

Georgia's Parliament Passes "Transparency of Foreign Influence" Law

May 28, 2024

On May 28, 2024, the Georgian parliament **overrode** (via a simple majority), President Salome Zourabichvili's veto and passed a **law** titled "On Transparency of Foreign Influence" (Zourabichvili is a political independent). The legislation, which the U.S. Department of State has **called** "Kremlin-inspired," was introduced in April 2024 after the parliament shelved an earlier version last year amid protests and Western criticism. The legislation requires nongovernmental organizations (NGOs) and media outlets that receive more than 20% of their funding from foreign sources to register as organizations "pursuing the interest of a foreign power." The parliament initially **passed** the law on May 14, despite mass protests and expressions of concern by U.S. and European officials.

On May 23, the State Department **announced** a "comprehensive review" of U.S.-Georgia bilateral cooperation and a new visa restriction policy that "will apply to individuals who are responsible for or complicit in undermining democracy in Georgia, as well as their family members." Some Members of Congress have introduced related legislation and may weigh the implications of the law's passage for Georgia's ongoing democratization, European Union (EU) and NATO integration efforts, defense against Russian aggression and malign influence, and U.S. assistance.

Law "On Transparency of Foreign Influence"

The law establishes the creation of a public registry of organizations "pursuing the interest of a foreign power." It also requires registering entities to submit annual declarations detailing the "source, amount, and purpose" of income and expenditures; enables the Ministry of Justice to solicit a range of data for the purposes of registration and compliance; and imposes fines for noncompliance.

On May 21, the European Commission for Democracy through Law (or Venice Commission), a **Council of Europe** legal advisory body, **assessed** that the legislation's "fundamental flaws will involve significant negative consequences for the freedoms of association and expression." **According** to the Venice Commission, the legislation "presupposes that anyone receiving foreign support will act in pursuit of the interests of the foreign funder" and, thus, could have a "stigmatizing effect" on registered organizations, "undermin[ing] their public trust and access to financial resources."

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Protests have been held against the legislation and what demonstrators have characterized as a shift in the government's foreign policy away from the West and toward Russia. The State Department has noted "clear indications of a campaign of intimidation and the use of violence to suppress peaceful dissent" in response to these protests.

Domestic Context

Georgia's next parliamentary elections are scheduled to be held in October 2024. The legislation could impact voter sentiment for and against the ruling Georgian Dream (GD) party and its political opposition. Some observers suggest the government could use the legislation to limit NGOs' ability to scrutinize government actions during the campaign and to conduct independent election monitoring.

GD was founded in 2012 as a center-left party but increasingly has espoused nationalist-conservative principles. GD justifies the legislation by maintaining that Georgian NGOs supported by foreign (i.e., U.S. and European) funding have sought to undermine Georgia's democratically elected government. In a statement accompanying the bill's reintroduction, the parliamentary majority said the "lack of transparency" of Georgia's donor-supported civil sector was "one of the most important challenges for state security," and the law would "protect Georgia from artificial attempts to cause unrest."

Georgian officials have implied that the United States and the EU also have acted more broadly against Georgian interests, despite Western support for Georgia's sovereignty and territorial integrity against Russian encroachment, and for Georgia's constitutionally stated goals of EU and NATO integration. After a first procedural vote on the bill, GD founder (and honorary chair) Bidzina Ivanishvili, a wealthy businessman, delivered a speech in which he called the Georgian opposition "pseudo-elites ... appointed from outside" and maintained that an unspecified "global war party" views "Georgia and Ukraine as cannon fodder" against Russia.

The law's passage comes five months after the EU, despite concerns about the government's commitment to European integration, granted Georgia candidate status. The EU said this decision was made "on the understanding that the relevant steps set out" in a prior EU recommendation "are taken." That recommendation's steps included the implementation of judicial and rule-of-law reforms, combatting disinformation against the EU and its values, and addressing political polarization.

Ivanishvili announced his return to politics a few weeks after Georgia became an EU candidate. GD created for Ivanishvili the position of honorary party chair and changed party rules to allow him to nominate the prime minister. Ivanishvili then nominated GD chair Irakly Kobakhidze, a former parliamentary speaker, as prime minister. Kobakhidze has criticized what he calls U.S. and European "pseudo-liberalism" and accused Western governments of interfering in Georgian politics.

International Responses

On April 25, 2024, the European Parliament passed a resolution by a vote of 425-25 stating that "EU accession negotiations should not be opened as long as this law is part of Georgia's legal order." After the Georgian parliament initially passed the bill, EU officials said its adoption "negatively impacts Georgia's progress on the EU path." On May 15, the White House said the legislation's passage would "compel us to fundamentally reassess our relationship with Georgia." Some Members of Congress have introduced related legislation and expressed support for Georgia's Euro-Atlantic integration, concerns about the law, and a sense that its passage could lead to a reassessment of U.S. policy toward Georgia. Russian officials have spoken approvingly of the legislation.

U.S. Foreign and Security Assistance to Georgia

The Department of State’s FY2025 budget justification [states](#), “U.S. assistance to Georgia will help strengthen democratic governance, bolster the country’s abilities to resist continued aggression by Russia, and mitigate the spillover effects of Russia’s full-scale invasion of Ukraine. Assistance will also support the Georgian people’s overwhelming desire to integrate with Euro-Atlantic institutions, including the European Union.”

Georgia is the second highest recipient of U.S. assistance in the Europe and Eurasia region after Ukraine. The State Department allocated an estimated \$133.0 million for Georgia in FY2023 and included \$116.5 million for Georgia in its FY2025 budget request. The United States provides democracy and governance assistance to Georgia, as well as security assistance via Foreign Military Financing and Department of Defense assistance programs. On May 14, 2024, U.S. Assistant Secretary of State James O’Brien [said](#) that about \$390 million in planned U.S. assistance to Georgia “has to be under review if we are now regarded as an adversary and not a partner.”

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