Georgia is an important nodal point for regional trade flows and connectivity. At a crossroad between Europe and Asia, the country offers improved transport and transit routes, bringing closer alignment with global markets and deeper integration into global value chains.

The Government of Georgia has taken steps toward creating an open and resilient economy, facilitating institutional reforms, and promoting structural transformation. Committed to an inclusive growth process, it has considerably increased social sector spending, enhanced private sector competitiveness, and made public expenditure more transparent and predictable.

The Asian Development Bank (ADB) began its partnership with Georgia in 2007 and is one of the country’s largest multilateral development partners. To date, ADB has committed 82 public sector loans, grants, and technical assistance totaling $3.9 billion to Georgia. Cumulative loan disbursements to Georgia amount to $3.08 billion. These were financed by regular and concessional ordinary capital resources, and other special funds. ADB’s ongoing sovereign portfolio in Georgia includes 17 loans worth $1.75 billion.

Georgia’s economy has remained remarkably resilient to the Russian invasion of Ukraine and the aftermath of the coronavirus disease (COVID-19) pandemic. Though the labor market is still slow to recover, solid economic growth is registered, helped by a robust expansion in money transfers, growth in exports, and gains in tourism and wholesale and retail trade.

ADB supports Georgia in becoming a regional hub economy through digital trade, regional connectivity, financial inclusion, business climate development, environmental sustainability, sustainable energy, and integration in global agricultural value chains.

**Georgia: 2022 Commitments ($ million)**

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>104.15</td>
<td>112.53</td>
<td>216.67</td>
</tr>
<tr>
<td>Technical Assistance(a)</td>
<td>7.16</td>
<td>0.35</td>
<td>7.51</td>
</tr>
<tr>
<td>Trade and Supply Chain(b) Finance Program(c)</td>
<td>–</td>
<td>28.42</td>
<td>28.42</td>
</tr>
<tr>
<td>Total</td>
<td>111.31</td>
<td>141.30</td>
<td>252.60</td>
</tr>
</tbody>
</table>

\(a\) nil, DMC = developing member country, TA = technical assistance.

Notes:
- Commitment is the financing approved by ADB’s Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.
- Grants and TA include ADB-administered cofinancing.
- Numbers may not sum precisely because of rounding.
- Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
- ADB-financed commitments from private sector programs of which $11.04 million is short term (with maturity of less than 365 days).

**Georgia: Cumulative Commitments**

<table>
<thead>
<tr>
<th>Sector</th>
<th>No.</th>
<th>Total Amount ($ million)</th>
<th>% of Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project and Technical Assistance</td>
<td>106</td>
<td>4,568.70</td>
<td>96.64</td>
</tr>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
<td>1</td>
<td>1.88</td>
<td>0.04</td>
</tr>
<tr>
<td>Education</td>
<td>5</td>
<td>74.40</td>
<td>1.57</td>
</tr>
<tr>
<td>Energy</td>
<td>8</td>
<td>232.80</td>
<td>4.92</td>
</tr>
<tr>
<td>Finance</td>
<td>17</td>
<td>493.62</td>
<td>10.44</td>
</tr>
<tr>
<td>Health</td>
<td>5</td>
<td>26.84</td>
<td>0.57</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>2</td>
<td>1.38</td>
<td>0.03</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>–</td>
<td>0.37</td>
<td>0.01</td>
</tr>
<tr>
<td>Multisector</td>
<td>4</td>
<td>149.09</td>
<td>3.15</td>
</tr>
<tr>
<td>Public Sector Management</td>
<td>13</td>
<td>760.31</td>
<td>16.08</td>
</tr>
<tr>
<td>Transport</td>
<td>29</td>
<td>1,933.05</td>
<td>40.89</td>
</tr>
<tr>
<td>Water and Other Urban Infrastructure and Services</td>
<td>22</td>
<td>894.98</td>
<td>18.93</td>
</tr>
<tr>
<td>Trade and Supply Chain Finance Program(d)</td>
<td>233</td>
<td>158.87</td>
<td>3.36</td>
</tr>
<tr>
<td>Finance</td>
<td>157</td>
<td>98.65</td>
<td>2.09</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>76</td>
<td>60.23</td>
<td>1.27</td>
</tr>
<tr>
<td>Total</td>
<td>339</td>
<td>4,727.58</td>
<td>100.00</td>
</tr>
</tbody>
</table>

\(a\) nil, DMC = developing member country, TA = technical assistance.

* Grants and TA include ADB-administered cofinancing.
* Includes loans, grants, TA, and private sector programs.
* Using primary sector in the reporting of commitments.
* From 2020, financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
* Numbers may not sum precisely because of rounding.
* ADB-financed commitments from private sector programs of which $101.44 million is short term (with maturity of less than 365 days).

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1. Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee commitments not financially closed. Regional projects with loans/grants to multiple countries are reported separately.

Updated as of February 2024
ADB provided $100 million in programmatic assistance to support Georgia’s sustainable and inclusive growth. This forms part of a $300-million program that has helped increase Georgia’s fiscal resilience to shocks following the COVID-19 crisis and amid the heightened economic uncertainty following the Russian invasion of Ukraine. ADB is also improving livability and quality of life for at least 1.5 million Georgian citizens with a $120-million loan in integrated investment solutions for tourism and municipal infrastructure and services.

ADB invested $4 million from ordinary capital resources and another $4 million from the ADB-administered Leading Asia’s Private Sector Infrastructure Fund in the largest and first-ever locally listed green bond issued by Georgian Renewable Power Operations JSC, which operates hydro and wind power plants in Georgia.

ADB acted as the anchor investor with a subscription of GEL18.75 million to Georgia’s first certified gender bond issued by JSC Microfinance Organization Crystal to support access to financial services for women-owned micro, small, and medium-sized enterprises, especially those in remote rural areas.

ADB has also provided a wide range of technical assistance aimed at (i) supporting Georgia’s secondary education to better equip the country’s youth with the core competencies to succeed in post-secondary education and higher-productivity jobs; (ii) supporting green hydrogen and energy storage while strengthening the security of Georgia’s electricity grid; (iii) enhancing the effectiveness and efficiency of health care financing and improving access to people-centered quality primary healthcare and specialty outpatient and diagnostics services; (iv) supporting Georgia’s railway sector reforms and improving the sector’s operational efficiency, service delivery, and financial sustainability; and (v) supporting climate-smart agriculture and irrigation development in support of a more resilient, green, and diversified economy.

**Nonsovereign operations.** Total outstanding balances and undisbursed commitments of ADB’s nonsovereign transactions in Georgia as of 31 December 2022 was $431.45 million representing 3.4% of ADB’s total private sector portfolio.

**Operational challenges.** Expanding transit capacity, adapting to evolving global supply chains, and addressing climate change adaptation and mitigation are key operational challenges. Inclusive growth, skills development, and balanced regional development remain key development goals. Raising local revenue and ensuring more effective and responsible management of subnational finances can be beneficial for macroeconomic stability, improved service delivery, and increased social welfare in rural areas.

**KNOWLEDGE WORK**

ADB knowledge work in Georgia focuses on supporting green corridors and encouraging trade digitalization, development of export value chains and economic complexity, and regional cooperation. Given the country’s climate risks, knowledge work also covers climate-smart irrigation and remote sensing for agriculture and for climate adaptation in coastal areas as well as georeferenced data in migration and tourism, livable cities encompassing green and sustainable urban development and...
services, water supply and sanitation, and energy. In the education sector, the focus is on modern jobs and skills and increasing the quality, access, and affordability of gender-inclusive education services for improved teaching and learning outcomes.

The knowledge agenda supports greater private sector participation and competitiveness; fiscal decentralization with greater efficiency of public resource allocation and enhanced quality of public services; and public sector reforms focusing on governance, institutional capacity building, and public–private partnerships.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB’s financing partner governments or their agencies, multilateral financing institutions, and private organizations to participate in financing ADB projects. The additional funds provided may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Georgia:
- Sovereign cofinancing: $1.08 billion for 5 investment projects and $3.98 million for 5 technical assistance projects since 2010
- Nonsovereign cofinancing: $602.96 million for 7 investment projects since 2004

In 2022, Georgia received $31.76 million loan cofinancing from the Agence Française de Développement for the Sustainable Water Supply and Sanitation Sector Development Program.

A summary of projects with cofinancing from 1 January 2018 to 31 December 2022 is available at www.adb.org/countries/georgia/cofinancing.

FUTURE DIRECTIONS

ADB will continue to help Georgia respond to growth uncertainties arising from geopolitical developments and climate-related risks while helping facilitate the private sector’s more active role in the economy. The bank will seek to finance climate-resilient solutions in water resource management, irrigation, urban transport, and infrastructure to boost green energy exports to neighboring countries. A greater focus on policies and institutional strengthening will help make public services more efficient and set the stage for private sector participation. ADB will help unlock Georgia’s potential for agribusiness, tourism, and regional trade, and address unemployment and growing skills gaps. ADB investments will incorporate gender equality, green development, and innovation as key elements of business sector development including a clearer rationale for the full commercial viability of state-owned enterprises.
ADB AT A GLANCE

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,775 staff from 66 members as of 31 December 2022.

ADB maximizes the development impact of its assistance to its members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB met strong demand for its assistance in 2022. It unlocked greater resources for its members through the private sector and partnerships. ADB provided financing for climate change mitigation and adaptation initiatives, education quality and access, affordable health care, and more sustainable and climate-resilient food systems. In 2022, 97% of ADB operations contributed to gender equality. ADB fostered greater regional collaboration on issues such as health threats and tax cooperation. ADB also responded to demand for tailored knowledge solutions from its members.

ADB operations. In 2022, ADB committed $20.5 billion in loans, grants, equity investments, guarantees, private sector programs, and technical assistance to both the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $11.4 billion.

As of 31 December 2022, ADB’s cumulative commitments in 45 countries stood at $358.4 billion covering 4,189 loans, $12.6 billion in 566 grants, and $5.5 billion in technical assistance grants, including regional technical assistance grants. In addition to loans, grants, and technical assistance, ADB uses guarantees, equity investments, and private sector programs to help its developing member countries.

Total commitments in nonsovereign loans, equity investments, and guarantees from ADB’s own funds in 2022 amounted to $11.1 billion for 37 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2022, ADB mobilized $1.7 billion of long-term project cofinancing and $5.3 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB’s own resources stood at $12.8 billion as of 31 December 2022.

FINANCING PARTNERSHIPS

Total sovereign and nonsovereign cofinancing commitments, 2022

- $11.39 billion for 165 projects, of which:
  - $11.2 billion, 75 investment projects,
  - $126.49 million, 87 technical assistance projects,
  - $60 million transaction advisory services mandates for 3 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2022

- $151.87 billion for 3,292 projects, of which:
  - $147.81 billion, 1,163 investment projects,
  - $2.92 billion, 2,120 technical assistance projects,
  - $11.23 billion transaction advisory services mandates for 9 projects.

PROCUREMENT

ADB’s Procurement Contracts, 2022

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:

- $15.23 billion in 2021
- $16.19 billion in 2022
- $247.06 billion covering 228,149 contracts, cumulative procurement since 1966.

Consulting Services
ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- $706.65 million in 2021
- $535.61 million in 2022
- $15.45 billion covering 74,995 contracts, cumulative procurement since 1966.

MORE ABOUT GEORGIA AND ADB

Shareholding and Voting Power
Number of shares held: 36,243 (0.341% of total shares)
Votes: 75,357 (0.567% of total membership, 0.87% of total regional membership)

*Overall capital subscription: $482.34 million
*Paid-in capital subscription: $24.15 million

*United States dollar figures are valued at rate as of 31 December 2022.

ADB Governor: Lasha Khutsishvili
ADB Alternate Governor: Levan Davitashvili
ADB Director: Rachel Thompson (Australia)
ADB Alternate Director: Lisa Wright (Australia)
ADB Director’s Advisors: Sweety Kalbesang (Palau) and Sabuhi Jafarov (Azerbaijan)

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Notes: (i) Figures are estimated by ADB unless otherwise stated.
*“$” refers to United States dollars. (ii) Data are updated as of 31 December 2022 unless otherwise indicated.