup> While some senior Russian Government sources assert that the United States is in the midst of replenishing Georgia’s military potential, other officials single out only third countries.

Given this fusillade of accusations, the United States must move forward in a highly transparent manner, in coordination with our European and NATO allies, in order to dispel misinformation and to lessen any risk of miscalculation. If the United States does alter the mix of assistance being provided to Georgia, a multilateral and transparent strategy will assure others that regional stability is the ultimate concern.

U.S. defense officials were quick to point out how U.S. security assistance programs had been crafted to avoid augmenting Georgia’s force-on-force or territorial defense capacity due to Russian concerns. Although equipment and training provided nominally for one mission cannot be completely walled off from potential utility in other types of missions, the bulk of U.S. security assistance has been focused on efforts to train agile, counter-terror personnel to deploy away from Georgian soil. These programs have been focused on preparing Georgian troops to deploy in support of Operation Iraqi Freedom (OIF) and NATO’s International Security Assistance Force (ISAF) in Afghanistan.<sup>13</sup>

Enhanced cooperation began in 2002 with the initiation of the Georgian Train-and-Equip Program (GTEP) to enhance Georgian counter-terrorism capacity to address the threat posed by Chechen rebels, who had taken refuge in Georgia’s Pankisi Gorge. Prior to GTEP, the Russian military had reportedly pressured Georgia to allow Russian troops to pursue these rebels into Georgia. GTEP foreclosed this possibility, allowing Georgia to subdue the rebels with its own military capacity. This program consisted of an 18-month, \$64 million investment to train around 2,000 light infantry soldiers and a small number of police and border guards and equip them with small arms and communications gear.

GTEP was used as a basis for the Georgian Sustainment and Stability Operations Program (GSSOP), which provided another \$159 million from 2005–2008 to continue to train three brigades of 2,000 soldiers to deploy to OIF in support of coalition activities. Apart from training, items provided included anti-IED devices, radios, and other equipment. Troops deployed gained skills in counter-insurgency, traffic and entry-point control and base camp security. According to Department of Defense officials, regular briefings on GTEP and GSSOP were offered to the Russian military.

In total, four brigades were trained under GTEP and GSSOP. At the time hostilities broke out between Georgia and Russian forces in South Ossetia on August 7, 2008, one brigade was in Iraq, two were in Georgia, and a fourth Georgian brigade was being trained for deployment to Iraq by approximately 80 U.S. servicemen. Pursuant to a prior agreement for the United States to provide transport for Georgian troops to and from Iraq, the United States airlifted the 1,800 Georgian soldiers back from Iraq on August 10 and

<sup>12</sup> Russian Chief of the General Staff of the Armed Forces, General Nikolai Makarov.

<sup>13</sup> Georgia has been one of the highest per capita contributors of troops to coalition efforts in Iraq and Afghanistan, having deployed over 7,500 troops to OIF and 800 troops to ISAF.

11. Thus, during the peak of hostilities with Russia, Georgia's most capable forces, constituting over one-fifth of Georgia's active armed forces, were not present in Georgia.

GSSOP was augmented by \$6.5 million in Section 1206 funds for FY2007 to conduct "combined military operations with the U.S. Armed Forces."<sup>14</sup> Funds provided for Harris Falcon II radios and spare parts, Multiple Integrated Laser Engagement Systems (MILES) for tactical engagement simulation, and training by U.S. contractors. These programs supported the deployment of 850 soldiers to support OIF. In FY2008, an additional \$11.5 million in Section 1206 funding was authorized to train and equip Georgian special forces. HF/VHF communications equipment, ground sensor systems, Humvees, and training teams were provided with these funds.

Since the 2008 conflict, the profile of U.S. assistance has changed dramatically. Of the \$1 billion package, no funding has been provided to the Ministry of Defense. No lethal defense equipment has been provided, either through Section 1206, Foreign Military Sales, or Foreign Military Financing. U.S. defense officials noted that training of Georgian special forces has also ceased. While Georgian defense officials have requested information on the availability and prices for anti-tank and air defense articles, they have been told that those sales will not go forward at this time. In fact, Georgian officials argue that they are under a de facto arms embargo and are having great difficulty procuring any lethal defense items, which they attribute to Russia's threat of sanctions against any entities participating in such sales. Assistant Secretary of Defense Alexander Vershbow has explained this policy as a "phased approach" that is meant to ensure that assistance is not "counterproductive to our goals of promoting peace and stability in the region."<sup>15</sup>

On August 31, 2009, United States forces began training 730 Georgian soldiers for deployment to NATO's ISAF mission in Afghanistan using \$24 million in Coalition Readiness Support Program (CRSP) funds. The first deployment departed on November 16, 2009. According to senior U.S. defense officials, any equipment used for training must be taken out of Georgia after training is completed, and a Section 1206 proposal has been submitted so that non-lethal training equipment can remain in country.

#### *Breakaway Regions*

While Abkhazia has enjoyed relative autonomy and greater economic prospects due to its Black Sea coastline, South Ossetia has had close ethnic and political links to the Russian district of North Ossetia with fewer opportunities for economic development. Georgian troops fought to suppress movements for greater autonomy in South Ossetia and Abkhazia in 1990–1992 and 1992–1993, respectively, after which cease-fires were concluded. In Abkhazia, the United Nations Observer Mission in Georgia (UNOMIG) was given

<sup>14</sup> Inspectors General, U.S. Department of Defense and U.S. Department of State, "Inter-agency Evaluation of the Section 1206 Global Train and Equip Program," August 31, 2009.

<sup>15</sup> Testimony of Assistant Secretary of Defense for International Security Affairs Alexander Vershbow, "Georgia: One Year After the August War," hearing of the Senate Foreign Relations Committee, August 4, 2009.

a mandate to observe cease-fire implementation, as well as the peacekeeping force comprised of soldiers from the Commonwealth of Independent States. In South Ossetia, the OSCE Mission in Georgia was provided a mandate for monitoring joint peacekeeping forces. Due to Russian opposition, both missions were ended following the 2008 conflict.

On August 26, 2008, Russia formally recognized the independence of South Ossetia and Abkhazia and international telephone access codes have reportedly been changed from Georgian to Russian. Only Nauru, Nicaragua, and Venezuela have followed suit in recognizing the independence of the enclaves.

While several humanitarian organizations and NGOs have received access to Abkhazia, staff was informed that none have been active in South Ossetia at the time of the visit. South Ossetia's de facto authorities demand that any aid groups enter the enclave from the north through Russia, but doing so would jeopardize the organization's relationship with Tbilisi. International donors, NGO representatives, and U.S. assistance officials noted that Tbilisi is still struggling to formulate policies towards the breakaway enclaves with regard to access of multinational and humanitarian organizations. The United States and international donors should continue to dedicate expertise to assist Georgian authorities in the development of a policy reintegration, while continuing to emphasize that any attempt to solve the situation militarily would be disastrous.

The European Union Monitoring Mission for Georgia, present in Georgia since October 1, 2008, has approximately 225 unarmed monitors in country, which is slightly fewer than the number of military and police monitors present under UNOMIG and the OSCE prior to the 2008 conflict. The EUMM was created through a memorandum of understanding with the Georgian Government.

While the EUMM's mandate is to monitor the "withdrawal of Russian and Georgian armed forces to the positions held prior to the outbreak of hostilities," EUMM, in practice, monitors solely the Tbilisi-side of the administrative boundary line with South Ossetia and has no access, apart from satellite imagery, to the Russian-controlled enclave. Although Russia has no formal agreement with EUMM, monitoring officials noted that EUMM's presence has been welcomed by Russia as EUMM conducts inspections of Georgian police and military installations; EUMM has been effective in dispelling Russian assertions of Georgian troop build-ups near the administrative boundary line.

Before the war, approximately 2,000 Russian "peacekeeping" troops were stationed in Abkhazia and 1,000 in South Ossetia. Although the French-brokered peace plan requires Russian troop strength to return to pre-war levels, monitoring officials note that Russia maintains troops well above those levels. Despite its role in conferring Russian citizenship to ethnic Ossetians in Georgia by distributing passports before the war and its heavily armed forces serving without UN or multilateral mandates, Russia continues to insist that its role in South Ossetia is one of dispassionate peacekeeper, tantamount to the EUMM. Russia has relied in part on the argument that Russian agreements for Friendship, Cooperation, and Mutual Assistance with Abkhazia and South Ossetia trump

other international obligations and allow de facto authorities to request the number of Russian troops they see fit. Hence, there is no international group present in South Ossetia at this time apart from the Russian Federation.

EUMM not only lacks physical access to South Ossetia but has no direct line of communication with de facto authorities; its only hotline is directly to Moscow. In October 2009, over a dozen wood collectors were arrested by de facto authorities for straying across the administrative boundary from the Tbilisi-administered side. This and similar incidents have been attributed to unclear boundary markings and disparate maps. In this case, the hotline was used, and escalation was avoided, but EUMM officials noted that they do not have high confidence that more time-sensitive crises can be handled efficiently without direct lines of communication to de facto authorities.

#### *Early Warning and Maritime Security*

Senior Georgian national security officials reported that the Russian military destroyed all military and civilian radars in the 2008 conflict. While some radars have been replaced, these are allegedly designed for civilian use and ill-suited for early warning. Hence, Georgia reportedly still cannot monitor all of its airspace, and even the airspace that is covered by radar lacks early warning capabilities.

Through the Georgia Border Security and Law Enforcement (GBLSE) and Export Control and Related Border Security (EXBS) programs, the United States has provided direct assistance to the Georgian Coast Guard for capacity building (the Coast Guard and Navy have been merged into one service since the 2008 war), focusing on radars and other infrastructure. Funds totaling \$850,000 have been dedicated to repairing the fleet, dredging the Poti Coast Guard base, and overhauling two U.S. donated patrol boats. GBSLE has also built maritime radar stations in five locations to detect and interdict illicit traffic and materials, provide search and rescue capacity, and monitor maritime activities. The stations allow monitoring of the full coast from Turkey to Russia.

### RECOMMENDATIONS

It has been one year since the first tranche of the \$1 billion pledge arrived in Georgia to alleviate the most pressing humanitarian needs of the Georgian population. As the situation in Georgia transitions from post-conflict, the United States Government must grapple with the challenge of charting a long-term policy. This policy must be closely informed by the territorial and defense challenges that Georgia is facing today.

The United States Government should:

- Work with NATO allies in crafting a comprehensive, transparent approach to security assistance and military sales in the region. While Georgia has encountered great difficulty in procuring equipment from NATO countries to provide for its basic territorial defense needs, some allies have pursued significant military deals with Russia that could upset the military balance. A transparent and multilateral approach to secu-

rity assistance would aid in dispelling conspiracies in Russian media and preclude an excessive nationalization of Georgian defense policy.

- Place the internationalization of the situation in South Ossetia high on its agenda with the Russian Federation and within the United Nations (UN) and the OSCE, two venues where Russia has wielded its veto to prevent an international presence in Georgia. Currently, neither humanitarian aid organizations nor EUMM monitors have physical access to South Ossetia. Greater transparency must be brought to both the activities of the Russian Federation in South Ossetia and the plight of South Ossetian citizens affected by the 2008 conflict.
- Encourage the opening of direct lines of communication between EUMM authorities and de facto authorities within South Ossetia. Russia has insisted that all such communications are channeled through Moscow. Following a number of border incidents in recent months, such a step would build confidence, while reducing the risk of miscalculation in an administrative boundary area where tensions remain high.
- Work towards facilitating a non-aggression pact between Georgia and Russia. The French-brokered peace plan contains a clause on the non-use of force, but Russia has insisted that this clause was binding only between Georgia and the de facto authorities in Abkhazia and South Ossetia and that Russia, like France, was a mere mediator to the conflict.
- Continue to explore avenues for confidence-building measures between the parties to the conflict, including in the energy and water sectors, where mutual reliance on both sides of the administrative boundaries could be furthered, as well as youth and business exchange programs.
- Assist the Georgian Government in setting forth a reintegration strategy for the breakaway enclaves, including issues of access to multinational corporations, humanitarian aid organizations, etc. Such efforts should include finding workable definitions of humanitarian assistance so that ostensible humanitarian aid is not used in other sectors like institution building. U.S. and international officials must continue to emphasize that attempts to solve the situation militarily would be disastrous.

#### CONCLUSION

Even as the Obama administration seeks to develop more productive ties with the Russian Federation on other national security challenges, tensions in Georgia remain high, and mutual suspicion risks tipping the balance towards renewed conflict. The United States must garner greater support among NATO and EU partners for crafting a long-term strategy towards the region that aims to reassure all parties to the conflict.

Particularly in the realm of security assistance, such coordination is critical. While Georgia finds itself under a de facto arms embargo, other NATO allies are pursuing record military deals with the Russian Federation. Georgia has become an exceptional con-

tributor to international security through its contributions to missions in Iraq and Afghanistan. A strategy to enable Georgia to similarly provide for its own territorial defense will require close cooperation with NATO allies to preserve stability in the region.

An internationalization of monitoring and humanitarian activities in these enclaves would bring transparency to a situation where miscommunication and extremist appeals threaten to reignite armed conflict. Given that Russian arguments concerning its role in Georgia have relied heavily on international law, the United States and our partners must also not be reluctant to continue to highlight Russia's own failures to meet its international legal obligations.

Addressing these interrelated sources of insecurity on a multilateral basis would also benefit Russia by reducing the risk of miscalculation, preventing Georgia from excessively nationalizing its defense policy, and reconditioning Russia's international image. Even the development of niche military capacity in countries like Georgia can promote shared interests with the Russian Federation in combating terrorism that has spilled from the North Caucasus, promoting stability in United Nations-mandated missions, and interdicting hazardous weapons and material.

The United States must continue to emphasize that economic and political development in the former Soviet sphere is not a zero-sum endeavor and that the development of confident, prosperous nations on Russia's periphery can create more effective partners for Russia as well as the West. A coordinated strategy with European allies will assist in maintaining a peaceful balance and forging more productive relationships throughout the South Caucasus.



## APPENDIXES

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### Appendix I.—MEETINGS WITH INDIVIDUALS IN GEORGIA AND WASHINGTON, DC

#### *U.S. Officials*

Ambassador John Bass, United States Ambassador to Georgia  
Jock Conly, Mission Director, United States Agency for International Development  
Other Country Team members  
Ambassador John Tefft, former United States Ambassador to Georgia  
Ambassador Tina Kaidanow, Deputy Assistant Secretary of State, Bureau of European and Eurasian Affairs  
Office of the Coordinator for Reconstruction and Stabilization, Department of State  
Office of the Secretary of Defense, Department of Defense  
Millennium Challenge Corporation  
Office of the Coordinator of Assistance to Europe and Eurasia

#### *Georgian Officials*

Ekaterine Zguladze, First Deputy Minister of Internal Affairs  
Irakli Porchkhidze, Deputy Secretary, National Security Council  
Vasil Sikharulidze, Foreign Policy Advisor to the President, former Minister of Defense  
Nikoloz Vashakidze, Deputy Defense Minister  
Dimitri Gvindadze, Deputy Minister of Finance

#### *Other Individuals*

Ambassador David Smith, Director, Georgian Security Analysis Center  
Irakli Alasania, Chairman, Our Georgia-Free Democrats Party  
Representatives from local and international NGOs  
Representatives from the European Union Monitoring Mission  
Representatives from the European Commission  
Representatives from the International Monetary Fund  
Representatives from the World Bank  
Representatives from the United Nations Development Programme  
Representatives from the International Organization for Migration

Appendix II.—U.S. Assistance to Georgia, 1992–2000 (Part I)  
(\$ millions, by fiscal year)

	1992	1993	1994	1995	1996	1997	1998	1999	2000
GEORGIA									
Economic Growth .....	0.94	1.79	11.94	7.81	10.14	10.12	33.85	32.61	35.26
Governing Justly & Democratically .....	0.21	2.04	4.11	3.08	4.28	5.37	16.66	15.68	20.50
Humanitarian Assistance .....	0.53	22.95	32.60	34.98	6.35	8.52	24.23	14.47	21.04
Investing in People .....	0.15	0.44	0.95	0.80	0.60	1.00	3.75	5.30	4.04
Peace & Security .....	0.00	2.80	0.00	0.10	0.60	0.79	19.47	21.39	28.30
GEORGIA TOTAL .....	1.83	30.02	49.60	46.77	21.97	25.79	97.95	89.45	109.13

\*Does not include \$315 million supplemental Economic Support Fund (ESF) appropriation for Georgia under the Disaster Relief and Recovery Supplemental Appropriations Act, 2008 (Division B, P.L. 110-329)

\*\*Does not include \$242 million supplemental AEECA appropriation for Georgia under the Supplemental Appropriations Act, 2009 (P.L. 111-32)

**Appendix II.—U.S. Assistance to Georgia, 2001–2009 & FY 92–09 (Part II)**  
(\$ millions, by fiscal year)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	FY 92–09
<b>GEORGIA</b>										
Economic Growth .....	41.17	33.45	32.09	26.84	35.26	27.54	23.39	18.54	20.69	403.41
Governing Justly & Democratically .....	12.89	21.75	19.79	12.57	13.79	13.92	12.59	13.73	15.40	208.36
Humanitarian Assistance .....	12.30	14.18	11.05	2.00	1.90	2.12	1.84	1.84	2.46	215.37
Investing in People .....	0.00	0.00	0.00	10.88	11.90	7.98	7.16	8.24	7.88	71.05
Peace & Security .....	29.00	21.93	24.24	20.15	23.38	15.94	13.25	7.71	5.56	234.60
<b>GEORGIA TOTAL</b> .....	<b>95.36</b>	<b>91.31</b>	<b>87.17</b>	<b>72.43</b>	<b>86.23</b>	<b>67.49</b>	<b>58.23</b>	<b>50.06*</b>	<b>52.00**</b>	<b>1,132.79</b>

\*Does not include \$315 million supplemental Economic Support Fund (ESF) appropriation for Georgia under the Disaster Relief and Recovery Supplemental Appropriations Act, 2008 (Division B, P.L. 110–329)

\*\*Does not include \$242 million supplemental AEECA appropriation for Georgia under the Supplemental Appropriations Act, 2009 (P.L. 111–32)

Appendix III.—U.S. Security Assistance and Training in Georgia  
(\$ millions)

	Foreign Military Financing (FMF)	Section 1206	Georgia Train and Equip (GTEP)	Georgia Sustainment and Stability Operations Program (GSSOP)	Coalition Readiness Support Program (CRSP)	Foreign Military Sales Deliveries	International Military Education and Training Program (IMET)	Total
FY 2002 .....	55.5	—	64.5	—	—	3.6	.889	124.5
FY 2003 .....	6.9	—	—	—	—	9.8	1.18	17.88
FY 2004 .....	12	—	—	—	—	7.3	1	20.3
FY 2005 .....	11.9	—	—	—	—	11.5	1.4	24.8
FY 2006 .....	11.8	—	—	60	—	10.5	1.26	83.56
FY 2007 .....	9.7	6.5	—	28	—	25	1.15	70.35
FY 2008 .....	9	11.5	—	71	—	72.3	.799	164.6
FY 2009 .....	11	—	—	—	—	—	1.15	12.15
Total FY 2002–2009 .....	127.8	18	64.5	159	—	140	8.9	518
FY 2010 (request) .....	16	—	—	—	24	—	2	43

Source: Defense Security Cooperation Agency, Office of the Secretary of Defense

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