



Georgia: Livable Cities Investment Project for Balanced Development

Project Name	Livable Cities Investment Project for Balanced Development	
Project Number	53118-001	
Country / Economy	Georgia	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 4134-GEO: Livable Cities Investment Project for Balanced Development	
	Ordinary capital resources	US\$ 119.90 million
Operational Priorities	OP1: Addressing remaining poverty and reducing inequalities OP2: Accelerating progress in gender equality OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability OP4: Making cities more livable OP5: Promoting rural development and food security OP6: Strengthening governance and institutional capacity OP7: Fostering regional cooperation and integration	
Sector / Subsector	Agriculture, natural resources and rural development / Rural market infrastructure Transport / Urban public transport - Urban roads and traffic management Water and other urban infrastructure and services / Other urban services - Renovation and protection of cultural heritage - Urban policy, institutional and capacity development	
Gender	Effective gender mainstreaming	
Description	Georgia is located at the crossroads of Europe and Asia, rich in natural resources and cultural heritage. Despite these comparative advantages, the country needs to overcome substantial infrastructure, urban services, and capacity gaps to unlock its economic growth potential. Although Georgia is an upper middle-income country, 20.1% of the population still lives below the poverty line. Economic growth has been unevenly distributed between Tbilisi and the regions. Georgia has a population of 3.7 million people (of which 1.9 million are women), with about 59% living in urban areas. More than 30% of the population lives in Tbilisi, which accounted for 52% of the country's gross domestic product (GDP) in 2019. The total population of Georgia has been declining steadily from 4.12 million in 2000 to 3.72 million in 2020. The population in Tbilisi increased from 1,100,000 to 1,184,800 from 2010 to 2020, while the populations declined during the same period in the regions - from 369,800 to 310,000 in Kakheti, and from 413,200 to 311,100 in Samegrelo-Zemo Svaneti. The reverse demographic highlights issues such as out-migration, limited job opportunities, and poor quality of life in the regions.	
Project Rationale and Linkage to Country/Regional Strategy	Tourism is a fast-growing industry and a key driver of Georgia's economic growth, accounting for 26.3% of GDP in 2019. Tourism accounted for 27.7% of total employment in 2019 in Georgia, the highest in the Central and West Asia region. International visitors increased by 345% from 2010 to 2019, to 7.7 million, with international tourism receipts directing contributing \$3.2 billion in 2019. Most trips (76.3%, or 5.5 million) were from neighboring countries, while only 23.7% (1.7 million) were from other parts of the world. Despite a high number of visitors prior to the COVID-19 pandemic, associated tourism revenues have lagged. Low visitor spending is a result of a shortage of high-quality tourism experiences and skills deficiencies to manage and market tourism assets. The Georgia National Tourism Strategy, 2015-2025 aims to create unique, high-quality visitor experiences based on the country's inherent natural and cultural assets. Despite promising prospects for tourism, basic urban services and associated tourism infrastructure remain outdated. Climate change impacts such as increased frequency of heat waves and floods put additional pressure on urban services and livability. Older persons and persons with disabilities (PWDs) also require accessible tourist sites and facilities. Integrated investments in urban services and tourism infrastructure will help improve livability for citizens and create jobs. The project will meet increasing demand for quality tourism in Central Asia Regional Economic Cooperation (CAREC) countries as the project cities are strategically located along CAREC corridors 2a, 2b, and 2c and the CAREC designated rail corridors, and will help unlock Georgia's economic potential through corridor development.	
Impact	Sustainable economic growth, improved livability and balanced development promoted in Georgia (Georgia 2020).	
Project Outcome		
Description of Outcome	Livability and inclusive economic activity in Georgia improved.	
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs	Inclusive and climate-resilient urban infrastructure rehabilitated and constructed and services improved. Accessibility, connectivity, and mobility in tourism clusters across Georgia improved. Institutional capacity for sustainable urban and regional development enhanced.	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide, Kakheti	
Safeguard Categories		
Environment		B
Involuntary Resettlement		B
Indigenous Peoples		C
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services All consultants will be engaged in accordance with the ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulation for ADB Borrowers (2017, as amended from time to time).

Procurement Detailed designs for 25 kindergartens, 4 sports complexes and 4 upgrading subprojects in the three urban clusters are ready with bidding documents under preparation. The procurement will be undertaken in accordance with the ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulation for ADB Borrowers (2017, as amended from time to time).

Responsible ADB Officer	Naik Singru, Ramola
Responsible ADB Department	Sectors Group
Responsible ADB Division	Water and Urban Development Sector Office (SG-WUD)
Executing Agencies	Ministry of Regional Development and Infrastructure of Georgia Tbilisi City Municipality

Timetable

Concept Clearance	27 Jul 2020
Fact Finding	05 Apr 2021 to 14 Apr 2021
MRM	31 Aug 2021
Approval	10 Nov 2021
Last Review Mission	-
Last PDS Update	10 Nov 2021

Loan 4134-GEO

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
10 Nov 2021	10 Dec 2021	07 Apr 2022	30 Jun 2028	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	180.50	Cumulative Contract Awards			
ADB	119.90	10 Aug 2023	70.00	0.00	66%
Counterpart	60.60	Cumulative Disbursements			
Cofinancing	0.00	10 Aug 2023	46.06	0.00	43%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	Satisfactory	-	-	Satisfactory

Project Page <https://www.adb.org/projects/53118-001/main>

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