Country Assistance Policy for Georgia

April, 2014

1. Relevance of Assistance

Georgia is located at a geopolitically important place as a corridor for energy and goods transportation which connects Europe, Asia, Russia and the Middle East. Georgia makes a studious effort to establish democracy and a market economy, and it is a key country for peace and stability of the whole Caucasus Region.

On the other hand, economic growth of the country deteriorates in recent years, because of the military conflict with Russia in August 2008, which caused a serious effect on the Georgian economy, and the recession of the world economy which occurred afterwards. There is a pressing need to improve economic infrastructures such as obsolete roads and electric power plants and others in order to recover and further develop the economy of the country. In addition, the gap between the haves and the have-nots is widening. It is necessary to maintain stability of society through the social development which spreads the benefit of the economic development not only to a particular part of regions and social groups but also to as many people as possible including vulnerable groups of society.

Under such circumstances, Japan pledged an assistance package up to 200 million USD to Georgia including ODA loan to “East-West Highway Improvement Project” at Georgia Donor’s Conference in October 2008, and has been implementing assistance projects to Georgia. Japan’s continuous assistance to Georgia in the framework of ODA is significant in order to enhance the bilateral relations between Japan and Georgia and to contribute to the economic development and establishment of democracy in Georgia which, in turn, leads to peace and stability of the Caucasus Region.

1. Basic Policy of Assistance: Assistance for Promotion of Economic Growth and Stability of Society

The Government of Georgia works on national development, presenting priority areas such as: a) agriculture, b) improvement of infrastructures, c) healthcare and medical services, d) decentralization and regional development.

Japan will contribute to promotion of sustainable economic growth and stability of society through ODA projects in the fields of improvement of economic infrastructures and social development which reduces disparities.

1. Priority Areas
2. Improvement of Economic Infrastructures

Deterioration and underdevelopment of economic infrastructures impedes the economic development in Georgia. Considering Georgia’s geo-strategic importance as an east-west transportation corridor and its potentiality of hydro-electric generation, etc., Japan implements assistance mainly in such areas as transportation and electric power.

1. Stabilization of the people’s livelihood

In view of the fact that disparity of wealth and medical gap between urban and rural areas, and the fact that improvement of livelihood of socially vulnerable persons including the internal displaced persons is a major task of Georgia, Japan contributes to stability of society through assistance in such areas as agriculture which is major industry of rural areas, regional development, healthcare and medical services.

1. Points to be considered

As other international donors such as USA, EU, Turkey and International Organizations also actively provide assistance to Georgia, the possibility of collaboration and coordination with these international donors should be taken into account to trigger synergies resulting from development assistance.

Annex: Rolling Plan