



Taken Question
Office of the Spokesman
Washington, DC
December 10, 2008

Georgia: \$1 Billion Assistance Commitment (Taken Question)

Question:How much of the \$1 billion U.S. assistance package for Georgia has been received? How much has been used? On what has the money been spent so far?

Answer: To date, approximately \$310 million has been provided as part of the \$1 billion U.S. assistance package to Georgia. Another \$447 million has either been allocated for specific projects and activities or is in the process of being allocated. The \$243 million balance of the U.S. commitment will need to be requested by the next Administration and appropriated by the next U.S. Congress. All of the assistance is subject to standard U.S. Government monitoring and oversight.

Distributed to date:

\$60 million in humanitarian assistance: Funding for the humanitarian effort has continued since the start of the conflict in early August. Initial funding provided emergency relief supplies such as food, water, bedding, and medicine.

\$250 million in direct budget support to the Georgian Government: In the context of falling revenues in the aftermath of the conflict, direct budget support will enable the Government of Georgia to meet its fiscal responsibilities as it faces extraordinary expenditures to address both the needs of internally displaced persons and economic reconstruction. An agreement providing this assistance was signed between the United States and Georgia on October 22, 2008. The Georgian government has drawn down approximately 15 percent of the total to date in support of its obligations with respect to pensions for government retirees, State Health Care Program, allowances for post-conflict IDPs, financing of vouchers for secondary schools, and salaries for government employees. The agreement providing the budget support assistance adheres to standard U.S. Government provisions for monitoring and oversight, including requirements for monthly reporting from the Georgian government on the uses of the funding and the right to conduct an audit at any time up to three years after the last withdrawal of funds.

In process:

\$100 million via MCC: On November 21, Georgian Prime Minister Grigol Mgaloblishvili and Millennium Challenge Corporation CEO Ambassador John Danilovich signed an agreement to provide an additional \$100 million to Georgia's existing \$295 million Compact. The funds will be disbursed over the course of the remaining two and a half years of Georgia's Compact, and will be used to finance the rehabilitation of roads connecting the Samtskhe-Javakheti region to Turkey and Central Georgia, water supply and waste water projects outside Tbilisi, repairs to the trunk gas pipeline, and priority energy sector studies.

\$50 million in urgent reconstruction and stabilization assistance: The U.S. Government is proceeding to obligate funds in support of projects to support the safe, voluntary and orderly return of internally displaced persons (IDPs) to secure post-conflict areas and to support general economic recovery in the Shida Kartli region, which was hard hit during the recent conflict. Funding, will contribute to IDP food and shelter needs, help farmers reestablish their livelihoods, and enable the Georgians to provide police protection to its citizens in the region.

\$176 million via OPIC: OPIC-provided financing will be used to help make affordable mortgages available to the people of Georgia and support commercial and residential property development projects. OPIC hopes to have agreements signed to provide this financing in late 2008-early 2009.

\$121 million in other reconstruction and development assistance: In addition to the resource allocations listed above, the Administration is working to identify high-priority projects that support Georgia's economic reconstruction needs, assistance for IDPs, energy-related programs, activities to strengthen Georgia's democratization, and other development assistance. It is our goal to provide this funding to Georgia by early next year.

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