

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Georgia: 2017 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
216.14	-	0.30	-	216.44

- = 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	3	122.60	5.23
Finance	10	257.48	10.97
Multisector	4	148.86	6.34
Public Sector Management	9	349.71	14.90
Transport	17	893.54	38.08
Water and Other Urban Infrastructure and Services	13	574.25	24.47
Total	56	2,346.44	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, 2007-2017

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

- = nil.

Georgia has been member of ADB since 2007; ADB is one of the country's largest 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 been supporting Georgia since 2007 and is one of the country's largest multilateral development partners. Sovereign loans to Georgia total \$2.42 billion: \$1.41 billion from ordinary capital resources (OCR), \$900 million from concessional OCR, and \$114 million in cofinancing. Nonsovereign loans total \$330 million. As of 1 January 2017, Georgia's classification as a middle-income country excludes it from further access to concessional OCR.

Cumulative disbursements to Georgia for lending financed by OCR and the Asian Development Fund amount to \$1.45 billion.

Georgia has been an active member of Central Asia Regional Economic Cooperation (CAREC) since 2016.

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.

Between 2008 and 2016, ADB approved emergency assistance and five program loans totaling \$500 million,



including a \$250 million program to help strengthen 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 for families.

ADB has also provided \$70 million to support the Municipal Services Development Project. This project supported the rehabilitation of roads, water supply, and sanitation systems, with more than 100 subprojects bringing potable water and improved roadways to communities across Georgia.

The \$500 million Road Corridor Investment Program runs until 2019. It supports trade and regional connectivity, and includes the 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. This investment program also supports the design work for a central transport route through Georgia.

In 2017, ADB approved \$80 million for the Secondary Road Improvement Project, including 50 km of road rehabilitation to improve access for both residents and tourists in the Kharagauli district. ADB also approved the \$228 million Batumi Bypass Road Project to improve regional connectivity. It is ADB's first cofinanced project in Georgia, and includes a new two-

lane bypass road of 14.3 km skirting Batumi, as well as performance-based maintenance contracts for 200 km of international highways and secondary roads.

The \$300 million Sustainable Urban Transport Investment Program runs until 2020. It is revitalizing Georgia's public transport network and developing efficient transport systems in key urban areas of the country. Four program tranches totaling \$242 million are financing mass transit, essential road links, and coastal protection in western and central Georgia, including the newly opened University Metro station. In December 2017, ADB approved the last tranche of \$14.25 million to provide efficient, reliable, and safe metro services in Tbilisi.

The \$500 million Urban Services Improvement Investment Program runs until 2019. It is delivering safe water and sanitation to seven 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.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector transactions in the form of direct loans, equity investments, guarantees,

B loans, and trade finance. In 2017, \$3.17 billion of financing for 29 nonsovereign transactions funded by ADB's own resources were approved. Total commitments achieved in 2017 amounted to \$2.29 billion for 27 transactions. Both OCR approvals and commitments were at record highs in 2017. Around \$5.9 billion of cofinancing from commercial and official sources were mobilized. Total OCR outstanding balances and commitments of ADB's nonsovereign transactions as of 31 December 2017 amounted to \$10.9 billion.

ADB's **Trade Finance Program (TFP)** fills market gaps by providing guarantees and loans through partner banks in support of trade. Since 2009, ADB's TFP has supported more than 12,000 small and medium-sized businesses across developing Asia—through over 16,500 transactions valued at over \$30 billion—in sectors ranging from commodities and capital goods, to medical supplies and consumer goods. In 2017, the TFP supported approximately \$4.5 billion in trade through approx. 3,500 transactions.

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

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	0.0	1
Total	66.7	6

Note: "Year" refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years' *Fact Sheet*, the success rate reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and does not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2017.

Georgia: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2016–2017

	2016 (\$ million)	2017 (\$ million)
No. of Ongoing Loans ^a (as of 31 Dec 2017)		17
Contract Awards ^{b,c}	79.79	177.64
Disbursements ^b	199.47	106.29
No. of Ongoing Grants ^a (as of 31 Dec 2017)		–
Contract Awards ^{b,c}	–	–
Disbursements ^{b,d}	–	–
Actual Problem Projects (%) (as of 31 Dec 2017)		7

– = 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 2013–31 December 2017

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	4	250.43
Official loans	2	129.00
Commercial cofinancing	2	121.43

^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	2016		2017		Cumulative (as of 31 Dec 2017)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and						
Related Services	99.01	0.88	18.23	0.17	761.54	0.45
Consulting Services	1.10	0.18	0.72	0.10	10.74	0.09
Total Procurement	100.11	0.84	18.95	0.17	772.28	0.43

Top 5 Contractors/Suppliers from Georgia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2013–31 December 2017

Contractor/Supplier	Sector	Contract Amount (\$ million)
Company Black Sea Group Ltd.	TRA	33.89
Peri Ltd. & Slon LLC (JV)	WUS	23.78
Dagi Ltd.	WUS	3.61
Tegeta Truck & Bus Ltd.	WUS	0.52
PCShop.ge Ltd.	WUS	0.02
Others		249.20
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 2013–31 December 2017

Consultant	Sector	Contract Amount (\$ million)
Gzamshenproject Ltd. & Sakgzametsniereba; GGEB (JV)	TRA	1.57
ECO-Spectri Ltd.	MUL	0.18
Analysis and Consulting Team Ltd.	WUS	0.15
Grant Thornton Akhvlediani LLC	WUS	0.11
Baker Tilly Georgia Ltd.	WUS	0.09
Individual Consultants		4.13
Others		0.22
Total		6.45

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

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 TFP and Supply Chain Finance Program.

From 2010 to the end of 2017, cumulative direct value-added official cofinancing commitments for Georgia amounted to \$299.00 million for three investment projects and \$2.25 million for two technical assistance projects. Cumulative direct value-added commercial cofinancing for Georgia amounted to \$127.70 million for two investment projects.

In 2017, Georgia received \$114.00 million loan cofinancing from the Asian Infrastructure Investment Bank for the Batumi Bypass Road Project.

A summary of projects with cofinancing from 1 January 2013 to 31 December 2017 is available at www.adb.org/countries/georgia/cofinancing.

PARTNERSHIPS

Development collaboration in Georgia is extensive and effective.

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.

Ongoing consultations between the ADB Georgia Resident Mission and the Donor Coordination Unit of the Prime Minister's Office have been effective in fostering partnerships.

ADB also cooperates 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 \$11.28 billion in 2016 and \$10.43 billion in 2017. Cumulative procurement since 1966 was \$169.12 billion covering 211,316 contracts.

In Georgia, 185 contracts worth \$761.54 million were 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 \$627.79 million in 2016 and \$741.84 million in 2017. Cumulative procurement since 1966 was \$12.02 billion covering 55,420 contracts.

In Georgia, 142 contracts worth \$10.74 million were 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. Modernizing public infrastructure, improving agricultural productivity, and connecting remote communities to markets will help address these disparities.

ADB has been helping Georgia's micro, small and medium-sized enterprises—considered long-term drivers of sustainable growth—to receive broader financing. Through its sovereign and non-sovereign operations, over 14,000 enterprises have been supported with start up grants and business loans. The government is also strengthening the social safety net and developing the nation's financial system. Since private sector participation is essential in addressing public infrastructure and service needs in Georgia, ADB is making public-private partnerships a priority area by helping develop legal and regulatory frameworks and financial infrastructure. Continued policy and institutional reforms will help maximize

the impact of public and private sector investments.

FUTURE DIRECTIONS

ADB will provide assistance to create better road connectivity, improve access to finance, and more efficiently deliver urban services, particularly in small towns and regional cities—potential hubs for agribusiness and tourism.

Financial intermediation and renewable energy generation are priority areas for private sector development. ADB continues to support initiatives to drive public–private partnerships and capacity development in Georgia. Such initiatives include rehabilitating secondary roads, enhancing the security and stability of power systems (especially in isolated regions), and

mobilizing domestic resources to help sustain higher levels of social expenditure.

ADB will also provide technical assistance to develop regulatory bodies, strengthen cost recovery mechanisms, and improve the government’s contract management and project implementation capacity.



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:	75,850 (0.572% of total membership, 0.877% of total regional membership)
Overall capital subscription:	\$516.15 million
Paid-in capital subscription:	\$25.85 million

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 67 members, 48 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 2017, lending volume was \$18.72 billion (111 projects), with technical assistance at \$200.53 million (246 projects) and grant-financed projects at \$597.49 million (24 projects). In addition, \$11.92 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 2013 to 31 December 2017, ADB’s annual lending volume averaged \$14.55 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$617.74 million and \$166.28 million over the same period. As of 31 December 2017, the cumulative totals excluding cofinancing were \$255.14 billion in loans for 2,955 projects in 44 countries, \$8.36 billion in 328 grants, and \$4.27 billion in technical assistance grants, including regional technical assistance grants.

CONTACTS

Georgia Resident Mission
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 2 632 4444
Fax +63 2 636 2444

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

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

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

Depository Libraries
www.adb.org/publications/depositories

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics