



Georgia: Fiscal Resilience and Social Protection Support Program (Subprogram 2)

Project Name	Fiscal Resilience and Social Protection Support Program (Subprogram 2)					
Project Number	54271-002					
Country / Economy	Georgia					
Project Status	Approved					
Project Type / Modality of Assistance	Loan					
Source of Funding / Amount	<table border="1"> <tr> <td>Loan 4246-GEO: Fiscal Resilience and Social Protection Support Program (Subprogram 2)</td> <td></td> </tr> <tr> <td>Ordinary capital resources</td> <td>US\$ 100.00 million</td> </tr> </table>		Loan 4246-GEO: Fiscal Resilience and Social Protection Support Program (Subprogram 2)		Ordinary capital resources	US\$ 100.00 million
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Ordinary capital resources	US\$ 100.00 million					
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth					
Drivers of Change	Gender Equity and Mainstreaming Governance and capacity development Private sector development					
Sector / Subsector	Finance / Finance sector development - Money and capital markets Public sector management / Public expenditure and fiscal management - Reforms of state owned enterprises					
Gender Equity and Mainstreaming	Some gender elements					
Description	The program aims to strengthen Georgia's fiscal resilience to external shocks, addressing institutional fragilities in fiscal management and social protection. Subprogram 2 deepens and completes reforms initiated in subprogram 1, supporting Georgia's economic recovery from the coronavirus disease (COVID-19) crisis, amid a context of heightened regional and global economic uncertainty. Prior actions included in subprogram 2 (i) improve institutional capacity for management of fiscal risks stemming from climate change and natural disasters and state-owned enterprises (SOEs); (ii) deepen domestic debt markets for government securities and capital market development to mitigate exposure to currency and refinancing risks; and (iii) strengthen adequacy and fiscal sustainability of social protection programs to protect the livelihoods of Georgia's aging population.					
Project Rationale and Linkage to Country/Regional Strategy	Georgia's sound policy response to the COVID-19 crisis generated a robust economic recovery in 2021. Growth in gross domestic product (GDP) rebounded sharply from -6.8% in 2020 to 10.4% in 2021. Similarly, an increase in the share of people living below the national poverty rate from 19.5% in 2019 to 21.3% in 2020, was quickly reversed to a historical low of 17.5% in 2021. Initial concerns about potential spillovers from Russian invasion of Ukraine have not materialized and did not alter the economic outlook for 2022. Instead, economic performance is expected to remain robust on account of an increased influx of migrants from the Russian Federation and strong growth in remittances and exports. Improved external inflows are expected to narrow the current account deficit to 8.2% of GDP in 2022, compared with 9.8% in 2021. Economic output is estimated to grow by 6% in 2022, signaling economic resilience, and prudent macroeconomic management.					
Impact						
Project Outcome						
Description of Outcome						
Progress Toward Outcome						
Implementation Progress						
Description of Project Outputs						
Status of Implementation Progress (Outputs, Activities, and Issues)						
Geographical Location	Nation-wide					
Safeguard Categories						
Environment	C					
Involuntary Resettlement	C					
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						

Responsible ADB Officer	de Almeida Vieira de Sa, Rogerio
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD
Executing Agencies	Ministry of Finance

Timetable	
Concept Clearance	12 Jan 2024
Fact Finding	21 May 2022 to 28 May 2022
MRM	26 Aug 2022
Approval	10 Nov 2022
Last Review Mission	-
Last PDS Update	10 Nov 2022

Loan 4246-GEO

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	100.00	Cumulative Contract Awards			
ADB	100.00	-	0.00	0.00	%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/54271-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=54271-002
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