

As USAID Dies, Many of Georgia's "Vibrant" CSOs Face Extinction

The demise of the U.S. aid agency is a boon for the ongoing oligarchic coup. The decision of Donald Trump's administration to suspend the operations of the U.S. Agency for International Development (USAID) caused 55 thousand confirmed job losses, and an estimated 100 thousand job losses globally, according to [preliminary data](#). In Georgia, the news could not have come at a worse time. The rapidly autocratizing Georgian Dream regime has been squeezing civil society groups through repressive legislation, disinformation and personal bullying. Georgian Dream PM Irakli Kobakhidze jubilantly [called](#) the closure a "black day" for Georgia's "radical opposition," adding that the decision would "contribute to the stable development of the country." For years, the Georgian Dream has [accused](#) USAID-funded programs of fomenting a coup on behalf of the opposition. Shalva Papuashvili, Speaker of the Georgian Dream rump parliament, [accused](#) USAID of "having undue influence on Georgia's domestic politics" undermining the friendship between Georgia and the U.S..

Extent of the Damage

For decades, Georgia has been one of the largest per capita recipients of U.S. assistance. In 2012-2023, the years in which the Georgian Dream has been in power, total U.S. overseas development assistance (ODA) stands at USD 1 billion 920 million, according to [official data](#). Of course, the lion's share of that assistance went to the government and public administration.

In 2023, the U.S. government disbursed USD 143.8 million in aid to Georgia, with USD 84.5 million flowing through USAID as the primary administrative channel. USD 77 million of that was allocated to governance-related programs, but where did all that money go? Once again, most of the assistance went to the government and public administration. To give a representative example in 2023, the last fiscal year when complete data is available, the largest share, at USD 42 million, was spent under "conflict, peace, and security" umbrella, while USD 34 million fell under "government and civil



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society.” Of this amount, USD 15 million supported democratic participation and civil society, USD 6.5 million went toward legal and judicial development, and USD 3.5 million was directed at media and freedom of information. Human rights programs received USD 2.1 million, while decentralization efforts got USD 600,000. Meanwhile, USD 470,000 was allocated to domestic revenue mobilization and USD 450,000 was used to combat transnational organized crime.

To put this into perspective, the annual administrative cost of running the aid programs in 2023 (USD 18 million) was actually higher than the entire budget narrowly allocated for strengthening democratic participation and civil society in Georgia (USD 15 million).

All but one of the USAID programs in 2023-2024 in the field of governance were administered through U.S. contractors, either U.S.-based CSOs like the Citizens Network for Foreign Affairs (CNFA) or corporations like Deloitte. Georgian CSOs are often consortium members (sub-grantees) or recipients of grant-making projects which usually form a part of a larger program. The distinguishing feature of most U.S. assistance programs was that they often treated non-governmental actors (CSOs, consultancies, etc.) as partners in implementing these projects rather than just direct beneficiaries of assistance, especially in recent decades. In other words, apart from supporting the development of local CSOs, regional media programs, or advocacy skills of CSOs, for example, they would actively engage the expertise of existing non-governmental entities to aid the reforms in programs where civil servants, ministries, or state agencies were the key beneficiaries. As a result, a cohort of local professional organizations and individuals was formed through the years.

Our considered estimate is that over 2,000 Georgians are likely to lose jobs due to culling USAID, given the average number of programs, grants, and

sub-grants, and the average number of people required to implement them. Most of them are qualified (first and medium-level) project and program managers with foreign language skills as well as administrative personnel (e.g., financial officers), and other support professions (e.g., media managers).

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What Kind of Capacity?

The U.S. is not Georgia’s largest ODA provider – the European Union is. In 2022 (latest available figure) the EU chipped in with USD 240 million while the U.S. contributed USD 115.5 million. However, the way this assistance is being targeted is not the same. The whole point of EU funding for countries like Georgia in the association process is to make their legislative and regulatory fields compatible with the EU body of laws. Hence, almost all the funding goes to the Georgian government and its various agencies. The share of direct government support is considerably larger than that of the U.S./USAID funding. An official EU Delegation [release](#) said its aid for the Georgian ministries in 2019-2024 surpassed that of CSOs by a factor of 11.

Crucially, the modality of assistance varies accordingly. Even when the government is the final recipient, as we mentioned, USAID programs often operate with or through national professional groups—CSOs, business consultancies, academia—to provide services such as technical or capacity-building assistance.

By contrast, the EU often favors government-to-government modality (like in its twinning projects where EU-member country ministries/

agencies share experience with associated or aspirant country counterparts) or provides “technical assistance” which often means engaging (mostly) European consultants, often ex-officials, almost always through European consulting firms. The EU’s assistance to CSOs is often part of larger regional calls for applications, or global programs, requiring collaboration among many CSOs in regions (for example, the EU Eastern Neighborhood) and/or EU member states. By design, these are less flexible and less targeted to local needs – which has been acknowledged by the EU’s [review](#) of external funding instruments. From the EU funding providers, the European Endowment of Democracy (EED), an autonomous trust fund established by the EU and its member states, comes closest to the USAID assistance modality for CSOs. Not surprisingly, the EED has also been a key target of the Georgian Dream government’s ire, even though its funding volume is considerably smaller than USAID’s.

In other words, USAID funding generated an incomparably larger footprint in Georgia’s CSO scene in terms of local organizational partners, individual national professionals, and beneficiaries.

An important distinguishing characteristic of the U.S. State Department and USAID-funded programs was their focus on good governance, which implied cooperation with civil society actors at every level. Combined with the mentioned modality of working extensively with local partners, this has nurtured a body of professional CSO organizations for decades.

In the mid- to late-1990s and early 2000s, when Georgia was widely considered a failed state, such professional organizations became a vehicle for training and retaining the qualified cadre inside the country. Thus, they formed a critical reservoir of capacity, providing services to state institutions (legal, advisory, training, translation) and citizens (humanitarian assistance, legal aid, continuous

education, language education, information, social services).

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These organizations, in effect, have formed the “exoskeleton” of democratic governance, even when the state’s key functions lacked capacity. With the gradual recovery of the state institutions, many of the CSO trainees formed the core of the new civil service and also entered policymaking roles after 2023. But even as the state retained its capacity, the institutionalized CSOs have functioned as a check on authoritarian tendencies in conditions when vertical and horizontal accountability were chronically deficient (see more details on this in [earlier article](#)).

Georgian CSOs have long inconvenienced and [were targeted](#) by successive governments displaying authoritarian tendencies for playing this role. They were also criticized – sometimes correctly – for not having sufficient grassroots presence. Yet their “professionalization” has served its purpose of retaining the cadre that could serve as credible partners (and, if necessary, opponents) to government officials and international aid officials alike.

Ironically, having tirelessly defended themselves from recent efforts to limit the legal space for their operations and reduce their ability to solicit funds, many such organizations and cadres find their livelihoods upended by the U.S. government’s decision, which happens to coincide with the whims of homegrown tyrants.

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What Will Happen?

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It is now becoming clear that the EU will not be able to promptly fill the gap left by the unexpected disappearance of USAID. Even though the Georgian Dream government's antidemocratic moves [cost Tbilisi](#) USD 130 million in EU assistance, and despite the [calls](#) of the EU parliament for a redirection of EU committed funds "to enhance the EU's support for Georgia's civil society; in particular, the non-governmental sector and the independent media," this money is unlikely to make it to Georgia. The interviews of the author with EC officials who preferred to keep their anonymity suggest that most of this sum was already reallocated to different countries in the EU's neighborhood and that the modality for disbursing the remaining amount was not yet decided upon, creating mounting risks in Georgia. This suggests that no EU decision on redirecting the remaining funds will come before the impact of USAID's withdrawal becomes irreversible.

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But, even if the funds were to become available in the coming months, they may never reach their destination. The Georgian Dream rump parliament is rubber-stamping laws to make foreign funding [all but inaccessible](#) to the established CSOs and the independent media. The campaign of the personal harassment of activists continues unabated. Even as the protests keep going in the streets of Georgia, the ruling Georgian Dream party is pushing ever strongly ahead with entrenching repressive autocracy. It now feels like it has the international winds in its sails.

Under these conditions, many of those previously employed in USAID programs and projects dealing with governance are preparing to turn this professional page, especially as they are often breadwinners in extended families.

A cursory survey conducted for this article revealed that when asked about their plans for 2025, most of the former junior staff consider taking up remote jobs with international companies for which they are overqualified – such as staffing customer service hotlines. Several mid-level managers with professional knowledge and with families are looking for scholarships and plan to continue their post-graduate studies abroad to "wait out" the deterioration. Some are looking forward to joining the academic community inside the country or to taking up hybrid consultancies with UN agencies or other development organizations abroad. These are some of Georgia's highly skilled professionals—key players in the country's development. Their exit fuels a growing brain drain, depleting local expertise and weakening governance.

Interestingly, based on this small survey, most would prefer to stay in Georgia, even those who have been personally threatened. In other words, even though the loss of institutional capacity is likely to be significant and permanent, active citizens prefer to wait out the worst at home, although in other sectors of the economy.

There is an important caveat that those organizations working on human rights protection and legal advice are determined to continue protecting their compatriots from the onslaught of arbitrary justice and police violence. Even facing considerable financial and mounting legal difficulties, online media outlets are also determined to continue fulfilling their function. Therein lies the cue for policy.

What Can EU Donors Do?

A discussion about any further steps from the EU or other donor agencies must start with an acknowledgement of the fact – apparent both in statements and in actions – that the Georgian Dream government has no intention on governing Georgia as a liberal democracy. This breaks the key assumptions of most aid programs and these need to be adjusted. Cramming the discordant reality into existing regulatory matrices will only lead to aberrations such as a European-funded UN agency holding a “gender mainstreaming boot camp” for ruling party representatives on the day when the same party MPs banned use of the word “gender” in official documents.

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To be adequate to the existing reality, donors must:

- Cancel all programs related to governance at least until new and democratic elections are held in a free and fair manner;
- Activate, without delay, the programs and instruments that are used for shielding the human rights activists in authoritarian states such as the Human Rights and Civil Society Program by EU/NDICI or the EU Foreign Policy Needs facility and the Rapid Response Pillar of NDICI;
- Use such channels to continue supporting – individually if necessary – legal aid clinics and similar in-country facilities that help the targets and victims of arbitrary justice and police violence;
- Recognize and explicitly adopt risk appetites for the fungibility of EU, UN, and other donor assistance targeting; e.g., local business development, humanitarian assistance and the like, which risk being diverted to GONGOs that infiltrate and manipulate processes in favor of the ruling party;
- Promptly establish facilities – preferably in the shape of a new trust fund or by using the EED – to support independent online media and journalists that still operate in Georgia. Further, there must be a plan for journalist relocation and remote work – using the Ukraine and Belarus models – in case of a major violent crackdown.

While these measures may not fully save Georgia’s struggling NGO sector, they would at least keep the EU and donors ahead of the curve, enabling a swift and timely response to the country’s worsening democratic decline ■