



RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



AFD Group AND Georgia

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24

ongoing projects
(18 AFD, 4 Proparco,
4 Expertise France)

**1 billion
euros**

in commitments
in total

70%

climate co-benefits and
30% projects that
include Gender actions

40 000

Beneficiaries with better access
to drinking water in Kashuri
municipality

AFD Group promotes a fair and inclusive transition in Georgia, and its convergence path towards its integration in the European Union. It has been operating in Georgia since 2012 in the sectors of energy, agriculture and irrigation, water and sanitation and Human Capital Development. The Group is mobilizing through sovereign and non-sovereign operations to support reforms and infrastructure development, through Proparco for the private sector and Expertise France for technical assistance cooperation.

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OUR ACTION IN Georgia

AGENCE FRANÇAISE DE DÉVELOPPEMENT | GEORGIA

1

Building sustainable and inclusive economic and political models

AFD Group supports Georgia in building a sustainable and inclusive model of society based on values it shares with the European Union. While Georgia has achieved impressive results in lifting people out of poverty, as well as improving their overall well-being, people remain vulnerable and attracted by emigration.

AFD and Expertise France have been supporting the social development of Georgia since 2016, notably with the creation of the Georgian Pensions Agency. Building on this experience, AFD is now financing a human capital development program, in partnership with the World Bank, focusing on primary health care, employment, digitalization and quality of education. The implementation of reforms around these four thematic pillars is accompanied by technical assistance financed with European funds, implemented by Expertise France, mainly focused on strengthening the consideration of climate issues and gender in each of the thematic pillars.

A series of key reform programs has been coordinated by AFD and supported by Expertise France and European agencies (EF-CzDA-UE). Support to the private sector was provided by Proparco (upgrade of the Evex private hospital services). In addition, the Group works on strengthening the public health system and the inclusion of civil society in health issues.

Proparco also encourages economic development via Georgian SMEs, through the support to financial institutions (leading banks, microfinance institutions and leasing organizations).

2

Sustainable management of territories and preservation of natural resources

Addressing inequalities across the country means reviving rural areas through agricultural and agro-industrial development, promoting integrated management of water resources, and fostering the connectivity of the country.

Therefore, AFD supports the development of public services in medium-sized towns notably by financing urban water and sanitation infrastructure. A first investment project was granted to rehabilitate and expand the water supply and sanitation infrastructure of the secondary town of Khashuri. In addition, AFD also supports ongoing reforms in the sector, in partnership with the Asian Development Bank.

Moreover, AFD is working with the Ministry of Environmental Protection and Agriculture to implement an ambitious program that aims at supporting public policies for sustainable and inclusive resource management in irrigation water, with a particular attention paid to the rehabilitation and modernization of the Zemo-Samgori irrigated area. Expertise France has recently started working on water quality in Georgia, financed by the European Union. A program that completes the previous AFD financings and allows an ambitious strategy for the sector.

3

Fostering the energy transition

With vast hydroelectric potential and a favorable geographic location, Georgia could become a regional energy hub. With KfW and the EU, since 2018, AFD has co-financed a multi-year energy policy reform program to support the country in its efforts to structure the electricity market and a regulatory framework conducive to the development of renewable energies.

AFD wishes to capitalize on its cooperation in the sector by deploying a new, broader program from 2024 supporting the country throughout its energy transition. Furthermore, major investments in terms of infrastructure have also been identified by the Government, which will mobilize both private and public funds, for the development of a regional electricity market, connected to the European Union's electricity system (Black Sea Undersea Cable), that AFD will support.

4

Governance and support for civil society

Georgia initiated in 2020 an ambitious reform program for public companies to reduce their weight on Georgian public finances. AFD then granted a project preparation fund to support this reform and approve the strategy (supported by our partners, the IMF, the World Bank and the Asian Development Bank), in the hope of developing further its partnerships with Georgian SOEs.

In addition, AFD has been supporting Georgian civil society since 2022 with three programs improving Georgia's democratic trajectory.