

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Georgia: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
294.79	-	3.35	-	298.14

- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

Georgia: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Energy	4	123.30	4.66
Finance	11	258.63	9.78
Multisector	4	148.86	5.63
Public Sector Management	9	349.71	13.22
Transport	19	1,189.08	44.96
Water and Other Urban Infrastructure and Services	14	575.00	21.74
Total	61	2,644.59	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

Georgia: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007-2018

No. of Transactions Signed	Amount (\$ million)
Loans	329.85
Equity Investments	-
Guarantees	-
Total	329.85

- = nil.

The Asian Development Bank (ADB) has partnered with Georgia since 2007 and is one of the country's largest multilateral development partners.

GEORGIA

Located at the crossroads of Europe and Asia, Georgia has become an important node for regional trade flows. The Government of Georgia has taken steps to deregulate the economy, streamline bureaucracy, and combat corruption. Committed to an inclusive growth process, the government has considerably increased social sector funding and made public expenditure transparent. Solid economic growth is expected to support Georgia's development and reduce the country's poverty and unemployment.

The Asian Development Bank (ADB) has partnered with Georgia since 2007 and is one of the country's largest multilateral development partners. Over \$2.8 billion has been approved for Georgia's development since 2007. This includes \$1.4 billion from regular ordinary capital resources (OCR), \$902 million from concessional OCR, \$455 million in nonsovereign lending, \$17 million in technical assistance, and trade finance.

Cumulative loan disbursements to Georgia amount to \$1.59 billion.

These were financed by regular and concessional OCR.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB's key development priorities in Georgia are to foster inclusive and sustainable economic growth, reduce poverty, enhance regional connectivity, and improve public service delivery. Priority sectors include transport, water supply and sanitation, energy, public sector management, and finance.

The \$500 million Road Corridor Investment Program will be implemented until 29 September 2019. It includes the newly opened 34-kilometer (km) Kobuleti Bypass, which diverts heavy-vehicle traffic around the popular tourist destination



of Kobuleti, enhancing the town's business and recreational environment. It also supports the design works for a central transport route through Georgia.

The \$80 million Secondary Road Improvement Project includes 50 km of road rehabilitation to improve access for both residents and tourists in the Kharagauli district. The \$228 million Batumi Bypass Road Project is ADB's first cofinanced project in Georgia and includes a new two-lane bypass road of 14.3 km skirting Batumi, a Black Sea resort and port city, as well as performance-based maintenance contracts for 200 km of international highways and secondary roads. Project savings have been repurposed to construct Poti bridge and Bakurtsikhe-Tsnori to further improve connectivity and commercial traffic routes in north and eastern Georgia. In 2018, ADB approved \$300 million for the East-West Highway (Khevi-Ubisa Section) Improvement Project, including the construction of a 12 km four-lane highway sector and the strengthening of the institutional capacity of the Roads Department. Under the project, \$1.05 billion parallel cofinancing has been mobilized with development partners.

The \$300 million Sustainable Urban Transport Investment Program runs until July 2020. It is revitalizing Georgia's public transport network and developing efficient transport systems in key urban areas of the country,

including the newly opened University Metro station inaugurated in October 2016. The \$500 million Urban Services Improvement Investment Program runs until March 2021. It is delivering safe water and sanitation to thirteen towns and regional cities across Georgia.

Meanwhile, the \$48 million Regional Power Transmission Enhancement Project was completed in 2016, providing four new and upgraded power substations to reinforce Georgia's energy grid. Between 2014 and 2016, ADB also financed a \$250 million program to help strengthen Georgia's public debt and budget management, reform the pension system, develop capital markets, and promote private investment to help create jobs and provide better social protection to families.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance,

microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program and Supply Chain Finance Program.

ADB began cofinancing operations in Georgia in 2010. Since then, cumulative direct value-added official cofinancing commitments for Georgia have amounted to \$1.35 billion for four investment projects and \$2.25 million for two technical assistance projects. Cumulative direct value-added commercial cofinancing for Georgia has amounted to \$131.33 million for two investment projects.

In 2018, Georgia received \$1.05 billion in loan cofinancing from the World Bank, Japan International Cooperation

Georgia: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2011	100.0	2
2012	100.0	1
2013	50.0	2
2015	-	1
2018	100.0	2
Total	75.0	8

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Georgia: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

	No. of Ongoing Loans ^a (as of 31 Dec 2018)	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	177.64	302.79
Disbursements ^b	106.29	141.08
No. of Ongoing Grants ^a (as of 31 Dec 2018)		
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	-	-
Disbursements ^{b,d}	-	-
Actual Problem Projects (%) (as of 31 Dec 2018)	-	

- = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Georgia: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	5	1,289.15
Official loans	3	1,178.26
Commercial cofinancing	2	110.89

^a A project with more than one source of cofinancing is counted once.

Georgia: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	17.83	0.17	1.23	0.01	826.81	0.46
Consulting Services	1.01	0.14	1.23	0.18	13.91	0.11
Total Procurement	18.84	0.17	2.46	0.02	840.72	0.43

Top 5 Contractors/Suppliers from Georgia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
Company Black Sea Group Ltd.	TRA	33.54
Peri Ltd. & SLON LLC (JV)	WUS	24.67
Dagi Ltd.	WUS	3.59
Java LLC	TRA	1.07
Tegeta Truck & Bus Ltd.	WUS	0.53
Others		247.61
Total		311.01

TRA = transport, WUS = water and other urban infrastructure and services.

Top 5 Consultants from Georgia Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Gzamshenproject Ltd. & Sakgzametsniereba; GGEB (JV)	TRA	1.74
Analysis and Consulting Team Ltd.	WUS	0.15
BDO LLC	WUS	0.15
Grant Thornton Akhvlediani LLC	WUS	0.11
Deloitte & Touche LLC	TRA	0.09
Individual Consultants		5.49
Others		0.24
Total		7.98

TRA = transport, WUS = water and other urban infrastructure and services.

Agency, and European Investment Bank for the East-West Highway (Khevi-Ubisa Section) Improvement.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/georgia/cofinancing.

PARTNERSHIPS

Georgia has been an active member of [Central Asia Regional Economic Cooperation](#) since 2016, and ADB works to support the country's involvement in regional programs.

ADB conducts regular meetings and bilateral consultations with the government, its agencies, the Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the European Union, Agence Française de Développement, the International Finance Corporation, the International Monetary Fund, the Austrian Development Agency, the Japan International Cooperation Agency, German development cooperation through KfW, the Swedish International Development Cooperation Agency, the United States Agency for International Development, and the World Bank.

ADB collaborates with the private sector, civil society organizations, and academic institutions within Georgia to enhance the effectiveness, impact, and sustainability of the assistance it provides.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects

and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Georgia, 190 contracts worth \$826.81 million have been awarded to contractors and suppliers since 2007.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Georgia, 191 contracts worth \$13.91 million have been awarded to consultants since 2007.

OPERATIONAL CHALLENGES

Disparities in income levels and employment opportunities exist between different regions of Georgia,

especially between rural and urban areas. One key to addressing these disparities is expanding access to finance and economic opportunities in peri-urban and rural areas. ADB has been helping Georgia's micro, small, and medium-sized enterprises—considered long-term drivers of sustainable growth—to better access business development support and financing. Through the bank's sovereign and nonsovereign operations, over 14,000 enterprises have been supported with startup grants and business loans. ADB will continue to support micro, small and medium-sized enterprises, especially outside Tbilisi, to reduce regional poverty and disparities.

The high unemployment rate in Georgia is a reflection of the skills mismatch in the labor market. ADB will support government's education sector reforms in collaboration with other development partners, to better address skills mismatch and enhance labor productivity.

The challenge for Georgia is to leverage its facilitating infrastructure and bilateral trade agreements to better integrate in global value chains. ADB will continue to support Georgia in regional cooperation and integration.

FUTURE DIRECTIONS

ADB will provide assistance to create economic corridors within Georgia and for the Caucasus region. The bank has united its many and varied competencies—known as taking the “One ADB” approach—for the Anaklia Regional Development Initiative,

a \$3 billion flagship project of the government and ADB in Georgia and the Caucasus.

ADB will also support initiatives to deliver public infrastructure through public-private partnerships. The bank

has established within its Georgia Resident Mission a regional hub of its private sector department to provide integrated development solutions within the country and across the region.

The bank will continue to support inclusive growth in Georgia through the Livable Cities Development Investment Program and the Education Sector Development Program.



ABOUT GEORGIA AND ADB

ADB Membership

Joined in 2007

Shareholding and Voting Power

Number of shares held:	36,243 (0.341% of total shares)
Votes:	75,940 (0.571% of total membership, 0.878% of total regional membership)
Overall capital subscription:	\$504.06 million
Paid-in capital subscription:	\$25.24 million

Tony McDonald is the Director and **Scott Dawson** is the Alternate Director representing Georgia on the ADB Board of Directors.

Yesim Elhan-Kayalar is the ADB Country Director for Georgia. The Georgia Resident Mission was opened in 2008 and provides the primary operational link between ADB and the government, the private sector, civil society, and development partners in its activities. The resident mission engages in policy dialogue, country partnership strategy development, and programming and portfolio management, while also acting as the knowledge base on development issues in Georgia.

The government agency handling ADB affairs is the Ministry of Finance in Georgia.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.

CONTACTS

Georgia Resident Mission

Asian Development Bank
1, G. Tabidze Street
Freedom Square
Tbilisi 0114, Georgia
Tel +995 32 2250619
adbgrm@adb.org
www.adb.org/georgia
Facebook: ADB Georgia

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 8632 4444
Fax +63 2 8636 2444
(Please omit the "8" from ADB HQ numbers until
Manila numbers change on 8 October 2019.)

Ministry of Finance

16 V, Gorgasali Street
Tbilisi 0114, Georgia
Tel +995 32 2261444
Fax +995 32 2261088
www.mof.ge

Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org