PACIFIC COUNCIL

DELEGATION PROGRAM

International Delegation Report

GEORGIA & ARMENIA

September 28 - October 2, 2026

Krista Seitz



Introduction:

The Pacific Council on International Policy delegation to Georgia and Armenia examined the South Caucasus' evolving geopolitical position, regional security challenges, democratic governance, and opportunities for U.S. engagement. Led by Ambassador (ret.) Kristina Kvien, President & CEO of the Pacific Council and former U.S. Ambassador to Armenia (2023-2026), the delegation leveraged her deep understanding of the region and her relationships with country leaders and civil society.

The delegation met with government officials, diplomatic representatives, economic institutions, and civil society organizations, and took cultural visits to ancient monasteries, wineries, and a brandy factory tour. Attendees gained a holistic view of how Armenia and Georgia navigate relationships with the United States, the European Union (EU), and neighboring states including Russia, Türkiye, and Azerbaijan. This view was enhanced through exploration of the countries' unique culture and heritage.

Georgia and Armenia share a unique geography between Europe and Asia, but their histories and foreign policy trajectories are distinct, and increasingly move in opposite directions. While Georgia backtracks from actively seeking North Atlantic Treaty Organization (NATO) and EU membership toward an environment of restricted press and civil society freedoms, Armenia rapidly pursues diplomatic, economic, and security diversification toward the West, a durable peace with Azerbaijan, and normalization with Türkiye.



Georgia

U.S.–Georgia Relations and Regional Security

On September 28th, the delegation began at the U.S. Embassy Tbilisi to receive a briefing from Chargé d'Affaires, Courtney Austrian, and members of her team. They explained Georgia's strategic importance, its history of security cooperation with the United States, and the challenges shaping its current political environment. Georgia's location along the Black Sea, between Europe and Asia, makes it essential to regional security and trade connectivity.

Relations with Russia remain deeply affected by the 2008 war and Russia's continued military presence in Abkhazia and South Ossetia, which Georgia considers occupied territories. U.S. support for Georgia's territorial integrity and the policy of non-recognition remain important elements of bilateral engagement.

The delegation also met with Georgia's Deputy Foreign Minister Alexander Khvtisiashvili to explore the country's role as a regional corridor. Georgian officials emphasized the potential of transport and energy connections linking the South Caucasus with Central Asia, Turkey, and European markets. These routes could provide alternatives to transit through Russia and strengthen Georgia's economic position.



Democratic Governance and Civil Society

Discussions with Georgian civil society groups revealed deep concerns about increasing restrictions on free speech, political opposition, and independent civil society. Georgia's 2024 Foreign Agent Law and 2025 Foreign Agents Registration Act, which closely resemble similar Russian legislation, have severely restricted civil society's ability to act independently or serve the watchdog functions they were established to provide. Many NGOs in Georgia have been forced to close operations and move abroad, or risk heavy fines and imprisonment.

In November 2024, Georgia's government announced it would not pursue EU accession negotiations until 2028. The decision, along with disputed political developments and protests, has contributed to tensions over the country's future relationship with Europe.

Despite government attempts to curtail democratic opposition, free speech, and Western integration, the Georgian people remain strongly supportive. Independent polling shows large majorities of Georgians supporting EU and NATO membership, closer ties with the West, democracy, and civil liberties.

Economic Connectivity and Trade

Georgia's geographic position offers opportunities to expand its role as a key link in the Middle Corridor, connecting Asian markets with Europe through the Caspian Sea and South Caucasus. Deputy Foreign Minister Khvtisiashvili highlighted plans to develop transport infrastructure and deepen regional connections with Azerbaijan, Armenia,Türkiye, and Central Asian economies.

A deep-sea port was proposed as a potential long-term investment to increase Georgia's capacity to accommodate larger vessels and strengthen its position as a regional logistics hub. Such projects would require substantial financing, international partnerships, and sustained demand.



Georgia is also seeking to diversify exports and attract investment while managing economic exposure to Russia and other regional powers. Demographic pressures, including the "brain drain" of younger Georgians, and uncertainty surrounding the country's political and regulatory environment remain relevant challenges.

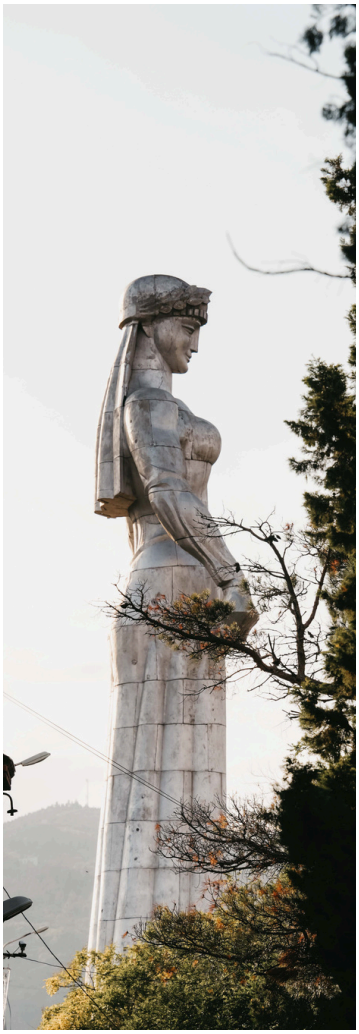
Georgian Wine: Culture and Global Markets

At the National Wine Agency, the delegation explored Georgia's distinctive winemaking traditions and export ambitions. Archaeological evidence points to approximately 8,000 years of winemaking in the region. UNESCO recognizes the traditional "qvevri" method, which uses large clay vessels for fermentation and aging, as an intangible cultural heritage.

Georgia's extensive range of indigenous grape varieties helps distinguish its wines in international markets. With more than 1,200 registered wine producers, the sector spans family vineyards and larger commercial operations. The United States is a strategic market, although distribution structures and differences among state-level alcohol regulations can complicate expansion. Climate change and increasingly unpredictable weather also pose challenges for grape production and harvesting.







The delegation ended its stay in Tbilisi with a historical walking tour through Old Tbilisi, including a cable-car ride up to see Kartlis Deda, or the Mother of Georgia statue. Other landmarks include the Holy Trinity Cathedral, the Bridge of Peace, a piece of the Berlin Wall gifted to Georgia in 2017, and the many sulfur baths that give Tbilisi its name (Tbilisi translates to "warm place").

Armenia

On September 30, the delegation traveled from Tbilisi, Georgia, to Yerevan, Armenia, crossing the Sadakhlo border. Along the drive, the group visited the Haghpat Monastery Complex, a UNESCO World Heritage Site. The oldest parts of the complex date back to 967 CE, with significant construction continuing through the 13th century.

U.S.–Armenia Relations and Strategic Diversification

At the U.S. Embassy in Yerevan, the delegation met with Chargé d'Affaires David Allen and discussed the growing U.S.-Armenia partnership and the Trump Route for International Peace & Prosperity (TRIPP).



On May 26, 2026, Armenia and the United States signed a Charter on Comprehensive Strategic Partnership covering areas including economic cooperation, energy, critical minerals, technology, security, and education. This framework creates opportunities for deeper engagement as Armenia seeks to diversify its economic and security partnerships.

In meetings with Deputy Foreign Minister Vahan Konstanyan and Parliament's Foreign Relations Committee Chair Sargis Khandanyan, delegates were briefed on Armenia's progress in diversifying its alliances, reaching lasting peace with Azerbaijan, normalizing relations with Türkiye, and advancing economic projects with the United States, including the TRIPP.

Armenia's defense relationships are also evolving, including new partnerships with France, India, and the United States. Armenia has decisively shifted away from reliance on Russia for its defense capabilities, and is transitioning from Russian management of borders and entry points to Armenian control..

Peace Process and Regional Connectivity

The Armenia–Azerbaijan peace process was a central theme in delegation discussions. On August 8, 2025, the two countries initiated a draft peace agreement at the White House and committed not to use force to settle disputes. The August 8 Summit also concluded three bilateral Armenia-U.S. MOUs on economic cooperation. As part of these, the TRIPP aims to support transport and communications links throughout the region. Its implementation could create opportunities for trade, investment, and more reliable connections between Europe and Asia.

A briefing with the Director of the Armenian Institute for International & Security Affairs (AIISA) noted that Armenia's own "Crossroads of Peace" initiative also seeks to expand connectivity across the South Caucasus. Improved transport links and trade could create mutual economic incentives for peace, although border restrictions, unresolved political disputes, and competing regional interests remain obstacles. Normalization with Türkiye and expanded economic relations with Azerbaijan could further reshape Armenia's regional position.



Economic Growth, Technology, and Energy

The Central Bank of Armenia Governor Martin Galstyan highlighted strong economic growth since 2022, supported in part by an influx of Russian professionals, technology workers, and capital following Russia's full-scale invasion of Ukraine. This inflow boosted activity in technology, finance, construction, and banking, but also raised housing costs and inflationary pressures.

Armenia faces the challenge of sustaining growth while reducing dependence on a narrow set of markets and external economic shocks. Greater trade with the European Union and other partners could help mitigate risks, including potential Russian trade restrictions. Technology investment and the development of more advanced, research-intensive industries will also be important to long-term competitiveness.



Meetings with economic and government officials addressed opportunities in critical minerals, renewable energy, and transport infrastructure. The U.S.–Armenia critical minerals framework, signed in May 2026, provides a basis for further cooperation in geological assessment and supply chains. Armenia is also expanding solar generation and considering energy storage and other technologies as part of its energy diversification efforts.

The Firebird AI data center in Hrazdan highlights Armenia's potential to attract major technology investment from the United States. The multibillion-dollar project aims to expand the country's AI computing capacity, strengthen its technology sector, and attract international capital. Its long-term success will depend on reliable energy infrastructure, continued investment, and developing local technical talent.

Governance and Domestic Reform

Meetings with the President of Armenia, Vahagn Khatchaturyan, and Chief of Staff to the Prime Minister, Lilet Makunts, highlighted Armenia's efforts to strengthen public institutions, address corruption, improve social services, and deepen ties with Europe. Priorities include public-sector reform; improvements to the police, judiciary, education, and healthcare; and measures intended to reduce the informal economy.

Armenia is also pursuing EU visa liberalization through reforms to areas such as biometric passports and border management. These efforts are part of a broader strategy to deepen European engagement while maintaining working relationships with Russia and Iran and managing the risks associated with regional competition.

Armenian Brandy and Cultural Heritage

The delegation toured the historic Noy Brandy Factory in Yerevan, established in 1877 on the site of a former fortress. The visit highlighted Armenia's longstanding brandy-making tradition, including the use of grapes from the Ararat Valley, traditional aging techniques, and the role of Armenian brandy in the country's cultural and commercial heritage. During the Soviet era, centralized production policies prioritized brandy over still wine in Armenia, with much of the country's grape harvest directed toward brandy production, while other Soviet republics, particularly Georgia, became more closely associated with wine. Delegates also enjoyed wine tasting at In Vino wine bar, learning how the Armenian wine industry has revived in the last 20 years to now produce over 200 native wines.





Cultural Excursion: Noravank Monastery & Wine Tasting in the Vayots Dzor Region

On October 3, the delegation visited Armenia's Vayots Dzor region, a mountainous province in southern Armenia known for its dramatic landscapes, medieval monasteries, and longstanding agricultural and winemaking traditions. Historically, the region served as an important crossroads along ancient Silk Road trade routes, connecting communities and commercial centers across the South Caucasus and beyond. Its location and network of historic routes made it an important center of trade, cultural exchange, and religious activity throughout Armenian history.

The delegation's visit included Noravank Monastery, a medieval monastic complex renowned for its distinctive Armenian architecture and intricate stone carvings. A guided tour explored the monastery's religious symbolism, 13th- and 14th-century artistic traditions, and architectural details reflecting the region's rich cultural history.



The excursion concluded with a wine tasting at Old Bridge Winery, offering an opportunity to experience Armenia's longstanding winemaking heritage and connect its cultural traditions with its contemporary wine industry. Vayots Dzor is particularly significant to Armenia's wine industry, as the nearby Areni-1 archaeological site contains evidence of winemaking dating back approximately 6,000 years.



Conclusion

Georgia and Armenia occupy strategically important positions at the intersection of Europe, Asia, and the Middle East, but they face distinct political and economic challenges. Georgia and Armenia both seek to become key transit nodes in a Middle Corridor that could become a major East-West trade route. If regional conflicts can be resolved and borders can open after decades of blockage, both countries could prosper. As Georgia drifts away from Western integration and democratic principles while Armenia increasingly embraces them, identifying shared partners and common threats could help both countries strengthen their position in an increasingly volatile neighborhood.

We would like to express our gratitude to those who met with our delegation and to those who provided support throughout this trip.







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